COVESTRO ON THE CAPITAL MARKET

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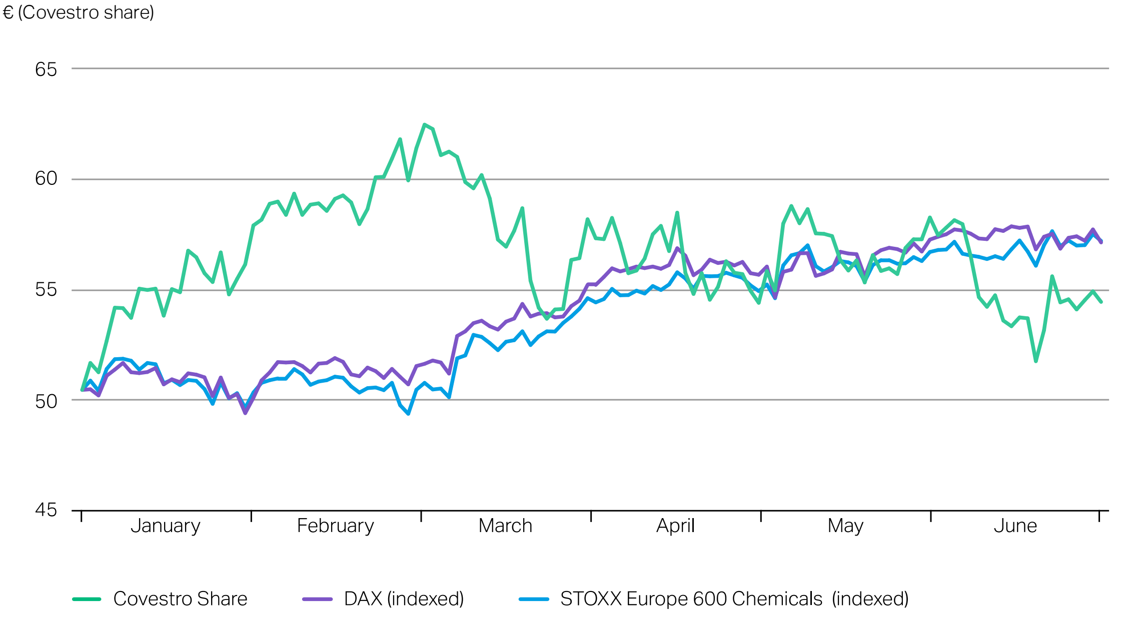
Performance of Covestro Stock Versus the Market in the First Half of 2021



Covestro closing prices Xetra; source: Deutsche Börse

Positive Stock Market Performance Driven by Economic Recovery

Although the stock markets and the global economy were marked by the impact of the global coronavirus pandemic in the first half of 2021, year-over-year improvements in the real economy led to positive stock market performance on the whole. International stock markets continued the general upward trend that had begun after a pandemic-related low in March 2020. The DAX, the benchmark German index relevant for Covestro, gained 13.2% to reach 15,531 points in the first half of 2021.

European chemical stocks followed a similar trajectory. At the end of the first six months, the STOXX Europe 600 Chemicals index was up 13.3% from its level at the beginning of the year. At a Xetra closing price of €54.46, Covestro's share price also finished the first half-year up, by 7.9% over December 31, 2020. Covestro's stock marked its low point at the very beginning of the year, closing at €51.28 on January 5, 2021. After volatility in the first two months of the year, Covestro saw its share price close at its high of €62.48 on March 2, 2021. Since April, Covestro's shares have largely moved sideways and hovered at a price around €56.

Covestro share at a glance

		2nd quarter 2020	2nd quarter 2021	1st half 2020	1st half 2021
Average daily turnover	million shares	1.5	1.0	1.8	1.0
High	€	37.44	58.80	42.18	62.48
Low	€	26.86	51.78	24.90	51.28
Closing date (June 30)	€	33.85	54.46	33.85	54.46
Outstanding shares (June 30)	million shares	182.9	193.2	182.9	193.2
Market capitalization (June 30)	€ billion	6.2	10.5	6.2	10.5

Covestro closing prices Xetra; source: Deutsche Börse

Including the dividend for the 2020 fiscal year of €1.30 per share resolved by the Annual General Meeting on April 16, 2021, Covestro's stock performance (with dividend reinvestment) was 10.4% compared with the 2020 year-end closing price of €50.48.

At the end of the first half of 2021, Covestro's market capitalization stood at around €10.5 billion based on the capital stock of 193.2 million shares. The average daily Xetra trading volume was approximately 1.0 million shares.

Virtual Annual General Meeting (AGM) held on April 16, 2021

Covestro AG's 2021 Annual General Meeting was held on April 16, 2021. Due to the ongoing coronavirus pandemic, the company had decided early on to hold a virtual AGM as in the previous year to avoid exposing those present to additional health risks.

The AGM approved the dividend of €1.30 per share for the fiscal year 2020 proposed by the Board of Management and Supervisory Board. Covestro's distribution rate is therefore equivalent to 55% of the Group's net income.

Furthermore, Lise Kingo was elected by the AGM as a new member of the Supervisory Board. She succeeded Ferdinando Falco Beccalli, who resigned effective at the end of the 2021 AGM. Among other things, Lise Kingo is an independent member of the Board of Directors at Sanofi SA and until June 2020 was CEO and Executive Director of the United Nations Global Compact, the world's largest corporate sustainability initiative.

New Dividend Policy

Covestro announced that it would put its dividend policy on a new footing and thus create a stronger link to the Group's overall business situation. In the future, Covestro would like to distribute between 35% and 55% of its net income to shareholders. The aim is for the payout ratio to be around the lower end of the scale in years with strong earnings and around the higher end in challenging years.

Moody's Confirms Covestro Rating and Lifts Outlook

On March 31, 2021, Moody's Investors Service, London (United Kingdom), confirmed Covestro's Baa2 investment-grade rating and lifted the outlook from negative to stable. Covestro intends to continue to maintain financing structures and financial ratios that support a solid investment-grade rating in the future.

Buy Recommendation for Covestro Stock from 17 Analysts

At the end of the first half of 2021, Covestro was covered by 23 securities brokers. 17 analysts issued a buy recommendation, three gave a neutral assessment, and three advised investors to sell. The average share price target was approximately €69 at the reporting date.

Basic Covestro share information

Capital stock	€193,200,000
Outstanding shares (Half-year-end)	193,160,544
Share class	No-par ordinary bearer shares
ISIN	DE0006062144
WKN	606214
Ticker symbol	1COV
Reuters symbol	1COV.DE
Bloomberg symbol	1COV GY
Market segment	Regulated market
Transparency level	Prime standard
Sector	Chemicals
Index	DAX