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# Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Covestro Group, and the Group Management Report, which has been combined with the Management Report of Covestro AG, includes a fair review of the development and performance of the business and the position of the Covestro Group and Covestro AG, together with a description of the principal opportunities and risks associated with the expected development of the Covestro Group and Covestro AG.

Leverkusen, February 20, 2025

Covestro AG

The Board of Management

Dr. Markus Steilemann  
(Chairman)

Christian Baier

Dr. Thorsten Dreier

Sucheta Govil

# Independent Auditor's Report

To Covestro AG, Leverkusen

## Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

### Opinions

We have audited the consolidated financial statements of Covestro AG, Leverkusen, and its subsidiaries (the Group), which comprise the income statement, the statement of comprehensive income of the Covestro Group for the financial year from January 1 to December 31, 2024, the statement of financial position of the Covestro Group as of December 31, 2024, the statement of cash flows and the statement of changes in equity of the Covestro Group for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter the "combined management report") of Covestro AG for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

### Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with

the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

### **Key Audit Matters in the Audit of the Consolidated Financial Statements**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

### **Impairment testing of goodwill**

Please refer to note 13.3 "Impairment testing" in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of goodwill can be found under Note 13.1 "Goodwill and other intangible assets" in the notes to the consolidated financial statements and information on the economic development of the business segments in the combined management report in the section "Performance of the segments".

### **THE FINANCIAL STATEMENT RISK**

Goodwill amounted to EUR 719 million as of December 31, 2024, thus representing 5.3% of total assets.

Irrespective of any indication of impairment, goodwill is tested for impairment once a year on the level of the cash-generating units (strategic business areas) and on the level of the groups of CGUs (business units). If impairment triggers arise during the financial year, an indicator-based impairment test is also carried out during the year.

For goodwill impairment testing, the carrying amount is compared with the recoverable amount of the respective strategic business area or the respective business unit. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell and value in use of the units or groups of cash-generating units. The annual goodwill impairment was conducted in Q4 2024.

Impairment testing of goodwill is complex and based on a number of assumptions requiring judgment. These include the expected business and earnings performance as well as the investment spending of the respective cash-generating unit/groups of cash-generating units over the planning horizon, the assumed long-term growth rates and the discount rate used.

Based on the annual impairment tests, Covestro AG did not identify any need to recognize impairment losses.

There is the risk for the consolidated financial statements that an existing need to recognize an impairment loss is not identified. There is also the risk that the related disclosures in the notes are not appropriate.

### **OUR AUDIT APPROACH**

First, we obtained an understanding of the process for impairment testing of goodwill through explanations provided by accounting staff with the involvement of the controlling function, as well as an assessment of the Company's documentation.

With the involvement of our valuation experts, we then assessed (among other things) the appropriateness of the significant assumptions and the Company's calculation method for the annual impairment testing. To this end, we discussed the expected business and earnings performance, the investment spending as well as the assumed long-term growth rates with those responsible for planning. We also reconciled this information with other internally available forecasts and reconciled the cash flows used for the impairment test with the budget prepared by the Board of Management and approved by the Supervisory Board. We also evaluated the consistency of the assumptions with external market assessments.

We also examined the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual earnings and by analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data.

To assess the computational accuracy of the method used, we verified the Company's calculations.

To take account of the existing forecast uncertainty for impairment testing, we examined the effects of possible changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount using the sensitivity analyses prepared by the Company.

Finally, we assessed whether the disclosures in the notes regarding impairment of goodwill are appropriate.

## OUR OBSERVATIONS

The calculation method used for the annual impairment testing of goodwill is appropriate and in line with the accounting policies to be applied. The Company's assumptions and data used for measurement are within an acceptable range and are appropriate. The related disclosures in the notes are appropriate.

### Impairment testing of property, plant and equipment

Please refer to note 13.3 "Impairment Testing" to the consolidated financial statements for more information on the accounting policies applied and the assumptions used. Disclosures on the amount of property, plant and equipment can be found under note 13.2 "Property, Plant and Equipment" to the consolidated financial statements and disclosures on the financial performance of the business segments in the section "Performance of the Segments" of the combined management report.

## THE FINANCIAL STATEMENT RISK

Property, plant and equipment amounted to EUR 5,898 million as of December 31, 2024, and at 43.2% of total assets accounted for a considerable share of assets.

If impairment triggers for property, plant and equipment arise or if there are indications that previously recognized impairment losses on property, plant and equipment no longer apply or have decreased (reversal of an impairment loss), an indicator-based impairment test is carried out. For the impairment testing, the carrying amount is compared with the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is calculated regularly on the level of cash-generating units (strategic business areas) using the discounted cash flow method. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. Any identified impairment loss must be allocated to the individual assets. However, the carrying amount of an individual asset may not fall below its minimum carrying amount. The minimum carrying amount is the higher of fair value less costs to sell, value in use and zero. If the carrying amount is less than the recoverable amount, the impairment loss is reversed. The reversal of impairment losses is limited by the amortized cost.

Impairment testing of property, plant and equipment is complex and based on a range of assumptions that require judgment. These include the expected business and earnings performance as well as the investment spending of the respective cash-generating units over the planning horizon, the assumed long-term growth rates and the discount rate used.

Due to the ongoing challenging economic conditions and a deterioration in the business outlook in certain areas in comparison to the prior year, impairment testing was carried out at the level of the cash-generating unit in the fourth quarter. As a result of the indicator-based impairment test, Covestro AG recognized an impairment loss of EUR 106 million for the property, plant and equipment of the cash-generating units. Thereof, EUR 59 million was attributable to the cash-generating units Standard Polyether Polyols (SPET), EUR 39 million to Energy Curable Solutions (ECS) and EUR 8 million to Powder Coating Resins (PCR). No need to reverse impairment losses was identified.

There is the risk for the consolidated financial statements that an existing need to recognize an impairment loss or potentially reverse an impairment loss was not recognised, or not recognised at an appropriate amount. There is also the risk that the related disclosures in the notes are not appropriate.

## OUR AUDIT APPROACH

First, we obtained an understanding of the process for impairment testing of property, plant and equipment through explanations provided by accounting staff with the involvement of the controlling function, as well as an assessment of the Company's documentation.

With the involvement of our valuation experts, we then assessed the indicator-based impairment test to determine (among other things) the appropriateness of the key assumptions and the Company's calculation method. To this end, we discussed the expected business and earnings development, the investment spending, the cash flow forecast derived from those expectations, as well as the assumed long-term growth rates, with those responsible for planning. We also reconciled this information with other internally available forecasts and reconciled the cash flows used for the impairment test with the budget prepared by the Board of Management and approved by the Supervisory Board. We also evaluated the consistency of the assumptions with external market assessments.

We also examined the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual earnings and by analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta factor with our own assumptions and publicly available data.

To evaluate the computational accuracy of the method used, we verified the Company's calculations on the basis of selected risk-based elements.

To take account of the existing forecast uncertainty for impairment testing, we examined the effects of possible changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount using the sensitivity analyses prepared by the Company.

Finally, we assessed whether the disclosures in the notes on the impairment of property, plant and equipment are appropriate.

## OUR OBSERVATIONS

The calculation method used for impairment testing of property, plant and equipment is appropriate and in line with the accounting policies to be applied. The Company's assumptions and data used for measurement are within an acceptable range and are reasonable overall. The related disclosures in the notes are appropriate.

## Other Information

The Board of Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Group's sustainability report, including the Group's non-financial statement pursuant to Sections 315b and 315c, contained in the combined management report,
- the combined declaration on corporate governance of the Company and the Group, which is contained in the "Declaration on Corporate Governance" section of the combined management report.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

As part of a separate engagement, we performed an assurance engagement to obtain limited and reasonable assurance with respect to the Group Sustainability Report. Please refer to our assurance report dated February 21, 2025, for information on the nature, scope and findings of this assurance engagement.

### **Responsibilities of the Board of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report**

The Board of Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Board of Management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Board of Management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Board of Management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the Board of Management and the reasonableness of estimates made by the Board of Management and related disclosures.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Board of Management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other Legal and Regulatory Requirements

### **Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB**

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the 'ESEF documents') contained in the electronic file „covestroag-2024-12-31-0-de.zip“ (SHA256-hash value: 9c9fb972e050ecde17fdc4efa4ec73e6f2404b544110f0f311d56c303a20532b) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ('ESEF format'). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised)]. Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's Board of Management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Board of Management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

### Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on April 17, 2024. We were engaged by the Audit Committee of the Supervisory Board on November 13, 2024. We have been the auditor of the consolidated financial statements of Covestro AG without interruption since financial year 2018.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

## German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Kathryn Ackermann.

Essen, February 21, 2025

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

[signature] Ufer  
Wirtschaftsprüfer  
[German Public Auditor]

[signature] Dr. Ackermann  
Wirtschaftsprüferin  
[German Public Auditor]

# Assurance report of the independent German Public Auditor on an assurance engagement to obtain limited and reasonable assurance in relation to the group sustainability statement

To the Covestro AG

## Assurance Conclusion and Opinion

We have conducted a limited assurance engagement on the Group Sustainability Statement, taking into account, as set forth in the subsequent paragraph, the reasonable assurance engagement on disclosures marked with a curly bracket '{ }' in the Group Sustainability Statement included in section Group Sustainability Report of the combined management report, of Covestro AG for the financial year from January 1, 2024 to December 31, 2024. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a group non-financial statement.

Based on the particular engagement, we have conducted a reasonable assurance engagement on the disclosures marked with a curly bracket '{ }' in the Group Sustainability Statement. A reasonable assurance engagement on these disclosures fulfils the requirements for a limited assurance engagement and, in accordance with Recital 60 to the CSRD, thereby complies with the requirements of the CSRD relating to assurance of the Group Sustainability Statement.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement, taking into account the disclosures in the Group Sustainability Statement marked with a curly bracket '{ }' and subject to a reasonable assurance engagement, is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a group non-financial statement and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section 'Management of impacts, risks and opportunities' of the Group Sustainability Statement, or
- the disclosures in the Group Sustainability Statement marked with 'Information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)' do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

In our opinion, on the basis of our reasonable assurance engagement, the disclosures marked with a curly bracket '{ }' in the Group Sustainability Statement were prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

## Basis for the Assurance Conclusion and Opinion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

### **Responsibilities of the Executive Directors and the Supervisory Board for the Group Sustainability Statement**

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of the Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

### **Inherent Limitations in Preparing the Group Sustainability Statement**

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

### **German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement**

Our objectives are

- a) to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement, taking into account the disclosures in the Group Sustainability Statement marked with a curly bracket '{ }' and subject to a reasonable assurance engagement, has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement, taking into account the disclosures in the Group Sustainability Statement marked with a curly bracket '{ }' and subject to a reasonable assurance engagement.

b) to express a reasonable assurance opinion, based on the assurance engagement we have conducted on whether the disclosures marked with a curly bracket '{ }' in the Group Sustainability Statement are prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

a) for the limited assurance engagement

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

b) for the reasonable assurance engagement

- perform risk assessment procedures, including obtaining an understanding of the internal controls that are relevant to the assurance engagement on the disclosures marked with a curly bracket '{ }' in the Group Sustainability Statement in order to identify and assess the risks of material misstatement at the assertion level due to fraud or error, but not for the purpose of expressing an assurance opinion on the effectiveness of these internal controls of the Company. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources in the value chain not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- evaluate the appropriate derivation of the forward-looking disclosures from the significant assumptions and the appropriateness of these assumptions. We do not express a separate assurance opinion either on the forward-looking disclosures nor on the assumptions on which they are based. There is a substantial unavoidable risk that future events will differ materially from the forward-looking disclosures.

### **Summary of the Procedures Performed for the Limited Assurance Engagement by the German Public Auditor**

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement

- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement
- conducted site visits
- considered the presentation of the information in the Group Sustainability Statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement].

### **Restriction of Use / Clause on General Engagement Term**

This assurance report is solely addressed to Covestro AG

The engagement, in the performance of which we have provided the services described above on behalf of Covestro AG, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 ([www.kpmg.de/AAB\\_2024](http://www.kpmg.de/AAB_2024)). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Düsseldorf, February 21, 2025

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Oliver Geier  
Wirtschaftsprüfer  
[German Public Auditor]

Claudia Fielenbach  
Wirtschaftsprüferin  
[German Public Auditor]

# Segment and Quarterly Overview

## Segment information, 4th quarter

	Performance Materials		Solutions & Specialties		Others/Reconciliation		Covestro Group	
	4th quarter 2023	4th quarter 2024	4th quarter 2023	4th quarter 2024	4th quarter 2023	4th quarter 2024	4th quarter 2023	4th quarter 2024
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
<b>Sales (external)</b>	<b>1,588</b>	<b>1,670</b>	<b>1,703</b>	<b>1,654</b>	<b>55</b>	<b>52</b>	<b>3,346</b>	<b>3,376</b>
Intersegment sales	488	510	6	7	(494)	(517)	–	–
<b>Sales (total)</b>	<b>2,076</b>	<b>2,180</b>	<b>1,709</b>	<b>1,661</b>	<b>(439)</b>	<b>(465)</b>	<b>3,346</b>	<b>3,376</b>
Change in sales								
Volume	7.7%	5.6%	–0.3%	1.3%	–	–	3.1%	3.2%
Price	–22.0%	–0.1%	–10.2%	–4.0%	–	–	–15.7%	–2.1%
Currency	–2.8%	–0.3%	–3.3%	–0.2%	–	–	–3.0%	–0.2%
Sales by region								
EMLA	674	739	586	556	47	40	1,307	1,335
NA	414	400	427	420	5	9	846	829
APAC	500	531	690	678	3	3	1,193	1,212
<b>EBITDA<sup>1</sup></b>	<b>16</b>	<b>145</b>	<b>185</b>	<b>150</b>	<b>(69)</b>	<b>(104)</b>	<b>132</b>	<b>191</b>
EBIT <sup>1</sup>	(126)	(55)	107	30	(71)	(106)	(90)	(131)
Depreciation, amortization, impairment losses, and impairment loss reversals	142	200	78	120	2	2	222	322
Cash flows from operating activities	169	355	374	368	(166)	(111)	377	612
Cash outflows for additions to property, plant, equipment, and intangible assets	190	226	110	110	4	23	304	359
<b>Free operating cash flow</b>	<b>(21)</b>	<b>129</b>	<b>264</b>	<b>258</b>	<b>(170)</b>	<b>(134)</b>	<b>73</b>	<b>253</b>
Trade working capital <sup>2</sup>	975	964	1,437	1,447	(26)	(20)	2,386	2,391

<sup>1</sup> EBITDA and EBIT include the effect of intersegment sales on earnings.

<sup>2</sup> Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of December 31, 2024/2023.

## Segment information, full year

	Performance Materials		Solutions & Specialties		Others /Reconciliation		Covestro Group	
	2023	2024	2023	2024	2023	2024	2023	2024
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
<b>Sales (external)</b>	<b>6,876</b>	<b>6,970</b>	<b>7,267</b>	<b>7,004</b>	<b>234</b>	<b>205</b>	<b>14,377</b>	<b>14,179</b>
Intersegment sales	2,194	2,228	27	27	(2,221)	(2,255)	–	–
<b>Sales (total)</b>	<b>9,070</b>	<b>9,198</b>	<b>7,294</b>	<b>7,031</b>	<b>(1,987)</b>	<b>(2,050)</b>	<b>14,377</b>	<b>14,179</b>
Change in sales								
Volume	–6.7%	11.9%	–6.2%	4.0%	–	–	–6.8%	7.4%
Price	–15.7%	–9.6%	–6.4%	–6.8%	–	–	–11.0%	–8.0%
Currency	–2.0%	–0.9%	–2.5%	–0.8%	–	–	–2.2%	–0.8%
Sales by region								
EMLA	3,021	3,102	2,730	2,585	190	161	5,941	5,848
NA	1,844	1,720	1,860	1,755	31	32	3,735	3,507
APAC	2,011	2,148	2,677	2,664	13	12	4,701	4,824
<b>EBITDA<sup>1</sup></b>	<b>576</b>	<b>569</b>	<b>817</b>	<b>740</b>	<b>(313)</b>	<b>(238)</b>	<b>1,080</b>	<b>1,071</b>
EBIT <sup>1</sup>	9	(42)	497	374	(320)	(245)	186	87
Depreciation, amortization, impairment losses, and impairment loss reversals	567	611	320	366	7	7	894	984
Cash flows from operating activities	652	574	821	671	(476)	(375)	997	870
Cash outflows for additions to property, plant, equipment, and intangible assets	490	496	270	254	5	31	765	781
<b>Free operating cash flow</b>	<b>162</b>	<b>78</b>	<b>551</b>	<b>417</b>	<b>(481)</b>	<b>(406)</b>	<b>232</b>	<b>89</b>
Trade working capital <sup>2</sup>	975	964	1,437	1,447	(26)	(20)	2,386	2,391

<sup>1</sup> EBITDA and EBIT include the effect of intersegment sales on earnings.

<sup>2</sup> Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of December 31, 2024/2023.

## Quarterly Overview

	1st quarter 2023	2nd quarter 2023	3rd quarter 2023	4th quarter 2023	1st quarter 2024	2nd quarter 2024	3rd quarter 2024	4th quarter 2024
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	3,743	3,720	3,568	3,346	3,510	3,690	3,603	3,376
Performance Materials	1,792	1,789	1,707	1,588	1,689	1,834	1,777	1,670
Solutions & Specialties	1,883	1,872	1,809	1,703	1,767	1,810	1,773	1,654
<b>EBITDA</b>	<b>286</b>	<b>385</b>	<b>277</b>	<b>132</b>	<b>273</b>	<b>320</b>	<b>287</b>	<b>191</b>
Performance Materials <sup>1</sup>	173	302	85	16	103	196	125	145
Solutions & Specialties <sup>1</sup>	165	221	246	185	208	174	208	150
EBIT	39	166	71	(90)	61	81	76	(131)
Performance Materials <sup>1</sup>	29	158	(52)	(126)	(35)	59	(11)	(55)
Solutions & Specialties <sup>1</sup>	63	149	178	107	135	75	134	30
Financial result	(29)	(36)	(35)	(13)	(30)	(29)	(24)	(31)
Income before income taxes	10	130	36	(103)	31	52	52	(162)
Income after income taxes	(27)	45	(31)	(189)	(37)	(74)	31	(192)
Net income	(26)	46	(31)	(187)	(35)	(72)	33	(192)
Cash flows from operating activities	(19)	149	490	377	(23)	19	262	612
Cash outflows for additions to property, plant, equipment, and intangible assets	120	159	182	304	106	166	150	359
<b>Free operating cash flow</b>	<b>(139)</b>	<b>(10)</b>	<b>308</b>	<b>73</b>	<b>(129)</b>	<b>(147)</b>	<b>112</b>	<b>253</b>

<sup>1</sup> The results of the reportable Performance Materials and Solutions & Specialties segments contain the effect of intersegment sales on earnings.

## Five-Year Summary

### Five-Year Summary

	2020	2021	2022	2023	2024
	€ million	€ million	€ million	€ million	€ million
<b>Sales (external)</b>	<b>10,706</b>	<b>15,903</b>	<b>17,968</b>	<b>14,377</b>	<b>14,179</b>
Performance Materials <sup>1</sup>	5,468	8,142	9,095	6,876	6,970
Solutions & Specialties <sup>1</sup>	5,060	7,554	8,558	7,267	7,004
<b>EBITDA</b>	<b>1,472</b>	<b>3,085</b>	<b>1,617</b>	<b>1,080</b>	<b>1,071</b>
EBIT	696	2,262	267	186	87
Financial result	(91)	(77)	(137)	(113)	(114)
Net income	459	1,616	(272)	(198)	(266)
Earnings per share (€) <sup>2</sup>	2.48	8.37	(1.42)	(1.05)	(1.41)
Operating cash flows	1,234	2,193	970	997	870
Cash outflows for additions to property, plant, equipment, and intangible assets	704	764	832	765	781
<b>Free operating cash flow</b>	<b>530</b>	<b>1,429</b>	<b>138</b>	<b>232</b>	<b>89</b>
Trade working capital <sup>3</sup>	1,949	2,952	2,706	2,386	2,391
Net financial debt	356	1,405	2,434	2,487	2,618
ROCE	+7.0%	+19.5%	+2.0%	+1.5%	+0.7%
Employees (in FTE) <sup>4</sup>	16,497	17,905	17,981	17,516	17,503

<sup>1</sup> Reference information for the segments for fiscal 2020 are based on unaudited figures due to the new organizational structure changed in 2021.

<sup>2</sup> Figures based on weighted average number of voting shares outstanding that were subject to relevant changes resulting from, among other factors, the share buyback program between March 21, 2022 and October 26, 2023, and the capital increase on October 19, 2020.

<sup>3</sup> Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of the December 31 reporting date for the years 2020 to 2024.

<sup>4</sup> Board of Management members, employees in vocational training, and interns are not included in this metric.



# FINANCIAL CALENDAR

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Annual General Meeting 2025.....	April 17, 2025
Quarterly Statement First Quarter 2025.....	May 06, 2025
Half-Year Financial Report 2025.....	July 31, 2025
Quarterly Statement Third Quarter 2025.....	October 30, 2025

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