Q1/2021
Quarterly Report

Closing of Americas transaction completed on April 30, 2021 - debt therefore significantly reduced

Q1/2021 figures (continuing operations):

+ K+S Group revenues rise to €733 million in the first quarter (Q1/2020: €647 million)
+ At €126 million, EBITDA significantly above previous year's level (Q1/2020: €99 million)
+ Adjusted free cash flow reaches € –15 million (Q1/2020: €80 million)

2021 outlook:

+ Increase in EBITDA forecast from continuing operations to a figure of between €500 million and €600 million including the forecast one-off gain from REKS transaction of around €200 million (2020 from continuing operations: €267 million, previous forecast: €440 million to €540 million including REKS one-off-gain)

+ Adjusted free cash flow from continuing and discontinued operations, including the proceeds of the Americas transaction, should be significantly over €2 billion (2020: €-42.2 million); adjusted free cash flow from continuing operations is still expected to be negative and below prior-year level (2020: €–109.9 million)

KEY FIGURES FROM CONTINUING OPERATIONS

		Q1/2020	Q1/2021	%
K+S Group				
Revenues	million €	647.0	733.3	+13.3
EBITDA [1]	million €	99.3	126.0	+26.9
EBITDA margin	%	15.3	17.2	–
Depreciation and amortization [2]	million €	86.1	65.1	-24.4
Agriculture customer segment [3]				
Revenues	million €	453.7	469.0	+3.4
Sales volumes	million t	1.90	2.01	+6.0
Industry+ customer segment [3]				
Revenues	million €	191.3	264.3	+38.2
Sales volumes	million t	1.30	2.43	+87.0
– of which de-icing salt	million t	0.21	1.35	>+100.0
Capital expenditure (CapEx) [4]	million €	72.4	48.1	-33.5
Return on Capital Employed (LTM) [5]	%	-0.1	-29.8	–
Book value per share as of March 31	€	22.28	13.79	-38.1
Average number of shares	million	191.4	191.4	–
Employees on March 31 [6]	number	11,111	10,896	-1.9

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

		Q1/2020	Q1/2021	%
Group earnings after taxes, adjusted [7]	million €	24.9	280.8	>+100.0
-of which continuing operations	million €	-40.5	229.3	>+100.0
-of which reversal of impairment losses on assets	million €	–	180.0	–
-of which discontinued operations	million €	65.4	51.5	-21.3
Earnings per share , adjusted [7]	€	0.13	1.47	>+100.0
-of which continuing operations	€	-0.21	1.20	>+100.0
-of which reversal of impairment losses on assets	€	–	0.94	–
-of which discontinued operations	€	0.34	0.27	-21.3
Net cash flows from operating activities	million €	255.0	147.1	-42.3
-of which continuing operations	million €	124.3	82.2	-33.8
-of which discontinued operations	million €	130.7	64.9	-50.4
Adjusted free cash flow	million €	204.4	37.3	-81.7
-of which continuing operations	million €	80.3	-15.1	<-100.0
-of which discontinued operations	million €	124.1	52.4	-57.8
Equity ratio	%	41.6	30.1	-27.5
Net financial debt as of March 31	million €	-2,917.2	-3,185.5	-9.2
Net financial debt/EBITDA (LTM) [5]	x	5.1	7.2	+40.8
Market capitalization as of March 31	billion €	1.0	1.6	+59.6
Enterprise value (EV) as of March 31	billion €	5.4	6.3	+16.6

[1] EBITDA is defined as earnings before interest, taxes, depreciation, and amortization, adjusted for depreciation and amortization of own work capitalized recognized directly in equity, gains/losses from fair value changes arising from operating anticipatory hedges still outstanding, and changes in the fair value of operating anticipatory hedges recognized in prior periods.

[2] Relates to scheduled amortization of intangible assets and depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

[3] No segments in accordance with IFRS 8.

[4] Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

[5] LTM = last twelve months

[6] FTE = Full-time equivalents; part-time positions are weighted according to their share of working hours.

[7] The adjusted key figures include the gains/losses from operating forecast hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate Q1/2021: 30.1% (Q1/2020: 30.0%).

CORPORATE STRATEGY AND GOVERNANCE

The sale of the Americas operating unit was successfully completed on April 30, 2021. The most important milestone in the package of measures to rapidly and significantly reduce K+S's debt was therefore achieved earlier than originally planned. This significantly reduced net financial debt by around €2.6 billion. Accordingly, the effects on the balance sheet resulting from the sale will be reflected in the quarterly financial statements as of June 30, 2021, as the closing and subsequently the purchase price payment was effected after March 31, 2021.

Mr. Mark Roberts left the company on April 30, 2021 within the context of the sale of the Americas operating unit.
Since April 1, 2021, Mr. Holger Riemensperger has been responsible in his function as Chief Operating Officer (COO) for the management and further development of the Agriculture and Industry+ customer segments as well as for the Production and Engineering, Supply Chain, Health, Safety, Sustainability, Quality & Management Systems units.

Following the sale of the American salt business, we are strategically realigning K+S. Initially, we revised our vision and mission, i.e. our mission statement. Our vision "We enrich life for generations" clearly demonstrates our commitment to making the great resources of nature available in such manner that is environmentally responsible and creates value for people. Essential minerals are extracted by mining. They are the indispensable basis for a healthy life. We will continue to further develop our range of products and services for generations to come, providing both our employees and shareholders with long-term prospects.

These five principles of our mission reflect our approach of implementing the vision:

+ We ensure nutrition, health, and safety
+ We enable the success of our customers
+ We are committed to sustainable mining
+ We leverage our unique infrastructure for economic efficiency
+ We act as a partner with our communities

We are supported by the megatrends: Population growth will continue. The amount of arable land available globally will continue to diminish, also because of climatic changes. Without highly efficient agriculture and the application of fertilizers, the production of sufficient food in the long term is practically impossible.

In accordance with our principles and in consideration of the megatrends described above, we are currently developing our new strategy with focus on four key aspects:

+ Making the existing business even more robust for generating a positive free cash flow at all production sites from 2023 at the latest, even in the event of low potash prices.
+ Further developing growth options in our existing business, such as by expanding our specialties portfolio and customer advisory services
+ Tapping into new business areas, particularly through leveraging our unique infrastructure
+ Our climate strategy

For a comprehensive description of corporate governance, please refer to the "Corporate governance and monitoring" chapter starting on page 96 of the 2020 Annual Report.

EARNINGS POSITION, FINANCIAL POSITION, AND NET ASSETS

The efficiency losses associated with the extensive measures to minimize the infection risks arising from COVID-19 and –to a minor extent –slightly negative effects in sales volumes in the Industry+ customer segment had an overall negative EBITDA effect in the mid-double-digit million range in 2020 and affected both continuing and discontinued operations. In the reporting quarter, EBITDA from continuing operations was negatively impacted by around €10 million due to the efficiency losses described, similar to the prior-year quarter.

EARNINGS POSITION

KEY FIGURES FOR EARNINGS FROM CONTINUING OPERATIONS

in € million	Q1/2020	Q1/2021	%
Revenues	647.0	733.3	+13.3
EBITDA	99.3	126.0	+26.9
Depreciation and amortization [1]	86.1	65.1	–24.4
Group earnings after taxes, adjusted [2]	–40.5	229.3	+666.2
–of which reversal of impairment losses on assets	–	180.0	–

[1] Relates to scheduled amortization of intangible assets and depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

[2] Includes gains/losses from operating forecast hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate Q1/2021: 30.1% (Q1/2020: 30.0%).

In the quarter under review, K+S Group revenues increased by 13% from €647.0 million in the previous year to €733.3 million. Higher sales volumes in both customer segments, particularly of de-icing salt, more than offset negative currency effects as well as lower average revenues in the Agriculture customer segment.

Overall, EBITDA of the K+S Group from continuing operations reached €126.0 million in the first quarter and was therefore significantly above previous year's level (Q1/2020: €99.3 million). The effects described in the change in revenues were able to more than offset higher energy and freight costs.

Following the impairment loss recognized in the third quarter of 2020, which related in particular to property, plant and equipment, the impairment test for the Potash and Magnesium Products cash-generating unit, which is to be carried out on a regular basis in accordance with IFRS standards, is very likely to result in significant fluctuations in value in the future due to changes in assumptions about individual factors such as selling prices and sales volumes, the cost of capital, energy and freight costs, or exchange rates. These fluctuations in value affect adjusted Group earnings after taxes and ROCE but do neither lead to a change in liquidity nor affect EBITDA. In the first quarter, adjusted Group earnings after taxes were positively impacted by €180 million because of a reversal of impairment losses due to higher price assumptions.

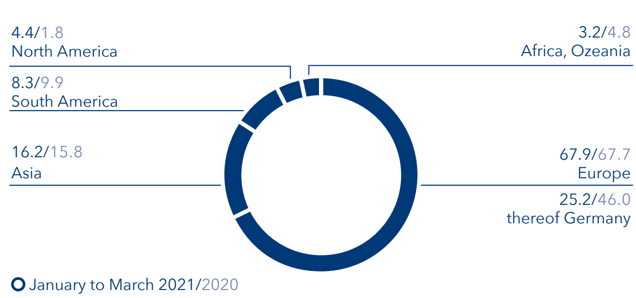
Adjusted Group earnings after taxes from continuing operations amounted to €229.3 million in the first three months of 2021 (Q1/2020: €–40.5 million); resulting in a value per share of €1.20 (Q1/2020: €–0.21). In addition to the write-up described above, the strong improvement was due in particular to the increase in EBITDA, a positive change in the financial result from €–49.1 million in the previous year to €10.3 million in the first quarter of 2021. This improvement resulted from positive currency effects in the valuation of receivables and instruments used for liquidity management.

VARIANCE COMPARED TO PREVIOUS YEAR

in %	
Change in revenues	**+13.3**
–volume-/structure-related	+16.8
–price/pricing-related	–1.0
–currency-related	–2.5

REVENUES BY REGIONS

in %



FINANCIAL POSITION

FINANCIAL POSITION OF CONTINUING OPERATIONS

in € million	Q1/2020	Q1/2021	%
Capital expenditures [1]	72.4	48.1	-33.5
Net cash flow from operating activities	124.3	82.2	-33.8
Net cash flow from investing activities	-44.0	-97.3	-121.1
Free cash flow	**80.3**	**-15.1**	**-118.8**
Adjustment for purchases/sales of securities and other financial investments	–	–	–
Adjusted free cash flow	**80.3**	**-15.1**	**-118.8**

[1] Relates to cash-effective investments in property, plant and equipment and intangible assets excluding lease additions in accordance with IFRS 16.

In the first quarter, the K+S Group invested a total of €48.1 million (Q1/2020: €72.4 million). The year-on-year decline is attributable to the completion of the solution mining project for a new salt cavern in the Netherlands in the fall of 2020 as well as to weather-related postponements of capital expenditure at potash production sites, relating, for example, to tailings pile expansions.

Cash flow from operating activities decreased to €82.2 million in the first quarter of 2021, compared with €124.3 million in the first quarter of 2020. The improvement in EBITDA did not fully offset the higher level of funds tied up in working capital and the cash outflow in the mid-single-digit million euro range associated with the restructuring of the administrative functions.

Cash flow from investing activities amounted to € -97.3 million, compared with € -44.0 million in the prior-year period, favored by the receipt of the purchase price payment from the deconsolidation of K+S Real Estate GmbH & Co. KG.

Adjusted free cash flow decreased to € -15.1 million (Q1/2020: € 80.3 million).

As of March 31, 2021, net cash and cash equivalents amounted to €230.7 million (December 31, 2020: €197.4 million; March 31, 2020: €351.1 million).

NET ASSETS

NET FINANCIAL DEBT AND NET DEBT FROM CONTINUING AND DISCONTINUED OPERATIONS

in € million	March 31, 2020	December 31, 2020	March 31, 2021
Cash and cash equivalents	357.5	205.2	240.4
Non-current securities and other financial investments	–	6.0	13.3
Current securities and other financial investments	18.1	7.0	–
Financial liabilities	-3,235.1	-3,369.2	-3,376.0
Lease liabilities from finance lease contracts	-78.4	-66.3	-63.2
Reimbursement claim for Morton Salt bond	20.7	–	–
Net financial debt	**-2,917.2**	**-3,217.4**	**-3,185.5**
Leasing obligations excluding liabilities from finance lease contracts	-295.5	-267.6	-269.6
Provisions for pensions and similar obligations	-217.9	-224.9	-226.6
Provisions for mining obligations	-916.8	-946.9	-950.2
Net debt	**-4,347.4**	**-4,656.8**	**-4,632.0**

As of the reporting date, the net financial liabilities of the K+S Group amounted to €3,185.5 million (December 31, 2020: €3,217.4 million; March 31, 2020: €2,917.2 million).

The net financial debt/EBITDA from continuing and discontinued operations ratio was 7.2 times (LTM) as of March 31, 2021, compared to 7.2 times as of December 31, 2020 and 5.1 times (LTM) in the same period of the previous year.

CUSTOMER SEGMENTS (NO SEGMENTS ACCORDING TO IFRS 8)

AGRICULTURE CUSTOMER SEGMENT

KEY FIGURES FOR THE AGRICULTURE CUSTOMER SEGMENT

in € million	Q1/2020	Q1/2021	%
Revenues	**453.7**	**469.0**	**+3.4**
– of which potassium chloride	245.9	252.5	+2.7
– of which fertilizer specialties	207.8	216.5	+4.2
Sales volumes (in million tonnes)	**1.90**	**2.01**	**+6.0**
– of which potassium chloride	1.22	1.24	+1.6
– of which fertilizer specialties	0.68	0.77	+13.8

In the Agriculture customer segment, first-quarter revenues rose slightly to €469.0 million (Q1/2020: €453.7 million). Higher volumes more than offset negative currency effects and slightly lower average selling prices. In the reporting quarter, revenues in Europe amounted to €250.6 million (Q1/2020: €263.6 million), while overseas revenues were €218.4 million (Q1/2020: €190.1 million). In total, potassium chloride accounted for €252.5 million of revenues (Q1/2020: €245.9 million) and fertilizer specialties for €216.5 million (Q1/2020: €207.8 million). The European average price in the first quarter 2021 was positively influenced by a seasonal increase in the share of higher-priced specialties compared with the fourth quarter 2020. The average price overseas reflected the opposite effect and therefore the price increase for potassium chloride overseas is not yet apparent in the average price analysis.

Sales volumes rose moderately in the first quarter to a total of 2.01 million tonnes, compared with 1.90 million tonnes in the prior-year quarter. In the quarter under review, 0.97 million tonnes were sold in Europe (Q1/2020: 0.93 million tonnes) and 1.04 million tonnes overseas (Q1/2020: 0.97 million tonnes). In total, potassium chloride accounted for 1.24 million tonnes of the sales volume (Q1/2020: 1.22 million tonnes) and fertilizer specialties for 0.77 million tonnes (Q1/2020: 0.68 million tonnes).

VARIANCE COMPARED TO PREVIOUS YEAR

in %	Q1/2021
Change in revenues	**+3.4**
– volume/structure-related	+7.7
– price/pricing-related	-1.2
– currency-related	-3.1

AGRICULTURE CUSTOMER SEGMENT: DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION

		Q1/2020	Q2/2020	Q3/2020	Q4/2020	2020	Q1/2021
Revenues	**€ million**	**453.7**	**404.6**	**373.0**	**470.2**	**1,701.5**	**469.0**
Europe	€ million	263.6	195.6	176.2	196.2	831.6	250.6
Overseas	USD million	209.7	230.2	229.9	326.8	996.6	263.1
Sales volumes	**million tonnes**	**1.90**	**1.75**	**1.66**	**1.99**	**7.30**	**2.01**
Europe	t million	0.93	0.76	0.69	0.78	3.16	0.97
Overseas	t million	0.97	0.99	0.97	1.21	4.14	1.04
Average price	**€/t**	**239.2**	**230.9**	**230.7**	**235.5**	**233.1**	**233.3**
Europe	€/t	283.8	258.5	255.4	251.2	263.2	258.4
Overseas	USD/t	216.6	231.1	237.7	268.8	240.3	253.0

INDUSTRY+ CUSTOMER SEGMENT

KEY FIGURES FOR THE INDUSTRY+ CUSTOMER SEGMENT

in € million	Q1/2020	Q1/2021	%
Revenues	191.3	264.3	+38.2
Sales volumes (in million tonnes)	1.30	2.43	+87.0
– of which de-icing salt	0.21	1.35	>+100.0

In the Industry+ customer segment, revenues increased to €264.3 million in the reporting quarter (Q1/2020: €191.3 million). This was mainly attributable to the above-average de-icing salt business following the historically mild winter in the previous year. In the industrial products business, COVID-19-related declines in revenues in the pharmaceuticals and food industries were not fully offset by increases in revenues from the chemical industry. Revenues from consumer products exceeded the already strong prior quarter due to increased home consumption.

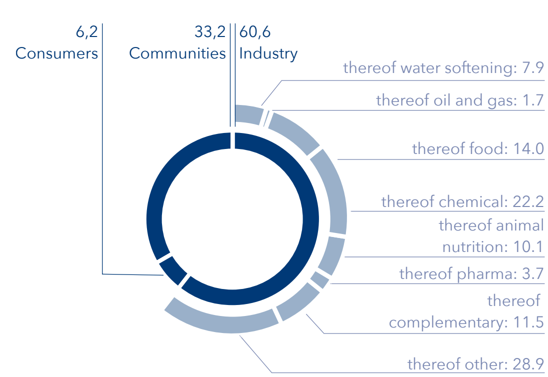
Overall, sales volumes of 2.43 million tonnes were significantly above the previous year's level (Q1/2020: 1.30 million tonnes). The de-icing salt business in particular contributed to this development with an increase to 1.35 million tonnes. While sales volumes of products for chemical and industrial applications increased, sales volumes for products in the pharmaceutical and food industries declined. Sales volumes of consumer products recorded an increase over the already strong previous year's level.

VARIANCE COMPARED TO PREVIOUS YEAR

in %	
Change in revenues	**+38.2**
– volume/structure-related	+39.4
– price/pricing-related	-0.4
– currency-related	-0.8

REVENUES BY PRODUCT GROUP

in %



DISCONTINUED OPERATIONS

KEY FIGURES OF DISCONTINUED OPERATIONS

in € million	Q1/2020	Q1/2021	%
Revenues	443.5	458.7	+3.3
EBITDA	101.9	72.9	–28.4
Group earnings after taxes, adjusted [1]	65.4	51.5	–21.3
Net cash flow from operating activities	130.7	64.9	–50.3
Net cash flow from investing activities	–6.6	–12.5	–89.3
Adjusted free cash flow	124.1	52.4	–57.8

[1] Includes gains/losses from operating forecast hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate Q1/2021: 30.1 % (Q1/2020: 30.0 %).

In the quarter under review, revenues from discontinued operations rose from €443.5 million in the previous year to €458.7 million; this was attributable to slightly higher de-icing salt sales volumes due to weather conditions. EBITDA reached €72.9 million in the first quarter and was therefore significantly below the level of the previous year (Q1/2020: €101.9 million); in addition to a less favorable regional mix in the de-icing salt business, divestment costs and negative currency effects were reflected here. Adjusted Group earnings after taxes decreased to €51.5 million (Q1/2020: €65.4 million), resulting in earnings per share of €0.27 (Q1/2020: €0.34).

Cash flow from operating activities of discontinued operations decreased to €64.9 million in the first quarter of 2021, compared to €130.7 million in the first quarter of 2020; this reflected on the one hand the EBITDA development and on the other hand a higher tie-up of funds in working capital and the partly postponed payment of project costs recognized as expenses in the fourth quarter of 2020 associated with the sale of the business. Cash flow from investing activities of discontinued operations amounted to € –12.5 million, compared with € –6.6 million in the prior-year quarter. Free cash flow decreased to €52.4 million (Q1/2020: €124.1 million).

REPORT ON RISKS AND OPPORTUNITIES

For a comprehensive presentation of potential risks and opportunities, we refer to the relevant sections in our 2020 Annual Report from page 106 onwards.

The risks to which the K+S Group is exposed, both individually and in interaction with other risks, are limited and, according to current assessments, do not jeopardize the continued existence of the Company. Opportunities and risks as well as their positive and negative changes are not offset against each other.

2021 OUTLOOK

The medium- to long-term trends for the future industry situation described in the 2020 Annual Report on page 123 remain largely valid. In the Agriculture customer segment, we expect a very strong demand in 2021. Meanwhile, we anticipate an increase in global potash sales volumes to a record level of about 74 to 76 million tonnes in 2021 as a whole (including just under 5 million tonnes of potassium sulfate and potash types with lower mineral contents; 2020: a good 74 million tonnes; previous forecast: 72 to 73 million t). We expect demand for the fertilizer specialty potassium sulfate to increase slightly. Particularly in the first quarter, when both the spring season in the northern hemisphere and the start of the fertilizer season in Brazil and Southeast

Asia converged, the very good demand led to a further price recovery for potassium chloride overseas. We therefore now expect a significantly higher average overseas price for potassium chloride for the year compared to the previous year (previously: tangibly higher). For fertilizer specialties, we continue to expect a stable price level overall on average for the year. In 2021, demand for products in the Industry+ customer segment should develop positively overall. The winter weather in the first quarter, which in part extended into April, resulted in above-average demand for de-icing salt and should have an even more positive impact on the early fills business than initially expected. We expect sales volumes for the fourth quarter on average for the past ten years.

The price recovery for potassium chloride, the above-average de-icing salt business, our measures to significantly streamline administration and the one-off gain on the closing of the REKS joint venture of about €200 million should lead to an improvement in EBITDA from continuing operations. As a result of the rapid recovery in potassium chloride prices overseas, which could already be observed in the first quarter, as well as the expectation of an improved early fills business with de-icing salt, we now assume an improvement to €500 to 600 million (previous forecast: €440 to 540 million; 2020: €266.9 million).

Our estimate for the full year 2021 is essentially based on the following assumptions:

+ Beyond the aforementioned COVID-19-related efficiency losses, which we expect to be at first-quarter levels per quarter for the remainder of the year, we do not expect our business to be significantly impacted by the COVID-19 pandemic.
+ In accordance with our assessment of the market environment in the Agriculture customer segment, we meanwhile assume a moderately higher average price for potash and magnesium fertilizers in our product portfolio in 2021 overall compared to 2020 (2020: € 233; previous forecast: slightly higher average price compared to 2020). This assumes the market price development described above for the Agriculture customer segment.
+ The expected sales volume of all products in the Agriculture customer segment is expected to exceed 7.5 million tonnes (2020: 7.30 million tonnes), in particular due to the further ramp-up of production in Bethune.
+ Due to the good start of the de-icing salt business, we expect sales volumes of more than 2.6 million tonnes in the 2021 financial year after the historically mild winter in the previous year (2020: 0.9 million tonnes; normal year: 2.0 to 2.5 million tonnes).
+ With regard to the EUR/USD exchange rate, an average spot rate of 1.20 EUR/USD (2020: 1.14 EUR/USD) is assumed. Including currency hedging, this corresponds to an annual average exchange rate of 1.17 EUR/USD (2020: 1.15 EUR/USD).
+ Following completion of the review by the antitrust authorities, the REKS joint venture is expected to be closed in the summer of 2021. The resulting one-off gain of around €200 million is included in our EBITDA forecast, while the cash inflow is expected to be around €90 million before taxes.

We expect adjusted Group earnings after taxes from continuing and discontinued operations to increase strongly to a mid three-digit million euro amount due to the book gain in the mid three-digit million range associated with the sale of the Americas operating unit (2020: €–1,802.5 million). Adjusted Group earnings after taxes from continuing operations are also expected to increase sharply to a positive figure again after the impairment loss in 2020 (2020: €–1,920.9 million).

Adjusted free cash flow from continuing and discontinued operations will be significantly higher than €2 billion due to the sale of the Americas operating unit (2020: €–42.2 million). Excluding the cash inflow generated by the sale of the Americas operating unit, a negative adjusted free cash flow from continuing operations below the level of 2020 is still expected in 2021, despite the improved EBITDA forecast, due to high environmental investments and higher funds tied up in working capital (2020: €–109.9 million; previous forecast: significantly negative adjusted free cash flow, below the level of 2020).

The volume of capital expenditure of the K+S Group in 2021 should once again be on the level of 2020 (€427.6 million), in particular due to ongoing expansions of our tailings pile capacities in Germany. Return on capital employed (ROCE) from continuing operations is expected to increase strongly to a positive value again after the impairment in 2020 (2020: –33.5%).

CHANGES IN THE FORECASTS FOR THE FULL YEAR 2021

		2020 ACTUAL	Forecast in 2020 Annual Report	Forecast in Q1/2021 report
K+S Group (continuing operations, unless otherwise stated)				
EBITDA [1]	€ million	266.9	440 to 540; thereof 200 REKS one-off	500 to 600; thereof 200 REKS one-off
Capital expenditure [2]	€ million	427.6	unchanged	unchanged
Group earnings after taxes, adjusted [3]	€ million	-1,920.9	strong increase, positive figure	strong increase, positive figure
Group earnings after taxes including discontinued operations, adjusted [3]	€ million	-1,920.9	strong increase to a value in the mid three-digit million range	strong increase to a value in the mid three-digit million range
Adjusted free cash flow	€ million	-109.9	significantly negative, below 2020 level	negative, below 2020 level
Adjusted free cash flow including discontinued operations	€ million	-42.2	> € 2 billion	significantly > € 2 billion
ROCE	%	-33.5	significant increase, positive	significant increase, positive
EUR/USD exchange rate	EUR/USD	1.14	1.20	1.20
Sales volumes in Agriculture customer segment	t million	7.3	> 7.5	> 7.5
Average price in Agriculture customer segment	€/t	233.1	slight increase vs. FY 2020	moderate increase vs. FY 2020
Sales volumes in Communities customer segment	t million	0.9	> 2.5	> 2.6

[1] Earnings before interest, taxes, depreciation, and amortization, adjusted for depreciation and amortization of own work capitalized recognized directly in equity, gains/losses from fair value changes arising from operating anticipatory hedges still outstanding and changes in the fair value of operating anticipatory hedges recognized in prior periods.
[2] Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.
[3] The adjusted key figures include the gains/losses from operating forecast hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate 2020: 30.1%.

RESPONSIBILITY STATEMENT FROM THE LEGAL REPRESENTATIVES OF K+S AKTIENGESELLSCHAFT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Kassel, May 11, 2021

K+S Aktiengesellschaft

The Board of Executive Directors

INCOME STATEMENT[1]

in € million	3M/2020	3M/2021	12M/2020	LTM[2]
Revenues	**647.0**	**733.3**	**2,432.1**	**2,518.4**
Cost of goods sold	550.9	439.0	4,158.9	4,047.0
Gross profit	**96.1**	**294.3**	**-1,726.8**	**-1,528.6**
Marketing and general administrative expenses	50.4	45.4	197.1	192.1
Other operating income	20.9	43.9	176.3	199.3
Other operating expenses	46.5	61.0	191.4	205.9
Income from investments accounted for using the equity method	–	-0.2	–	-0.2
Income from equity investments, net	–	0.1	3.2	3.3
Gains/(losses) on operating anticipatory hedges	-39.4	-10.6	42.4	71.2
Earnings after operating hedges[3]	**-19.3**	**221.3**	**-1,893.4**	**-1,652.8**
Interest income	–	–	–	–
Interest expense	25.9	26.7	100.0	99.2
Other financial result	-23.2	37.0	-5.7	54.5
Financial result	**-49.1**	**10.3**	**-105.7**	**-46.3**
Earnings before tax	**-68.4**	**231.5**	**-1,999.1**	**-1,699.2**
Income tax expense	-5.2	15.9	-108.2	-87.1
–of which deferred taxes	-7.0	12.4	-113.2	-93.8
Earnings after taxes from continuing operations	**-63.2**	**215.6**	**-1,890.8**	**-1,612.0**
Earnings after taxes from discontinued operations	**61.4**	**-33.5**	**176.1**	**81.2**
Earnings for the period	**-1.8**	**182.2**	**-1,714.7**	**-1,530.8**
Non-controlling interests in earnings	–	–	0.1	0.1
Group earnings after taxes and non-controlling interests	**-1.8**	**182.2**	**-1,714.8**	**-1,530.8**
–of which from continuing operations	-63.2	215.6	-1,890.8	-1,612.0
–of which from discontinued operations	61.4	-33.5	176.0	81.1
Earnings per share in € (basic = diluted)	**-0.01**	**0.95**	**-8.96**	**-8.00**
–of which from continuing operations	-0.33	1.13	-9.88	-8.42
–of which from discontinued operations	0.32	-0.18	0.92	0.42

[1] Rounding differences may arise in percentages and numbers.
[2] LTM = last twelve months
[3] Key figures not defined in IFRS.

RECONCILIATION OF OPERATING RESULT AND EBITDA[1, 3]

in € million	3M/2020	3M/2021	12M/2020	LTM[2]
Earnings after operating hedges	**-19.3**	**221.3**	**-1,893.4**	**-1,652.8**
Income (–)/expenses (+) arising from changes in the fair value of outstanding operating anticipatory hedges	36.7	7.9	-37.3	-66.1
Elimination of prior-period changes in the fair value of operating anticipatory hedges	-4.2	11.7	-5.7	10.2
Earnings before operating hedges	**13.2**	**240.9**	**-1,936.4**	**-1,708.7**
Depreciation and amortization (+)/impairment losses (+)/reversals of impairment losses (–) on non-current assets	87.6	-113.7	2,209.6	2,008.3
Capitalized depreciation expenses recognized directly in equity (–)[4]	-1.5	-1.2	-6.3	-6.0
EBITDA	**99.3**	**126.0**	**266.9**	**293.6**

[1] Rounding differences may arise in percentages and numbers.
[2] LTM = last twelve months
[3] Key figures not defined in the IFRS regulations.
[4] These are depreciations of assets used for the production of other assets, plant and equipment. Depreciation is capitalized as part of cost and not recognized in profit or loss.

BALANCE SHEET – ASSETS[1]

in € million	March 31, 2020	December 31, 2020	March 31, 2021
Intangible assets	1,000.1	83.2	91.7
–of which goodwill from acquisitions of companies	718.2	13.7	13.7
Property, plant, and equipment	6,960.7	4,109.9	4,420.4
Investment properties	6.0	4.6	4.6
Financial assets	61.3	41.9	41.9
Investments accounted for using the equity method	–	27.8	27.6
Other financial assets	5.2	6.1	6.1
Other non-financial assets	29.6	19.9	17.5
Securities and other financial investments	–	6.0	13.3
Deferred taxes	105.2	176.0	177.2
Income tax refund claims	–	–	–
Non-current assets	**8,168.1**	**4,475.5**	**4,800.3**
Inventories	781.9	483.5	448.0
Trade receivables	699.4	272.7	360.4
Other financial assets	80.6	203.7	108.7
Other non-financial assets	109.2	128.5	106.9
Income tax refund claims	26.3	10.8	11.6
Securities and other financial investments	18.1	7.0	–
Cash and cash equivalents	357.5	142.3	150.8
Assets held for sale	–	2,663.3	2,783.3
Current assets	**2,073.0**	**3,911.9**	**3,969.7**
ASSETS	**10,241.1**	**8,387.4**	**8,770.0**

[1] Rounding differences may arise in percentages and numbers.

BALANCE SHEET – EQUITY AND LIABILITIES[1]

in € million	March 31, 2020	December 31, 2020	March 31, 2021
Issued capital	191.4	191.4	191.4
Share premium	645.7	645.7	645.7
Other reserves and net retained earnings	3,425.9	1,383.8	1,800.5
Total equity attributable to shareholders of K+S Aktiengesellschaft	4,263.0	2,220.9	2,637.6
Non-controlling interests	1.6	1.7	1.7
Equity	**4,264.6**	**2,222.6**	**2,639.3**
Financial liabilities	2,869.6	2,031.5	2,030.3
Other financial liabilities	267.8	139.3	128.1
Other non-financial liabilities	17.0	16.5	17.2
Income tax liabilities	24.5	–	–
Provisions for pensions and similar obligations	217.9	110.3	90.5
Provisions for mining obligations	916.8	926.0	928.5
Other provisions	173.9	140.3	143.3
Deferred taxes	209.3	63.9	51.0
Non-current liabilities	**4,696.7**	**3,427.8**	**3,388.9**
Financial liabilities	365.5	1,337.7	1,345.7
Trade payables	225.7	187.3	135.7
Other financial liabilities	255.2	206.6	265.3
Other non-financial liabilities	83.3	77.2	85.9
Income tax liabilities	29.3	22.7	25.5
Provisions	320.8	248.5	245.7
Liabilities in connection with assets held for sale	–	657.0	638.0
Current liabilities	**1,279.8**	**2,737.0**	**2,741.8**
TOTAL EQUITY AND LIABILITIES	**10,241.1**	**8,387.4**	**8,770.0**

[1] Rounding differences may arise in percentages and numbers.

STATEMENT OF CASH FLOWS [1]

in € million	3M/2020	3M/2021	12M/2020	LTM [2]
Earnings after operating hedges	55.2	172.7	–1,698.2	–1,580.7
Gains (–)/losses (+) arising from changes in the fair values of outstanding operating anticipatory hedges	43.4	128.5	–116.3	–31.2
Elimination of prior-period changes in the fair values of operating anticipatory hedges	–5.2	12.5	–9.5	8.2
Depreciation, amortization, impairment losses (+)/reversals of impairment losses (–)	107.7	–114.9	2,268.6	2,046.0
Increase (+)/decrease (–) in non-current provisions (excluding interest rate effects)	–3.3	0.7	–11.8	–7.8
Interest received and similar income	1.6	0.5	3.4	2.3
Realized gains (+)/losses (–) on financial assets/liabilities	3.4	32.4	–23.6	5.4
Interest paid and similar expense (–)	–8.3	–10.6	–119.0	–121.3
Income tax paid (–)	–8.0	–4.5	–19.4	–15.9
Other non-cash expenses (+)/income (–)	–2.0	–5.6	5.4	1.8
Gains (–)/losses (+) on sale of assets and securities	0.8	1.4	–47.2	–46.6
Increase (–)/decrease (+) in inventories	2.5	119.9	–77.7	39.7
Increase (–)/decrease (+) in receivables and other operating assets	38.3	–144.9	156.8	–26.4
Increase (+)/decrease (–) in current operating liabilities	22.2	–25.3	89.7	42.2
Increase (+)/decrease (–) in current provisions	6.6	–15.7	30.5	8.2
Allocations to plan assets	–	–	–3.2	–3.2
Net cash flows from operating activities	**255.0**	**147.1**	**428.5**	**320.7**
–of which from continuing operations	124.3	82.2	271.4	229.3
–of which from discontinued operations	130.7	64.9	157.1	91.3
Proceeds from sale of assets	14.4	2.5	21.5	9.6
Purchases of intangible assets	–2.6	–9.5	–35.9	–42.8
Purchases of property, plant, and equipment	–106.7	–102.8	–500.5	–496.6
Purchases of financial assets	–	–	–0.1	–0.1
Proceeds from sale of consolidated companies	44.3	–	44.3	–
Proceeds from sale of securities and other financial assets	–	–	5.0	5.0
Net cash flows used in investing activities	**–50.6**	**–109.8**	**–465.7**	**–524.9**
–of which from continuing operations	–44.0	–97.3	–376.3	–429.6
–of which from discontinued operations	–6.6	–12.5	–89.4	–95.3
Dividends paid	–	–	–7.7	–7.7
Repayment (–) of borrowings	–564.1	–1,044.3	–1,917.0	–2,397.3
Proceeds (+) from borrowings	387.7	1,032.5	1,844.8	2,489.6
Net cash flows/from (used in) financing activities	**–176.4**	**–11.8**	**–79.9**	**84.6**
Cash change in cash and cash equivalents	**28.0**	**25.5**	**–117.1**	**–119.6**
Exchange rate-related change in cash and cash equivalents	1.8	7.8	–6.8	–0.8
Consolidation-related changes	5.0	–	5.0	–
Net change in cash and cash equivalents	**34.8**	**33.3**	**–118.9**	**–120.4**
Net cash and cash equivalents on January 1	**316.3**	**197.4**		
Net cash and cash equivalents on March 31	**351.1**	**230.7**		
–of which cash on hand and bank balances	357.5	240.4		
–of which cash received from affiliated companies	–6.4	–9.7		

[1] Rounding differences may arise in percentages and numbers.
[2] LTM = last twelve months

FINANCIAL CALENDAR

DATES

	2021/2022
Annual General Meeting, Kassel	May 12, 2021
Half-yearly Financial Report as of June 30, 2021	August 12, 2021
Quarterly Report as of September 30, 2021	November 11, 2021
2021 Annual Report	March 10, 2022
Quarterly Report as of March 31, 2022	May 11, 2022

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FORWARD-LOOKING STATEMENTS

This quarterly report contains information and forecasts concerning the future development of the K+S Group and its companies. The forecasts represent assessments made on the basis of all the information available to us at this time. Should the assumptions on which the forecasts are based prove to be incorrect or risks - such as those mentioned in the risk report of the current annual report - materialize, actual developments and results may differ from current expectations. The Company assumes no obligation to update the statements contained in this quarterly report, other than as required by law.