3rd Supplement, dated November 3, 2022 to the Base Prospectus dated March 18, 2022 as supplemented by the 1st Supplement dated May 11, 2022 and the 2nd Supplement dated August 10, 2022

This document constitutes a supplement (the "**Supplement**") for the purposes of Art. 8(10) and Art. 23(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, (the "**Prospectus Regulation**") to the base prospectus of Covestro AG dated March 18, 2022, (the "**Base Prospectus**") relating to issues of non-equity securities ("**Non-Equity Securities**") within the meaning of Art. 2(c) of the Prospectus Regulation by Covestro AG.

COVESTRO AG

(incorporated as a stock corporation (Aktiengesellschaft) in the Federal Republic of Germany)

EUR 5,000,000,000 Debt Issuance Programme

The Commission de Surveillance du Secteur Financier (the "**CSSF**") of the Grand Duchy of Luxembourg in its capacity as competent authority under the Prospectus Regulation has approved this Supplement as a supplement within the meaning of Art. 23(1) of the Prospectus Regulation. By approving this Supplement, CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

This Supplement together with the Base Prospectus, the 1st supplement to the Base Prospectus dated May 11, 2022, the 2nd supplement to the Base Prospectus dated August 10, 2022 and the documents incorporated by reference are also available for viewing at www.bourse.lu.

The purpose of this Supplement is to supplement the Base Prospectus with information from the unaudited consolidated interim financial information of the Issuer as of and for the nine-month period ended September 30, 2022, and to amend other disclosures on the Issuer.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus as supplemented by the 1st supplement dated May 11, 2022 and 2nd supplement dated August 10, 2022. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Covestro AG ("**Covestro AG**" or the "**Issuer**", together with its consolidated subsidiaries, the "**Group**") with its registered office in Leverkusen, Germany accepts responsibility for the information given in this Supplement.

The Issuer hereby declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement for which it is responsible is in accordance with the facts and that this Supplement makes no omission likely to affect its import.

The Arranger and the Dealers have not separately verified the information contained in this Supplement. Neither the Arranger nor any of the Dealers make any representation, expressly or implied, or accepts any responsibility, with respect to the accuracy or completeness of any information contained in this Supplement. Neither this Supplement nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or the Dealers that any recipient of this Supplement or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arranger or the Dealers undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

To the extent that there is any inconsistency between any statement included in this Supplement and any statement included or incorporated by reference in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed on pages 2-14 of this Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus as supplemented by the 1st supplement dated May 11, 2022 and 2nd supplement dated August 10, 2022.

1. Risk Factors – Risk Factors relating to the Issuer and the Group

On page 10 et seq. of the Base Prospectus, in the sub-section "*Market Risks*" within the section "*Risk Factors relating to the Issuer and the Group*" the risk factor "*Fluctuations in the prices of raw materials or energy and any disruptions in the supply or logistic chain could have a material adverse effect on the Group's business, financial condition and results of operations.*" shall be replaced by the following:

"***Fluctuations in the prices of raw materials or energy and any disruptions in the supply or logistic chain could have a material adverse effect on the Group's business, financial condition and results of operations.***

The Group's production processes are dependent on the availability and timely delivery of raw materials and such materials constitute a large proportion of the Group's total production costs. The Group's primary raw materials are petrochemical derivatives, such as benzene and phenol, propylene oxide, toluene, acetone and hexamethylenediamine ("**HDA**").

The extent of the impact of price fluctuations in raw materials on the Group's sales and results of operations depends primarily on whether the Group is able to pass on increases in raw material prices to its customers through higher selling prices without significant delays or to maintain its selling prices despite decreases in raw material prices. The Group's ability to do so primarily depends on the conditions of supply and demand in the industry and resulting industry capacity utilization as well as competition. Oversupply and low utilization of the production capacity in the industry have affected and will continue to affect the Group's ability to pass on increases in raw material prices to its customers, which negatively affects the Group's margins.

As the Group's primary raw materials are petrochemical derivatives, their prices are typically determined based on the price of crude oil, which generally creates the floor for prices of petrochemical derivatives, and the supply and demand dynamics for the relevant raw material.

In addition to raw materials, the Group requires large quantities of energy from various sources for use in its production operations, the most important of which are electricity, natural gas and steam. The Group's energy costs are affected by various factors, including the availability of supplies of particular sources of energy, energy prices and regulatory decisions. The competitiveness of the Group's production facilities in EMLA, APAC and NA depend on whether the Group has access to energy at competitive rates. Any significant increase in energy prices, transportation costs, grid fees or taxes associated with the supply of energy would increase the Group's operating costs and, thus, may negatively affect its results of operations if it is unable to pass the increased costs on to customers. Any interruption or shortage of energy supply may materially adversely affect the Group's business.

In addition to ordinary fluctuations in supply and demand, political instability, wars or other international conflicts, geopolitical tensions and uncertainties can significantly affect the supply of oil, other raw materials as well as energy, potentially resulting in a significant increase in prices.

In particular, the recent military actions against Ukraine (the "**Russia-Ukraine War**"), the related economic sanctions and export controls imposed on Russia and certain Russian companies and individuals, as well as related countermeasures adopted by the governments of Russia or other jurisdictions, have led to increased bottlenecks in global supply chains, shortages of raw materials, parts and components as well as price volatility for raw materials more generally. Even more significant, however, was the fact that the Russia-Ukraine War has caused and may continue to cause volatility in oil and natural gas prices and could potentially lead to shortages of these resources. Germany and other European countries rely to a significant extent on oil and natural gas sourced from Russia and plans to reduce this exposure will require an extended period of time to take effect. Russia has progressively reduced, or for short periods of time, paused entirely, deliveries of natural gas to various European countries, has cut off exports of natural gas to other European countries, including Germany, and could potentially cut off the supply of natural gas to further European countries. Given that a significant amount of electricity in Germany and throughout Europe is generated by gas, these developments have caused and may continue to cause significant increases in energy prices throughout Europe as well as adversely impacting European economies and manufacturers such as the Group and its Europe-based suppliers which rely on affordable energy to carry on their operations. The Group's global energy bill for the financial year 2022 was initially estimated at EUR 1.5 billion, in the latest revised forecast of July 2022, the relevant estimate was increase to around EUR 2.2 billion.

Depending on developments in the Russia-Ukraine War, the risk of potential gas shortages may become particularly acute with the onset of colder weather in the coming months in 2022/2023 and again in 2023/2024, particularly in the case of an especially cold winter, to the extent that European countries, including Germany, are unable to refill gas storage facilities as currently planned. A potential gas shortage situation would predominantly affect the German sites of the Group, which represent approximately 25 per cent.[1] of the Group's global production capacity in its core products. The German Federal Network Agency (*Bundesnetzagentur*) would be responsible for the allocation of gas in a crisis scenario with a primary focus to ensure supply to specified protected customers, i.e., private households and essential social services.

The continuous nature of the Group's production processes, the desire to keep inventories at a minimum and the difficulty of storing hazardous, gaseous, bulky and/or packed materials increase the importance of a well-functioning supply and logistics chain. Any significant disruptions in the Group's logistics chain that transports its raw materials and certain of its by-products within the integrated production platforms is likely to result in production interruptions, a loss of customers, damage claims and significant downstream consequences. If certain of the Group's suppliers or logistics partners are unable or unwilling to meet their contractual obligations under existing agreements, the Group may be forced to pay higher prices to obtain the necessary raw materials from other sources and it may not be able to increase prices for its products to offset the higher raw materials costs.

If certain raw materials become unavailable within a geographic region from which they are currently sourced, then the Group may not be able to obtain suitable or cost-effective substitutes. The inability to obtain suitable or cost-effective raw materials may require the Group to close certain production operations, entire production facilities or product lines, which in turn may result in a shortfall in the Group's production of certain chemical intermediates and by-products that it consumes internally. In consequence, the Group may be required to purchase such substances from third parties at a significantly higher cost or close certain other production operations. Certain customers of the Group may depend on the Group's products and may seek an alternative supplier or hold the Group liable for its inability to supply its products at agreed quantities and times.

Each of the factors and risks described above could have a material adverse effect on the Group's business, financial condition and results of operations."

2. Risk Factors – Risk Factors relating to the Issuer and the Group

On page 12 of the Base Prospectus, in the sub-section "*Market Risks*" within the section "*Risk Factors relating to the Issuer and the Group*" the risk factor "*Geopolitical Risk.*" (including this heading) shall be replaced by the following:

"***Increasing macroeconomic and geopolitical risks.***

Macroeconomic and geopolitical risks significantly intensified since the beginning of 2022.

The Russia-Ukraine War and the sanctions and export-control measures instituted by the EU, the UK, the United States, Canada and Japan, among others, against Russian and Belarusian persons and entities in response have contributed and will likely continue to contribute to increased inflationary pressures (including increased prices for oil and natural gas), gas supply shortages, supply chain disruptions, market volatility and economic uncertainty, particularly in Europe.

In June 2022, the World Bank warned that the Russia-Ukraine War had magnified the slowdown in the global economy triggered by the Covid-19 pandemic and predicted that the global economy was entering what could become a protracted period of low growth and elevated inflation in which, for many countries, economic recession will likely be difficult to avoid.

Meanwhile, inflation rates have recently increased significantly in Europe and the United States. Further increases in inflation rates and actions taken by central banks and other state actors to combat rising inflation rates, such as recent increases in base interest rates by the United States Federal Reserve and the European Central Bank, could, among other effects, undermine further economic growth, and contribute to regional or global economic recessions, cause declines in consumer spending and confidence and increase borrowing costs.

[1] Based on Covestro's nameplate production capacity for products MDI, TDI, Polyol, Polycarbonates and Coatings Adhesive products for aliphatic Isocyanates, Polyester and Polyurethane dispersions.

Any economic downturn or recession, lower than expected growth, increasing interest rates, sustained rates of inflation or an otherwise uncertain economic outlook, either globally or in the markets in which the Group operates, or any perception thereof by the Group's customers, could have a material adverse effect on the Group's operations, revenue and profitability."

3. Risk Factors – Risk Factors relating to the Issuer and the Group

On page 15 of the Base Prospectus, in the sub-section "*Business Risks*" within the section "*Risk Factors relating to the Issuer and the Group*" the first paragraph of the risk factor "*The benefits that Covestro AG may realise from the acquisition of Resins & Functional Materials business could be materially different from the Group's expectations.*" shall be replaced by the following:

"On April 1, 2021, the Issuer acquired the Resins & Functional Materials ("**RFM**") business from Koninklijke DSM N.V. for a purchase price of EUR 1.54 billion (the "**RFM Acquisition**"). With the acquisition of RFM, the Issuer has added a complete range of water-based polyacrylate resins and expands its technology portfolio to include water-based hybrid technologies, powder coating resins as well as radiation curing resins."

4. Risk Factors – Risk Factors relating to the Issuer and the Group

On page 21 of the Base Prospectus, in the sub-section "*Financial Risks*" within the section "*Risk Factors relating to the Issuer and the Group*" the risk factor "*The Group may be forced to make write-downs or additional impairments, in particular on tangible assets that reduce the value of the Group.*" shall be replaced by the following:

"***The Group may be forced to make write-downs, valuation allowances or additional impairments on its asset base that reduce the value of the Group.***

The Group is active in an industry that requires significant investments in its long-lived assets, in particular, its production facilities. Recognition and measurement on the Group's asset base, pre-tax and post-tax, requires judgement and estimates by management as to their recoverability in accordance with generally accepted accounting principles. Any asset, current or noncurrent, tangible, intangible or tax, associated with the Group's operations and recorded on the balance sheet, make the Group susceptible to write-downs, valuation allowances or impairments. Significant negative industry or economic trends, disruptions to business, unexpected significant changes or planned changes in use of the assets, divestitures and sustained market capitalization declines may, in particular, result in recognition of impairments to goodwill or other long-lived assets. Accordingly, any write-downs, valuation allowances or impairments considered by management or mandated by required law and regulations could materially adversely affect the Group's reportable pre-tax or post-tax performance, financial condition, results of operations, and/or financial prospects."

5. Description of the Issuer and the Group – Shareholder Structure

On page 104 et seq. of the Base Prospectus, in the section "*Shareholder Structure*" the content shall be replaced by the following:

"**Shareholder Structure**

Covestro AG's share capital as of the date of this Base Prospectus amounts to EUR 193,200,000 divided into 193,200,000 ordinary registered shares with no-par value (*Stückaktien*). The share capital of Covestro AG is fully paid up.

On February 28, 2022, Covestro AG's Board of Management resolved to initiate a share buyback program in view of the company's successful business performance. The total volume of the program is approximately EUR 500 million (not including ancillary transaction costs), and it is expected to be completed within two years. The repurchased shares will then be retired and the capital stock reduced accordingly. The buyback of a first tranche of 1,605,790 shares was concluded on April 6, 2022. The buyback of a second tranche of 1,874,166 shares was concluded on June 23, 2022.

On the basis of the notifications received by Covestro AG as of the date of this Base Prospectus in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) and pursuant to information provided by the respective shareholders, the following shareholders directly or indirectly hold more than 3 per cent. of Covestro AG's ordinary shares. The percentage values shown in the table below are based on the amount of voting rights last notified to Covestro AG with regard to the stated reference date by the respective shareholder pursuant to Sections 33 et seqq. WpHG in relation to Covestro AG's share capital as of the date of this Base Prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to Covestro AG without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable thresholds have been reached or crossed:

	Actual (direct or indirect) ownership of Covestro AG
Shareholder	**Share of voting rights**
BlackRock Inc.	11,908,836 voting rights (6.16%)
The Goldman Sachs Group, Inc.	9,641,349 voting rights (4.99%)
UBS Group AG	6,442,278 voting rights (3.33%)
T. Rowe Price Group, Inc.	5,969,379 voting rights (3.09%)
Total	**33,961,842 voting rights (17.57%)**

"

6. Description of the Issuer and the Group – Business Overview

On page 106 of the Base Prospectus, in the section "*Business Overview*" the third paragraph shall be replaced by the following:

"In the Fiscal Year 2021, the Group had external sales of EUR 15,903 million (diversified across customer industries) and EBITDA of EUR 3,085 million. The Group defines "**EBITDA**" as EBIT plus amortization and impairment losses on intangible assets, and depreciation and impairment losses in property, plant and equipment, less impairment loss reversals. "**EBIT**" is defined as income after income taxes plus financial result and income tax expense."

7. Description of the Issuer and the Group – Selected Consolidated Financial Information

On page 106 et seqq. of the Base Prospectus, in the section "*Selected Consolidated Financial Information*" the content shall be replaced by the following content:

"**Selected Consolidated Financial Information**

The following selected historical financial information for the Group is based on the audited consolidated financial statements of Covestro AG as of and for the financial years ended December 31, 2021, and December 31, 2020, and on the unaudited consolidated interim financial information of Covestro AG as of and for the nine-month period ended September 30, 2022.

Consolidated Income Statement

	For the nine-month period ended September 30,		**Financial year ended December 31,**	
	2022	**2021**	**2021**	**2020**
(amounts in EUR million, earnings per share in EUR)	*(unaudited)*		*(audited)*	
Sales	14,004	11,565	15,903	10,706
Gross profit	2,666	3,425	4,428	2,499
EBIT(1)	962	1,817	2,262	696
Financial result	(112)	(67)	(77)	(91)
Income before income taxes	850	1,750	2,185	605
Income after income taxes	626	1,318	1,619	454
Basic earnings per share	*3.28(2)*	*6.80(3)*	*8.37(4)*	*2.48(5)*
Diluted earnings per share	*3.28(2)*	*6.80(3)*	*8.37(4)*	*2.48(5)*

(1) EBIT: Income after income taxes plus financial result and income tax expense.
(2) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 191,298,857.
(3) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 193,160,544.
(4) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 193,165,396.
(5) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 184,912,207.

Consolidated Statement of Financial Position

	As of September 30, 2022	As of December 31, 2021	2020
(amounts in EUR million)	*(unaudited)*	*(audited)*	
Noncurrent assets	8,875	8,610	6,734
Current assets	7,321	6,961	6,190
Total assets	**16,196**	**15,571**	**12,924**
Equity	8,675	7,762	5,644
Equity attributable to Covestro AG shareholders	8,625	7,696	5,607
Noncurrent liabilities	3,412	4,203	4,916
Current liabilities	4,109	3,606	2,364
Total equity and liabilities	**16,196**	**15,571**	**12,924**

"

8. Description of the Issuer and the Group – Reportable segments and business entities

On page 108 of the Base Prospectus, in the sub-section "*Performance Materials Segment*" within the section "*Reportable segments and business entities*" the third paragraph shall be replaced by the following:

"In the Fiscal Year 2021, the Performance Materials segment had external sales of EUR 8,142 million, accounted for 51.2% of total Group sales and had EBITDA of EUR 2,572 million (previous year: EUR 896 million)."

9. Description of the Issuer and the Group – Reportable segments and business entities

On page 108 of the Base Prospectus, in the sub-section "*Solutions & Specialties Segment*" within the section "*Reportable segments and business entities*" the third paragraph shall be replaced by the following:

"In the Fiscal Year 2021, the Solutions & Specialties segment had external sales of EUR 7,554 million, accounted for 47.5% of total Group sales and had EBITDA of EUR 751 million (previous year: EUR 743 million)."

10. Description of the Issuer and the Group – Sustainability

On page 109 of the Base Prospectus, after the sub-section "*Production Facilities*" within the section "*Real Property and Production Facilities*" the following shall be included:

"**Sustainability**

The Issuer is fully committed to integrate sustainability into its business activities, while at the same time ensuring adequate focus on the issues of greatest relevance to it and its stakeholders. The Issuer strives to add value at the social, environmental, and economic levels.

The decisions and actions of the Group take into account three dimensions of sustainability: people, planet and profit. The sustainability approach of the Issuer is oriented toward a positive impact on at least two of the dimensions, while at the same time ensuring the third one is not negatively impacted. It is the ambition of the Issuer that every decision, every action and the resulting consequences are considered holistically, that means, throughout the entire value cycle. In addition, global KPI and incentive system are used to align employees towards cash flow, profitability and sustainable growth.

The following "Sustainability Goals 2025" of the Group cover the entire product life cycle:

- *Sustainable Development Goals of the United Nations* ("**SDGs**"): The Group will align its research and development ("**R&D**") projects to address the SDGs. The Group's goal is to devote 80% of its R&D costs by 2025 to projects that contribute to achieving the SDGs - either undertaken in partnership or endorsed by recognized institutions. In the year 2021, 54% of the Group's R&D project costs met this target.
- *Sustainable suppliers*: The Group promotes "Sustainability in Sourcing" with social, ethical, and environmental standards for existing and new suppliers. The goal of the Group is to have 100% of its suppliers with regular purchasing volumes of more than EUR 100,000 complying with its sustainability requirements by 2025. The defined threshold covers some 97% of the total purchasing volume of the

Group. During the year 2021, 80% of relevant suppliers met the Group's sustainability requirements. The remainder of its suppliers has to comply with the Group's code of conduct which are embedded as core provisions in relevant purchase orders or contracts. The Group also partners with its key suppliers in order to advance their respective sustainability performance.

- *Climate-neutrality*: The Group aims to contribute to the goal of climate neutrality by reducing the volume of fossil raw materials employed in production and upstream and downstream links in the value chain. Already in 2021, the Group was able to cut specific greenhouse gas emissions by 54% compared to 2005 and thus overachieved its previous sustainability target set for 2025. The Group now aims to reduce its emissions from own production (scope 1) and the emissions from external energy sources (scope 2) to net zero by 2035. Based on greenhouse gas emissions of 5.6 million metric tons in 2020, the Group targets to reduce the absolute emissions year by year and aim to reach a reduction of 60% (to 2.2. million metric tons) by 2030. In addition, indirect greenhouse gas emissions from upstream and downstream processes in the value chain (scope 3) will be further reduced. The Group plans to communicate a corresponding reduction target in 2023. In addition to external effects, the Group has the ambition to intensify its manufacturing excellence as well as to make extensive use of green power and green steam.

- *Inclusive Business*: The Group has pledged to contribute to improving the living conditions of ten million people in underserved markets, primarily in developing and emerging countries, by the year 2025. In order to do so, the Group collaborates with customers, governmental and non-governmental organizations to develop affordable solutions based on its technologies and products, and to open up new business models and solutions which are targeted at improve the economic and social situation of these regions. The focus is primarily on affordable housing, sanitation and food security, for which the Group's materials offer significant benefits. In the assessment of the Issuer, the Group's solutions had already reached 3.2 million people by the end of 2021.

- *Circular Economy:* The Group's products are based on carbon. In order to achieve added value from this element, the Group has established a carbon productivity initiative and is working with recognized institutions and non-profit organizations along its value chain. Using carbon for the production of polyurethane insulation foam, for example, allows the Group to save up to 70 times more energy over the course of the whole product lifecycle. This is due to lower energy consumption and reduced emissions. The Group aims to collaborate with its partners along the value chain and to involve stakeholders who share its understanding of sustainability in order to develop a significant and universally accepted metric. The Group believes that these efforts will enable it to set a quantitative target for 2025.

In relation to the ambition of climate-neutrality, a key aspect of the Group's revised 2035 reduction target is meeting the goal of the Paris Climate Agreement, under which the world community aims to limit global warming to 1.5 degrees Celsius.

The Issuer believes that the following three levers make a vital contribution to achieving the climate targets:

- Production processes will be improved further and energy efficiency enhanced to achieve even more sustainable manufacturing. One focus is on reducing nitrous oxide emissions. The Issuer believes that this will be possible through greater use of innovative catalyst technology. In addition, production plants can be controlled more efficiently thanks to further digitalization of the facilities and the use of digital technologies, while processes can be optimized using digital simulations. Digital technologies also help collect and track emissions data throughout the value chain.

- The Group's production sites worldwide are to be gradually converted to renewable electricity. This includes the use of offshore wind power, backed for example by a supply agreement with the energy provider Ørsted, which will cover 10% of the electricity required by the Group's sites in Germany from 2025 on. Onshore wind energy will also be used, for example under the power purchase agreement with ENGIE, that covers 45% of the electricity needs of the Group's site in Antwerp, Belgium. About 10% of the electricity the Group needs in Shanghai, China, already comes from the solar parks of Datang Wuzhong New Energy Co. In addition to the existing cooperation models with power suppliers, further agreements are being planned in order to achieve a net zero carbon footprint.

- Steam is an important energy source for chemical production processes. Converting steam generation from fossil to renewable energy sources is a challenge that the Group intends to solve by various routes. To this end, the Group is looking into the use of biogas and green natural gas as an energy source to generate renewable steam. Green hydrogen and green ammonia or green electricity could also be used as energy source for steam generation."

11. Description of the Issuer and the Group – Financing Agreements

On page 112 of the Base Prospectus, after the sub-section "*Notes issuances*" within the section "*Financing Agreements*" the following shall be included:

"*Commercial Paper Program*

In August 2022, Covestro AG established a european commercial paper program with a volume of up to EUR 1.5 billion (or its equivalent in other currencies). Under the program the Issuer may, from time to time, issue senior notes denominated in various currencies with a maturity of no more than 364 days. As of September 30, 2022, notes in the amount of EUR 150 million were outstanding under the program."

12. Description of the Issuer and the Group – Recent Events

On page 121 et seq. of the Base Prospectus, in the section "*Recent Event*" the content shall be replaced by the following:

"**Recent Events**

On February 28, 2022, the Issuer has resolved on a share buyback program. The program amounts to a total volume of approximately EUR 500 million (without ancillary transaction costs) and shall be concluded within two years. The buyback of a first tranche of shares was concluded in April 2022 and the buyback of a second tranche of shares in June 2022.

On August 8, 2022, the Issuer announced that it has signed a definitive agreement to sell its Additive Manufacturing business to Stratasys, a U.S.-Israeli manufacturer of 3D printers and 3D production systems. The selling price amounts to approximately EUR 43 million. In addition, there is a potential earn-out of up to EUR 37 million, which is subject to the achievement of various performance metrics. With the decision to sell the Additive Manufacturing business, the Issuer continues its portfolio optimization with the goal to position itself even more efficiently in the market and to be able to place greater focus on its extensive offering for customers in its core industries. The divested business includes employees, research and development facilities, production assets and offices in the Netherlands, Germany, the U.S. and China as well as access to a large network of partners globally. The business offers material solutions for common polymer 3D printing processes. The portfolio of the Additive Manufacturing business also includes products from the Resins & Functional Materials business acquired from Koninklijke DSM N.V., Heerlen (Netherlands) in 2021. The transaction is planned to be closed in the first quarter of 2023.

On October 7, 2022, the Issuer issued its first promissory notes (*Schuldscheindarlehen*) ("**Schuldschein Loan**") with an equivalent value of EUR 650 million. The Schuldschein Loan is linked to an environment, social, governance (ESG) rating and is issued in tranches comprising fixed and variable interest-rates with terms of three, five and seven years. The Schuldschein Loan is denominated in U.S. dollars and euros. The proceeds from the issue are used for general corporate purposes.

There were no other recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency."

13. Description of the Issuer and the Group – Significant Changes

On page 122 of the Base Prospectus, in the section "*Significant Changes*" the content shall be replaced by the following:

"**Significant Changes**

There have been no significant changes with regard to the financial position or the financial performance of the Group since September 30, 2022."

14. Description of the Issuer and the Group – Consolidated Financial Information

On pages 122 et seqq. of the Base Prospectus, in the section "*Consolidated Financial Information*" the content up to and excluding the sub-section "*Alternative Performance Measures, Core Volume Growth and Green House Gas Emissions*" shall be replaced by the following content:

"**Consolidated Financial Information**

The following historical financial information for the Group is based on the audited consolidated financial statements of Covestro AG as of and for the financial years ended December 31, 2021, and December 31, 2020, and on the unaudited consolidated interim financial information of Covestro AG as of and for the nine-month period ended September 30, 2022, which are all incorporated by reference in this Base Prospectus and should be read together with them. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted in the European Union. The full year consolidated financial statements of the Group were audited by KPMG and issued with an unqualified auditor's report.

Consolidated Income Statement

	For the nine-month period ended September 30,		**Financial year ended December 31,**	
	2022	**2021**	**2021**	**2020**
(amounts in EUR million, earnings per share in EUR)	*(unaudited)*		*(audited)*	
Sales	**14,004**	**11,565**	**15,903**	**10,706**
Cost of goods sold	(11,338)	(8,140)	(11,475)	(8,207)
Gross profit	**2,666**	**3,425**	**4,428**	**2,499**
Selling expenses	(1,193)	(1,045)	(1,428)	(1,195)
Research and development expenses	(273)	(255)	(341)	(262)
General administration expenses	(275)	(307)	(415)	(310)
Other operating income	125	66	99	63
Other operating expenses	(88)	(67)	(81)	(99)
EBIT(1)	**962**	**1,817**	**2,262**	**696**
Equity-method loss	(15)	(11)	(15)	(13)
Result from other affiliated companies	1	1	2	1
Interest income	53	24	38	26
Interest expense	(91)	(59)	(79)	(73)
Other financial result	(60)	(22)	(23)	(32)
Financial result	**(112)**	**(67)**	**(77)**	**(91)**
Income before income taxes	**850**	**1,750**	**2,185**	**605**
Income taxes	(224)	(432)	(566)	(151)
Income after income taxes	**626**	**1,318**	**1,619**	**454**
of which attributable to noncontrolling interest	(1)	4	3	(5)
of which attributable to Covestro AG shareholders (net income)	627	1,314	1,616	459
Basic earnings per share	*3.28*(2)	*6.80*(3)	*8.37*(4)	*2.48*(5)
Diluted earnings per share	*3.28*(2)	*6.80*(3)	*8.37*(4)	*2.48*(5)

(1) EBIT: Income after income taxes plus financial result and income taxes.
(2) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 191,298,857.
(3) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 193,160,544.
(4) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 193,165,396.
(5) Weighted average number of outstanding no-par voting shares of Covestro AG in issue: 184,912,207.

Consolidated Statement of Financial Position

	As of September 30,	**As of December 31,**	
	2022	**2021**	**2020**
(amounts in EUR million)	*(unaudited)*	*(audited)*	
Noncurrent assets	**8,875**	**8,610**	**6,734**
Goodwill	764	757	255
Other intangible assets	677	706	109
Property, plant and equipment	6,274	6,032	5,175
Investments accounted for using the equity method	189	172	173

	As of September 30,	As of December 31,	
	2022	2021	2020
(amounts in EUR million)	*(unaudited)*	*(audited)*	
Other financial assets	45	49	32
Other receivables	223	76	65
Deferred taxes	703	818	925
Current assets	**7,321**	**6,961**	**6,190**
Inventories	3,762	2,914	1,663
Trade accounts receivable	2,548	2,343	1,593
Other financial assets	41	493	1,144
Other receivables	574	434	295
Claims for income tax refunds	85	128	55
Cash and cash equivalents	292	649	1,404
Assets held for sale	19	-	36
Total assets	**16,196**	**15,571**	**12,924**
Equity	**8,675**	**7,762**	**5,644**
Capital stock of Covestro AG	190	193	193
Capital reserves of Covestro AG	3,780	3,927	3,925
Other reserves	4,655	3,576	1,489
Equity attributable to Covestro AG shareholders	**8,625**	**7,696**	**5,607**
Equity attributable to noncontrolling interest	50	66	37
Noncurrent liabilities	**3,412**	**4,203**	**4,916**
Provisions for pensions and other post-employment benefits	420	1,199	2,123
Other provisions	195	223	218
Financial liabilities	2,340	2,349	2,277
Income tax liabilities	106	98	88
Other liabilities	31	34	31
Deferred taxes	320	300	179
Current liabilities	**4,109**	**3,606**	**2,364**
Other provisions	297	637	155
Financial liabilities	849	192	622
Trade accounts payable	2,456	2,214	1,241
Income tax liabilities	119	239	74
Other liabilities	386	324	262
Liabilities directly related to assets held for sale	2	-	10
Total equity and liabilities	**16,196**	**15,571**	**12,924**

Consolidated Statement of Cash Flows

	For the nine-month period ended September 30,		Financial year ended December 31,	
	2022	2021	2021	2020
(amounts in EUR million)	*(unaudited)*		*(audited)*	
Income after income taxes	626	1,318	1,619	454
Income taxes	224	432	566	151
Financial result	112	67	77	91
Income taxes paid	(446)	(309)	(546)	(155)

	For the nine-month period ended September 30,		Financial year ended December 31,	
	2022	2021	2021	2020
Depreciation, amortization, impairment losses and impairment loss reversals	693	605	823	776
Change in pension provisions	18	30	31	25
(Gains)/losses on retirements of noncurrent assets	-	(4)	(3)	8
Decrease/(increase) in inventories	(672)	(773)	(987)	160
Decrease/(increase) in trade accounts receivable	(51)	(498)	(462)	(106)
(Decrease)/increase in trade accounts payable	152	335	722	(154)
Changes in other working capital/other noncash items	(525)	342	353	(16)
Cash flows from operating activities	**131**	**1,545**	**2,193**	**1,234**
Cash outflows for additions to property, plant, equipment and intangible assets	(543)	(472)	(764)	(704)
Cash inflows from sales of property, plant, equipment and other assets	5	10	11	6
Cash inflows from divestments less divested cash	6	12	12	(3)
Cash outflows for noncurrent financial assets	(10)	(29)	(34)	(16)
Cash inflows from noncurrent financial assets	2	22	25	7
Cash outflows for acquisitions less acquired cash	-	(1,469)	(1,469)	-
Interest and dividends received	56	27	36	30
Cash inflows from/(outflows for) other current financial assets	414	402	188	(1,089)
Cash flows from investing activities	**(70)**	**(1,497)**	**(1,995)**	**(1,769)**
Capital contributions	-	-	-	444
Reissuance / Reacquisition of treasury shares	(150)	-	2	4
Dividend payments and withholding tax on dividends	(653)	(259)	(262)	(221)
Issuances of debt	1,015	1	51	1,775
Retirements of debt	(531)	(636)	(675)	(719)
Interest paid	(105)	(69)	(81)	(79)
Cash outflows for the purchase of additional interests in subsidiaries	(4)	-	-	-
Cash flows from financing activities	**(428)**	**(963)**	**(965)**	**1,204**
Change in cash and cash equivalents due to business activities	**(367)**	**(915)**	**(767)**	**669**
Cash and cash equivalents at beginning of period	**649**	**1,404**	**1,404**	**748**
Change in cash and cash equivalents due to changes in scope of consolidation	-	-	-	1
Change in cash and cash equivalents due to exchange rate movements	10	7	12	(14)
Cash and cash equivalents at end of period	**292**	**496**	**649**	**1,404**

"

15. Description of the Issuer and the Group – Alternative Performance Measures, Core Volume Growth and Green House Gas Emissions

On page 128 et seq, of the Base Prospectus, the sub-section "*Net Financial Debt*" within the section "*Alternative Performance Measures, Core Volume Growth and Green House Gas Emissions*" the content shall be replaced by the following:

"***Net Financial Debt***

Net financial debt equals the sum of all financial liabilities less cash and cash equivalents, current financial assets and receivables from financial derivatives.

Calculation of Net Financial Debt

	For the nine-month period ended September 30,	Financial year ended December 31,	
	2022	2021	2020
(amounts in EUR million)	*(unaudited unless otherwise indicated)*		
Bonds	1,493	1,492(1)	1,990(1)
Liabilities to banks	729	275(1)	227(1)
Lease liabilities	765	761(1)	672(1)
Liabilities from derivatives	51	11(1)	9(1)
Other financial liabilities	151	2(1)	1(1)
Receivables from derivatives	(21)	(34)(1)	(13)(1)
Financial liabilities	**3,168**	**2,507**	**2,886**
Cash and cash equivalents	(292)	(649)(1)	(1,404)(1)
Current financial assets	(15)	(453)	(1,126)
Net financial debt	**2,861**	**1,405**	**356**

(1) Audited

"

16. Documents incorporated by reference

On page 137 of the Base Prospectus, the section "*Documents incorporated by reference*" shall be replaced by the following:

"DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Base Prospectus and which have been filed with the CSSF, are incorporated by reference into this Base Prospectus:

(i) Annual Report 2021 of the Group (the "**Annual Report 2021**"), comprising the English language translation of the respective German language audited consolidated financial statements of Covestro AG as of and for the year ended December 31, 2021, and the German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in respect thereof;

(ii) Annual Report 2020 of the Group (the "**Annual Report 2020**"), comprising the English language translation of the respective German language audited consolidated financial statements of Covestro AG as of and for the year ended December 31, 2020, and the German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) in respect thereof;

(iii) Unaudited Consolidated Interim Financial Information of Covestro AG as of and for the three-month period ended March 31, 2022, (the "**Interim Financial Information Q1 2022**");

(iv) Unaudited Consolidated Interim Financial Information of Covestro AG as of and for the six-month period ended June 30, 2022, (the "**Interim Financial Information H1 2022**");

(v) Unaudited Consolidated Interim Financial Information of Covestro AG as of and for the nine-month period ended September 30, 2022, (the "**Interim Financial Information Q3 2022**");

(vi) Extract from the base prospectus of Covestro AG relating to the EUR 5,000,000,000 debt issuance programme dated March 12, 2020 (the "**Base Prospectus 2020**"); and

(vii) Extract from the base prospectus of Covestro AG relating to the EUR 5,000,000,000 debt issuance programme dated February 26, 2016 (the "**Base Prospectus 2016**").

The non-incorporated parts of such documents, i.e. the pages not listed in the tables below, are either not relevant for the investor or covered elsewhere in the Base Prospectus.

(i) Extracted from: Covestro – Annual Report 2021

Consolidated Income Statement	page 207
Consolidated Statement of Comprehensive Income	page 208
Consolidated Statement of Financial Position	page 209
Consolidated Statement of Cash Flows	page 210
Consolidated Statement of Changes in Equity	page 211
Notes to the Consolidated Financial Statements	pages 212 - 288
Independent Auditor's Report	pages 291 - 300

(ii) Extracted from: Covestro– Annual Report 2020

Consolidated Income Statement	page 187
Consolidated Statement of Comprehensive Income	page 188
Consolidated Statement of Financial Position	page 189
Consolidated Statement of Cash Flows	page 190
Consolidated Statement of Changes in Equity	page 191
Notes to the Consolidated Financial Statements	pages 192 - 271
Independent Auditor's Report	pages 274 - 282

(iii) Extracted from: Covestro– Interim Financial Information Q1 2022

Consolidated Income Statement	page 12
Consolidated Statement of Comprehensive Income	page 13
Consolidated Statement of Financial Position	page 14
Consolidated Statement of Cash Flows	page 15

(iv) Extracted from: Covestro– Interim Financial Information H1 2022

Consolidated Income Statement	page 26
Consolidated Statement of Comprehensive Income	page 27
Consolidated Statement of Financial Position	page 28
Consolidated Statement of Cash Flows	page 29
Consolidated Statement of Changes in Equity	page 30
Notes to the Consolidated Interim Financial Statements	pages 31 - 46
Review Report	page 49

(v) Extracted from: Covestro– Interim Financial Information Q3 2022

Consolidated Income Statement	page 12
Consolidated Statement of Comprehensive Income	page 13
Consolidated Statement of Financial Position	page 14
Consolidated Statement of Cash Flows	page 15

(vi) Extracted from: Base Prospectus 2020

Terms and Conditions of the Notes	pages 27 - 85

(vii) Extracted from: Base Prospectus 2016

All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.bourse.lu).

Electronic versions of the documents incorporated by reference are also available on the website of the Issuer (https://www.covestro.com) and can be accessed by using the following hyperlinks:

1. Covestro – Annual Report 2021:

   https://www.covestro.com/-/media/covestro/corporate/investors/financial-documents-and-presentations/financial-documents/en/2021/q4/covestro_annual_report_2021.pdf

2. Covestro – Annual Report 2020:

   https://report.covestro.com/annual-report-2020/servicepages/downloads/files/covestro-ar20-entire.pdf

3. Covestro – Interim Financial Information Q1 2022:

   https://report.covestro.com/quarterly-statement-q1-2022/servicepages/downloads/files/entire-covestro-q1-22.pdf

4. Covestro – Interim Financial Information H1 2022:

   https://report.covestro.com/half-year-financial-report-2022/servicepages/downloads/files/covestro-hyr-22-entire.pdf

5. Covestro – Interim Financial Information Q3 2022:

   https://report.covestro.com/quarterly-statement-q3-2022/servicepages/downloads/files/covestro-q3-22-entire.pdf

6. Covestro – Base Prospectus 2020:

   https://www.covestro.com/-/media/covestro/corporate/investors/debt/debt-issuance-program/documents/covestro-debt-issuance-program-base-prospectus-2020.pdf

7. Covestro – Base Prospectus 2016:

   https://www.covestro.com/-/media/covestro/corporate/investors/debt/debt-issuance-program/documents/covestro-base-prospectus-2016.pdf

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Registered Office of the Issuer

Covestro AG
Kaiser-Wilhelm-Allee 60
51373 Leverkusen
Germany