COVESTRO ON THE CAPITAL MARKET

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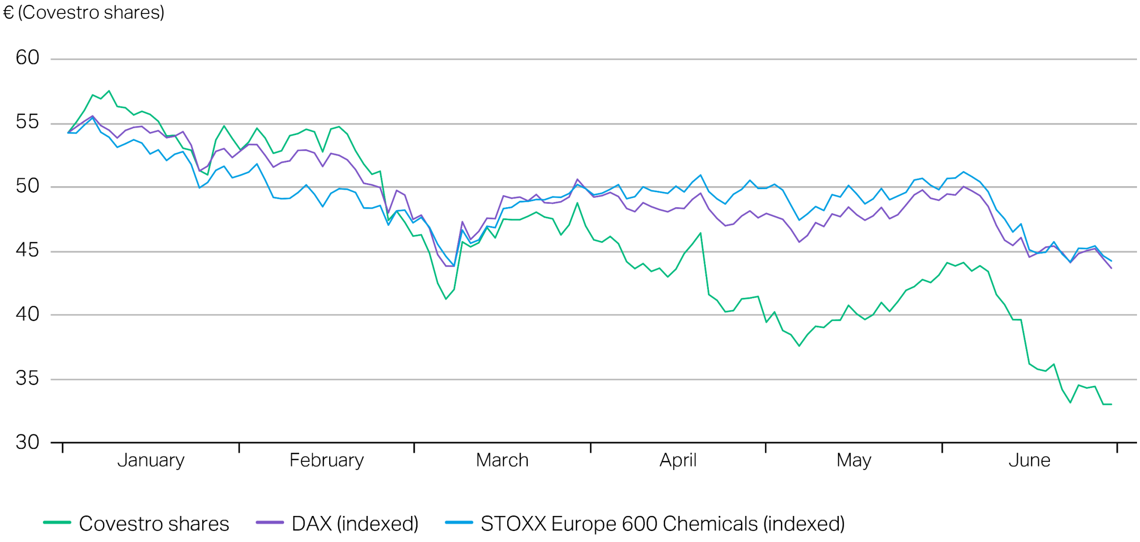
Performance of Covestro shares versus market in the first half of 2022



Xetra closing prices for Covestro; source: Deutsche Börse

Stock Market Performance Impacted by Effects of Russian War against Ukraine and the Continuing Coronavirus Pandemic

Both on the stock exchanges and in the global economy, the first half of the year 2022 continued to be affected by the global coronavirus pandemic and the Russian war against Ukraine, which started in February 2022. China's zero-COVID strategy and the resulting restrictions in many economic hubs in China, in particular the lockdown in the Shanghai region, had a serious negative impact on local production and global supply chains. The significant increases in energy prices caused by the war in Ukraine weighed heavily on many branches of industry and, together with the worsening outlook for the global economy, led to negative share price performance on the stock exchanges. The discussions around gas supply security and potential gas rationing hit the share price performance of energy-intensive industries such as the chemical industry particularly hard. As of June 30, 2022, the German DAX benchmark index, which is relevant for Covestro, was down 19.5% compared with the end of the year 2021.

European chemical stocks tracked this development. As of June 30, 2022, the STOXX Europe 600 Chemicals index was 18.5% lower than at the beginning of the year. At a Xetra closing price of €32.98, Covestro's share price was also down at the end of the first half of 2022, losing 39.2% compared with December 31, 2021. Covestro's share price marked its low for the period toward the end of the second quarter, on June 29, 2022, closing at €32.98. After a brief boom at the beginning of January, the share price reached its high of €57.48 on January 7, 2022. Since April 2022, Covestro share prices have primarily trended downward, with brief phases of recovery.

Including the 2021 fiscal year dividend of €3.40 per share, which was resolved by the Annual General Meeting on April 21, 2022, Covestro's share performance (with dividend reinvestment) for fiscal 2021 was –34.2% compared with the 2021 year-end closing price of €54.20.

At the end of the first half of 2022, Covestro's market capitalization stood at around €6.3 billion based on 189.7 million shares outstanding. The average daily Xetra trading volume was around 1.3 million shares.

Virtual Annual General Meeting Held on April 21, 2022

Covestro AG's 2022 Annual General Meeting (AGM) was held on April 21, 2022. Due to the ongoing coronavirus pandemic, Covestro once again has 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 €3.40 per share for the fiscal year 2021 proposed by the Board of Management and Supervisory Board. That means Covestro's payout ratio was 40% of consolidated net income.

Furthermore, Dr. Sven Schneider was elected by the AGM as a new member of the Supervisory Board. He succeeds Prof. Dr. Rolf Nonnenmacher, who resigned effective at the end of the 2022 AGM. Dr. Schneider is the CFO of Infineon Technologies AG. He brings with him extensive professional knowledge, and experience as a CFO and was elected as Chairman of the Audit Committee.

Share Buyback Program

Based on the resolution adopted at the 2019 AGM, Covestro AG's Board of Management on February 28, 2022 resolved a share buyback program totaling around €500 million (excluding transaction costs). The share buyback program is to be completed within two years. All repurchased shares are subsequently expected to be retired and the capital stock reduced accordingly. By the end of the first half of 2022, 3,479,956 million shares worth €150 million had already been bought back in two tranches at an average price of €43.0785 per share.

Moody's Confirms Covestro Rating and Outlook

On May 10, 2022, Moody's Investors Service, London (United Kingdom), confirmed Covestro's Baa2 investment-grade rating with a stable outlook. Covestro intends to continue to maintain financing structures and financial ratios that support a solid investment-grade rating in the future.

12 Analysts Issue Buy Recommendation for Covestro Shares

At the end of the first six months of 2022, Covestro was covered by 21 securities brokers. Of these, 12 analysts issued buy recommendations, eight were neutral, and one advised investors to sell. The average share price target was approximately €55 at the reporting date.

Basic Covestro share information

Capital stock	€193,200,000
Outstanding shares (Half-year-end)	189,720,044
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