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Reporting Principles

This Quarterly Statement of Covestro AG, Leverkusen (Germany), was prepared in accordance with Section 53 of the Stock Exchange Rules and Regulations (Börsenordnung) of the Frankfurt Stock Exchange. This Statement is not an interim report within the meaning of IAS 34 (Interim Financial Reporting) or a set of financial statements within the meaning of IAS 1 (Presentation of Financial Statements). It was not subjected to a review by an auditor. This Quarterly Statement should be read alongside the Annual Report 2021 and the additional information about the Covestro Group contained therein, as well as the Half-Year Financial Report 2022. The Annual Report 2021 and the Half-Year Financial Report 2022 are available on our website at **www.covestro.com**.

Forward-Looking Statements

This Quarterly Statement may contain forward-looking statements based on current assumptions and forecasts made by the management of Covestro AG. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual results, financial situation, development, or performance of the Covestro Group and the estimates given here. The various factors include those discussed in Covestro AG's public reports, which are available at **www.covestro.com**. Covestro AG assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Acronyms and Abbreviations

Acronyms and abbreviations used in this Quarterly Statement are explained in this Quarterly Statement or in the Glossary provided in the Annual Report 2021.

Inclusive Language

Diversity, equity, and inclusion are important to Covestro. To ensure better readability, we therefore strive to use gender-neutral language and avoid gender-specific terms in this Quarterly Statement. All terms should be taken to apply equally to all genders.

Rounding and Percentage Deviations

As the indicators in this Quarterly Statement are stated in accordance with commercial rounding principles, totals and percentages may not always be exact.

If a deviation changes from positive to negative or vice versa, or if it is greater than 1,000%, this is shown by a period.

Publication

This Quarterly Statement was published in German and English on October 25, 2022. The German version is binding.

Covestro Group Key Data

	3rd quarter 2021	3rd quarter 2022	Change	1st nine months 2021	1st nine months 2022	Change
	€ million	€ million	%	€ million	€ million	%
Sales	**4,302**	**4,618**	**7.3**	**11,565**	**14,004**	**21.1**
Change in sales						
Volume	0.0%	–5.7%		9.3%	–1.8%	
Price	43.8%	5.4%		35.8%	13.5%	
Currency	1.6%	7.6%		–2.6%	6.7%	
Portfolio	10.5%	0.0%		7.7%	2.7%	
EBITDA[1]	**862**	**302**	**–65.0**	**2,422**	**1,655**	**–31.7**
Changes in EBITDA						
Volume	5.3%	–11.4%		44.1%	–4.4%	
Price	264.9%	26.8%		330.5%	64.5%	
Raw material price	–138.6%	–99.4%		–124.1%	–101.8%	
Currency	3.5%	5.7%		–3.2%	5.8%	
Other[2]	–46.1%	13.3%		–57.2%	4.2%	
EBIT[3]	654	66	–89.9	1,817	962	–47.1
Financial result	(20)	(40)	100.0	(67)	(112)	67.2
Net income[4]	**472**	**12**	**–97.5**	**1,314**	**627**	**–52.3**
Earnings per share (€)[5]	2.44	0.06	–97.5	6.80	3.28	–51.8
Cash flows from operating activities[6]	564	246	–56.4	1,545	131	–91.5
Cash outflows for additions to property, plant, equipment and intangible assets	183	213	16.4	472	543	15.0
Free operating cash flow[7]	**381**	**33**	**–91.3**	**1,073**	**(412)**	**.**

1 Earnings before interest, taxes, depreciation and amortization (EBITDA): EBIT plus depreciation, amortization, and impairment losses; less impairment loss reversals on intangible assets and property, plant and equipment.
2 Other changes in EBITDA such as changes in provisions for variable compensation.
3 Earnings before interest and taxes (EBIT): income after income taxes plus financial result and income taxes.
4 Net income: income after income taxes attributable to the shareholders of Covestro AG.
5 Earnings per share: according to IAS 33 (Earnings per Share), net income divided by the weighted average number of outstanding no-par value voting shares of Covestro AG. The calculation was based on 189,720,044 no-par shares for the third quarter of 2022 (previous year: 193,160,544 no-par shares) and on 191,298,857 no-par shares for the first nine months of 2022 (previous year: 193,160,544 no-par shares).
6 Cash flows from operating activities according to IAS 7 (Statement of Cash Flows).
7 Free operating cash flow (FOCF): cash flows from operating activities less cash outflows for additions to property, plant, equipment and intangible assets.

Segment Information

Segment information 3rd quarter

	Performance Materials		Solutions & Specialties		Others/Consolidation		Covestro Group	
	3rd quarter 2021	3rd quarter 2022	3rd quarter 2021	3rd quarter 2022	3rd quarter 2021	3rd quarter 2022	3rd quarter 2021	3rd quarter 2022
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	**2,186**	**2,330**	**2,069**	**2,196**	**47**	**92**	**4,302**	**4,618**
Intersegment sales[1]	733	760	8	11	(741)	(771)	–	–
Sales (total)	**2,919**	**3,090**	**2,077**	**2,207**	**(694)**	**(679)**	**4,302**	**4,618**
Change in sales								
Volume	–6.9%	–6.2%	6.9%	–7.2%	30.9%	90.2%	0.0%	–5.7%
Price	57.6%	5.2%	29.5%	5.7%	0.0%	0.0%	43.8%	5.4%
Currency	1.5%	7.6%	1.8%	7.6%	–0.3%	5.5%	1.6%	7.6%
Portfolio	0.0%	0.0%	22.4%	0.0%	0.0%	0.0%	10.5%	0.0%
Sales by region								
EMLA	994	970	758	798	35	73	1,787	1,841
NA	565	702	437	543	9	16	1,011	1,261
APAC	627	658	874	855	3	3	1,504	1,516
EBITDA[2, 3]	**708**	**53**	**221**	**280**	**(67)**	**(31)**	**862**	**302**
EBIT[2, 3]	567	(107)	154	207	(67)	(34)	654	66
Depreciation, amortization, impairment losses and impairment loss reversals	141	160	67	73	–	3	208	236
Cash flows from operating activities[3]	375	227	118	142	71	(123)	564	246
Cash outflows for additions to property, plant, equipment and intangible assets	117	134	66	77	–	2	183	213
Free operating cash flow[3]	**258**	**93**	**52**	**65**	**71**	**(125)**	**381**	**33**
Trade working capital[4]	1,523	1,704	1,608	2,085	(24)	(7)	3,107	3,782

1 In accordance with internal reporting to the Board of Management since July 1, 2022, these figures also include sales recognized in the amount of cost of goods sold. To ensure comparability, the segment data is presented on a consistent basis.
2 EBITDA and EBIT include the effect on earnings of intersegment sales.
3 The values were recalculated retroactively as of October 1, 2021, based on a change in the underlying market prices for compensation for transactions between the Performance Materials and Solutions & Specialties segments and the reference information restated accordingly.
4 Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of September 30, 2021/2022.

Segment information first nine months

	Performance Materials		Solutions & Specialties		Others/Consolidation		Covestro Group	
	1st nine months 2021	1st nine months 2022	1st nine months 2021	1st nine months 2022	1st nine months 2021	1st nine months 2022	1st nine months 2021	1st nine months 2022
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	**5,883**	**7,179**	**5,549**	**6,583**	**133**	**242**	**11,565**	**14,004**
Intersegment sales[1]	1,912	2,323	19	28	(1,931)	(2,351)	–	–
Sales (total)	**7,795**	**9,502**	**5,568**	**6,611**	**(1,798)**	**(2,109)**	**11,565**	**14,004**
Change in sales								
Volume	2.0%	–0.2%	17.5%	–5.4%	–1.1%	78.3%	9.3%	–1.8%
Price	52.5%	15.6%	19.7%	11.6%	0.0%	0.0%	35.8%	13.5%
Currency	–2.6%	6.6%	–2.8%	6.7%	–1.1%	3.7%	–2.6%	6.7%
Portfolio	0.0%	0.0%	16.0%	5.7%	0.0%	0.0%	7.7%	2.7%
Sales by region								
EMLA	2,839	3,367	2,113	2,522	102	193	5,054	6,082
NA	1,344	1,931	1,137	1,607	23	39	2,504	3,577
APAC	1,700	1,881	2,299	2,454	8	10	4,007	4,345
EBITDA[2, 3]	**1,982**	**1,040**	**639**	**717**	**(199)**	**(102)**	**2,422**	**1,655**
EBIT[2, 3]	1,558	572	462	498	(203)	(108)	1,817	962
Depreciation, amortization, impairment losses and impairment loss reversals	424	468	177	219	4	6	605	693
Cash flows from operating activities[3]	1,210	528	243	(42)	92	(355)	1,545	131
Cash outflows for additions to property, plant, equipment and intangible assets	320	360	151	178	1	5	472	543
Free operating cash flow[3]	**890**	**168**	**92**	**(220)**	**91**	**(360)**	**1,073**	**(412)**
Trade working capital[4]	1,523	1,704	1,608	2,085	(24)	(7)	3,107	3,782

[1] In accordance with internal reporting to the Board of Management since July 1, 2022, these figures also include sales recognized in the amount of cost of goods sold. To ensure comparability, the segment data is presented on a consistent basis.
[2] EBITDA and EBIT include the effect on earnings of intersegment sales.
[3] The values were recalculated retroactively as of October 1, 2021, based on a change in the underlying market prices for compensation for transactions between the Performance Materials and Solutions & Specialties segments and the reference information restated accordingly.
[4] Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of September 30, 2021/2022.