

Press Release



Leverkusen,
November 7, 2022

Response to economic uncertainties, energy crisis and weakening global economy

Covestro AG
Communications
51365 Leverkusen
Germany

Investment project for a world-scale MDI plant paused

- **Economic conditions require project reassessment**
- **MDI remains a growth market long-term**
- **No fundamental investment stop**

Contact
Petra Schäfer
Telephone
+49 172 6708416
Email
Petra.Schaefer
@covestro.com

Owing to the European energy crisis and a global economy that continues to weaken, Covestro has decided to pause the investment project for its new world-scale MDI plant. This also means that the decision on the plant's future location remains open until further notice.

Contact
Svenja Paul
Telephone
+49 173 3056862
Email
Svenja.Paul
@covestro.com

“The war in Ukraine, the European energy crisis and the growing inflation have severely disrupted the global economy. Facing an increasingly volatile economic environment, we must ensure that we make the best decision for the company economically and strategically. Thus, we pause the project for the moment and reassess it at a later time,” said Covestro CEO Dr. Markus Steilemann. “In the long term, we see significant growth in global demand for MDI driven by trends toward energy-efficient construction and want to profit from this demand as a leading company in the global market. We will also continue to invest in growth opportunities in all regions of the world.”

In September 2021, the company announced that it would resume the investment project for its world-scale MDI plant after it had previously been suspended. In this context, the Group reported that it was examining both the USA and China as potential locations for the new plant.

“We are facing unprecedented challenges that are shifting the global economic situation fundamentally. This is why we took a close look at the world-scale project in



line with our general investment process and, in view of the economic situation, decided to pause it. At the same time, we are continuing to invest in our transformation to a circular economy and in the expansion of our production capacities,” said Covestro CFO Dr. Thomas Toepfer.

The suspension of the world-scale investment does not represent a change in Covestro’s long-term growth strategy. Especially China and Asia-Pacific remain strong key growth markets for Covestro in the long turn. As part of its corporate strategy “Sustainable Future”, the Group will continue to invest in sustainable growth opportunities and consistently continue its path toward becoming fully circular.

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, cosmetics and health, as well as in the chemical industry itself.

The company is committed to becoming fully circular and is striving to become climate neutral by 2035 (scope 1 and 2). Covestro generated sales of EUR 15.9 billion in fiscal 2021. At the end of 2021, the company had 50 production sites worldwide and employed approximately 17,900 people (calculated as full-time equivalents).

Find more information at <http://www.covestro.com>.

Follow us on Twitter: <https://twitter.com/covestro>.

Also read our blog at <http://www.covestro.com/blog>.

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.