Investor News

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Covestro and XRG receive final outstanding regulatory approval for strategic partnership

- **German Foreign Investment Control approval received**
- **All closing conditions fulfilled: transaction expected to close in the coming days**
- **Partnership marks a new chapter of close cooperation with focus on disciplined, long-term value-creation**
- **Covestro about to take its 'Sustainable Future' strategy to the next level and to further strengthen its pioneering role in the industry**

Covestro AG and XRG P.J.S.C. (formerly ADNOC International Limited, together with its subsidiaries in the following "XRG") received the final outstanding regulatory approval from the German Federal Ministry for Economic Affairs and Energy under foreign investment rules for their strategic partnership. Thereby, all closing conditions of the transaction are fulfilled. The closing is expected to take place in the coming days. With this milestone, Covestro and XRG will embark on their joint journey to redefine the chemical industry through innovation, circularity, driving digital transformation and strengthening the pioneering role in high-growth sectors.

"This is an exciting new chapter for Covestro," said Dr. Markus Steilemann, CEO of Covestro. "With XRG as a strong and long-term-oriented partner, we will drive innovation and digital transformation, scale circular solutions, and set new standards in the chemical industry. Together, we are well-positioned to take our 'Sustainable Future' strategy to the next level. Our partnership reflects not only shared goals and ambitions for a successful future and a new chemical era, but also mutual benefits and opportunities for both Covestro and XRG as well as for our customers, suppliers, employees and all other stakeholders."

Dr. Rainer Seele, President of Global Chemicals at XRG, said: "Securing these regulatory clearances allows us to move forward and focus on establishing a long-term, stable partnership with Covestro. This acquisition strengthens XRG's international footprint in chemicals and supports our ambition to become a top three global investor in the sector. We have deep respect for Covestro's people and expertise, and we look forward to working closely with its management team to realize the company's full potential."

Supporting Covestro's 'Sustainable Future' Strategy
The partnership is built on a shared commitment to addressing powerful megatrends and shaping industries and societies worldwide. By combining XRG's strength and global reach with Covestro's expertise in advanced technologies and circular solutions, the two companies aim to unlock opportunities and deliver long-term value

for all stakeholders. Upon closing, Covestro's ongoing transformation will be further supported by a EUR 1.17 billion capital increase, which will enable the timely execution of strategic investment plans and further execution of its 'Sustainable Future' strategy.

With XRG as long-term oriented shareholder, Covestro will continue its journey focusing on scaling its circular economy ambitions, driving digital transformation through advanced technologies such as AI and quantum computing, and strengthening its activities in high-growth sectors like mobility, construction, and electronics. XRG's expertise in energy transition will complement Covestro's sustainability goals, providing access to cleaner energy solutions and enhancing resilience in a rapidly changing global landscape.

A Strong Foundation for Long-Term Growth and Continuity

Key elements of the agreed strategic partnership include, inter alia, that Covestro, a global leader in high-quality polymer materials, will act as the foundational platform for XRG's Performance Materials and Specialty Chemicals business. In accordance with the terms of the Investment Agreement, Covestro will retain its autonomy, with its Board of Management, led by CEO Dr. Markus Steilemann, continuing to oversee operational management and strategic direction. XRG will collaborate with Covestro's management to identify further opportunities to enhance operational efficiency, strengthen resilience and capture long-term value as the company enters this next phase. Also, in accordance with the terms of the Investment Agreement, upon closing, Covestro maintains its corporate structure, German corporate governance standards and existing general works agreements along with its registered headquarters in Leverkusen.

About XRG:

XRG is an international investment company with an enterprise value of $150 billion, investing across natural gas, chemicals and scalable energy solutions that power AI and industry globally. Headquartered in Abu Dhabi and wholly owned by ADNOC, XRG's portfolio includes operating and non-operating interests in assets and companies that are meeting the rapidly increasing global demand for energy and the chemicals that are essential for sustainable economic growth

To find out more, visit: www.XRG.com

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About Covestro:

Covestro is one of the world's leading manufacturers of high-quality polymer materials and their components. With its innovative products, processes and methods, the company helps enhance sustainability and the quality of life in many areas. Covestro supplies customers around the world in key industries such as mobility, building and living, as well as the electrical and electronics sector. In addition, polymers from Covestro are also used in sectors such as sports and leisure, telecommunications and health, as well as in the chemical industry itself.

The company is geared completely to the circular economy. In addition, Covestro aims to achieve climate neutrality for its Scope 1 and Scope 2 emissions by 2035, and the Group's Scope 3 emissions are also set to be climate neutral by 2050. Covestro generated sales of EUR 14.2 billion in fiscal year 2024. At the end of 2024, the company had 46 production sites worldwide and employed approximately 17,500 people (calculated as full-time equivalents).

You can find more information on the Covestro´s IR Website.
Please also read our Corporate Blog.
Follow us on the Covestro social media channels:

Forward-looking statements

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