Next step in ongoing portfolio optimization process

**Covestro sells joint venture shares in Dubai systems house**

* **Proceeds in the mid-single-digit million euro range**
* **Closing expected in the first half of 2021**
* **Systems house continues doing business independently, Covestro remains key supplier**

On February 25, 2021, Covestro has signed an agreement on the sale of its 51 percent share in the joint venture Pearl Covestro Polyurethane Systems FZCO, which operates systems house business in Dubai (United Arab Emirates), to the current co-shareholder Pearl Industries Overseas Ltd. The sale will generate proceeds in the mid-single-digit million euro range. The divestment is part of Covestro's ongoing portfolio optimization process and marks a further step in the strategic focusing of the Polyurethanes segment. Subject to regulatory approval, the closing is expected in the first half of 2021.

The joint venture was established under the former name BaySystems Pearl in Dubai (United Arab Emirates) in 2006 and has supplied Polyurethane Foam systems for several projects in the region. The systems house business will continue to operate as Pearl Polyurethane Systems after the transaction is concluded. Covestro will remain a key supplier of polyurethane raw materials based on the contract signed.

Covestro already sold its North American systems house business in 2017. In 2019, the sale of the European systems house business with sites in the Netherlands, Denmark, Spain, and Germany, as well as further businesses in Italy followed.

**About Covestro:**

With 2020 sales of EUR 10.7 billion, Covestro is among the world’s leading polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative, sustainable solutions for products used in many areas of daily life. In doing so, Covestro is fully committed to the circular economy. The main industries served are the automotive and transportation industries, construction, furniture and wood processing, as well as electrical, electronics, and household appliances industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. At the end of 2020, Covestro has 33 production sites worldwide and employs approximately 16,500 people (calculated as full-time equivalents).

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