

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended
June 30, 2023
Or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-32410



CELANESE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

98-0420726

(I.R.S. Employer Identification No.)

222 W. Las Colinas Blvd., Suite 900N

Irving, TX 75039-5421

(Address of Principal Executive Offices and zip code)

(972) 443-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.0001 per share	CE	The New York Stock Exchange
1.125% Senior Notes due 2023	CE /23	The New York Stock Exchange
1.250% Senior Notes due 2025	CE /25	The New York Stock Exchange
4.777% Senior Notes due 2026	CE /26A	The New York Stock Exchange
2.125% Senior Notes due 2027	CE /27	The New York Stock Exchange
0.625% Senior Notes due 2028	CE /28	The New York Stock Exchange
5.337% Senior Notes due 2029	CE /29A	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of outstanding shares of the registrant's Common Stock, \$0.0001 par value, as of August 4, 2023 was 108,852,226.

CELANESE CORPORATION AND SUBSIDIARIES

Form 10-Q

For the Quarterly Period Ended June 30, 2023

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Item 1. Financial Statements

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In \$ millions, except share and per share data)			
Net sales	2,795	2,486	5,648	5,024
Cost of sales	(2,109)	(1,781)	(4,331)	(3,574)
Gross profit	686	705	1,317	1,450
Selling, general and administrative expenses	(274)	(197)	(559)	(371)
Amortization of intangible assets	(42)	(11)	(83)	(22)
Research and development expenses	(40)	(26)	(82)	(50)
Other (charges) gains, net	(10)	1	(33)	—
Foreign exchange gain (loss), net	15	(1)	21	(2)
Gain (loss) on disposition of businesses and assets, net	—	12	5	9
Operating profit (loss)	335	483	586	1,014
Equity in net earnings (loss) of affiliates	23	60	38	116
Non-operating pension and other postretirement employee benefit (expense) income	(2)	25	(1)	49
Interest expense	(182)	(48)	(364)	(83)
Interest income	7	1	15	2
Dividend income - equity investments	31	36	65	73
Other income (expense), net	4	(3)	(2)	(1)
Earnings (loss) from continuing operations before tax	216	554	337	1,170
Income tax (provision) benefit	4	(112)	(21)	(224)
Earnings (loss) from continuing operations	220	442	316	946
Earnings (loss) from operation of discontinued operations	—	(8)	(3)	(8)
Income tax (provision) benefit from discontinued operations	1	2	1	2
Earnings (loss) from discontinued operations	1	(6)	(2)	(6)
Net earnings (loss)	221	436	314	940
Net (earnings) loss attributable to noncontrolling interests	(1)	(2)	(3)	(4)
Net earnings (loss) attributable to Celanese Corporation	220	434	311	936
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	219	440	313	942
Earnings (loss) from discontinued operations	1	(6)	(2)	(6)
Net earnings (loss)	220	434	311	936
Earnings (loss) per common share - basic				
Continuing operations	2.01	4.06	2.88	8.70
Discontinued operations	0.01	(0.06)	(0.02)	(0.06)
Net earnings (loss) - basic	2.02	4.00	2.86	8.64
Earnings (loss) per common share - diluted				
Continuing operations	2.00	4.03	2.86	8.63
Discontinued operations	0.01	(0.05)	(0.01)	(0.06)
Net earnings (loss) - diluted	2.01	3.98	2.85	8.57
Weighted average shares - basic	108,886,678	108,392,155	108,761,071	108,289,603
Weighted average shares - diluted	109,306,331	109,123,349	109,281,364	109,158,055

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In \$ millions)			
Net earnings (loss)	221	436	314	940
Other comprehensive income (loss), net of tax				
Foreign currency translation gain (loss)	(201)	(131)	(188)	(152)
Gain (loss) on cash flow hedges	—	26	4	41
Pension and postretirement benefits	1	—	—	2
Total other comprehensive income (loss), net of tax	(200)	(105)	(184)	(109)
Total comprehensive income (loss), net of tax	21	331	130	831
Comprehensive (income) loss attributable to noncontrolling interests	(1)	(2)	(3)	(4)
Comprehensive income (loss) attributable to Celanese Corporation	20	329	127	827

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

	As of June 30, 2023	As of December 31, 2022
(In \$ millions, except share data)		
ASSETS		
Current Assets		
Cash and cash equivalents	1,296	1,508
Trade receivables - third party and affiliates	1,338	1,379
Non-trade receivables, net	625	675
Inventories	2,514	2,808
Assets held for sale	211	—
Other assets	268	241
Total current assets	<u>6,252</u>	<u>6,611</u>
Investments in affiliates	1,028	1,062
Property, plant and equipment (net of accumulated depreciation - 2023: \$3,830; 2022: \$3,687)	5,541	5,584
Operating lease right-of-use assets	403	413
Deferred income taxes	832	808
Other assets	523	547
Goodwill	7,063	7,142
Intangible assets, net	4,007	4,105
Total assets	<u><u>25,649</u></u>	<u><u>26,272</u></u>
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,507	1,306
Trade payables - third party and affiliates	1,243	1,518
Liabilities held for sale	19	—
Other liabilities	1,146	1,201
Income taxes payable	7	43
Total current liabilities	<u>3,922</u>	<u>4,068</u>
Long-term debt, net of unamortized deferred financing costs	12,889	13,373
Deferred income taxes	1,220	1,242
Uncertain tax positions	285	322
Benefit obligations	406	411
Operating lease liabilities	347	364
Other liabilities	492	387
Commitments and Contingencies		
Shareholders' Equity		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized (2023 and 2022: 0 issued and outstanding)	—	—
Common stock, \$0.0001 par value, 400,000,000 shares authorized (2023: 170,458,836 issued and 108,847,435 outstanding; 2022: 170,135,425 issued and 108,473,932 outstanding)	—	—
Treasury stock, at cost (2023: 61,611,401 shares; 2022: 61,661,493 shares)	(5,490)	(5,491)
Additional paid-in capital	383	372
Retained earnings	11,433	11,274
Accumulated other comprehensive income (loss), net	(702)	(518)
Total Celanese Corporation shareholders' equity	<u>5,624</u>	<u>5,637</u>
Noncontrolling interests	464	468
Total equity	<u>6,088</u>	<u>6,105</u>
Total liabilities and equity	<u><u>25,649</u></u>	<u><u>26,272</u></u>

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF EQUITY

	Three Months Ended June 30,			
	2023		2022	
	Shares	Amount	Shares	Amount
	(In \$ millions, except share data)			
Common Stock				
Balance as of the beginning of the period	108,786,738	—	108,307,341	—
Stock awards	60,697	—	38,694	—
Balance as of the end of the period	<u>108,847,435</u>	<u>—</u>	<u>108,346,035</u>	<u>—</u>
Treasury Stock				
Balance as of the beginning of the period	61,661,493	(5,491)	61,736,289	(5,492)
Issuance of treasury stock under stock plans	(50,092)	1	(32,243)	—
Balance as of the end of the period	<u>61,611,401</u>	<u>(5,490)</u>	<u>61,704,046</u>	<u>(5,492)</u>
Additional Paid-In Capital				
Balance as of the beginning of the period		365		326
Stock-based compensation, net of tax		18		18
Balance as of the end of the period		<u>383</u>		<u>344</u>
Retained Earnings				
Balance as of the beginning of the period		11,289		10,106
Net earnings (loss) attributable to Celanese Corporation		220		434
Common stock dividends		(76)		(74)
Balance as of the end of the period		<u>11,433</u>		<u>10,466</u>
Accumulated Other Comprehensive Income (Loss), Net				
Balance as of the beginning of the period		(502)		(333)
Other comprehensive income (loss), net of tax		(200)		(105)
Balance as of the end of the period		<u>(702)</u>		<u>(438)</u>
Total Celanese Corporation shareholders' equity		<u>5,624</u>		<u>4,880</u>
Noncontrolling Interests				
Balance as of the beginning of the period		469		346
Net earnings (loss) attributable to noncontrolling interests		1		2
Distributions/dividends to noncontrolling interests		(6)		(3)
Balance as of the end of the period		<u>464</u>		<u>345</u>
Total equity		<u>6,088</u>		<u>5,225</u>

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF EQUITY

	Six Months Ended June 30,			
	2023		2022	
	Shares	Amount	Shares	Amount
	(In \$ millions, except share data)			
Common Stock				
Balance as of the beginning of the period	108,473,932	—	108,023,735	—
Stock awards	373,503	—	322,300	—
Balance as of the end of the period	<u>108,847,435</u>	<u>—</u>	<u>108,346,035</u>	<u>—</u>
Treasury Stock				
Balance as of the beginning of the period	61,661,493	(5,491)	61,736,289	(5,492)
Issuance of treasury stock under stock plans	(50,092)	1	(32,243)	—
Balance as of the end of the period	<u>61,611,401</u>	<u>(5,490)</u>	<u>61,704,046</u>	<u>(5,492)</u>
Additional Paid-In Capital				
Balance as of the beginning of the period		372		333
Stock-based compensation, net of tax		11		11
Balance as of the end of the period		<u>383</u>		<u>344</u>
Retained Earnings				
Balance as of the beginning of the period		11,274		9,677
Net earnings (loss) attributable to Celanese Corporation		311		936
Common stock dividends		(152)		(147)
Balance as of the end of the period		<u>11,433</u>		<u>10,466</u>
Accumulated Other Comprehensive Income (Loss), Net				
Balance as of the beginning of the period		(518)		(329)
Other comprehensive income (loss), net of tax		(184)		(109)
Balance as of the end of the period		<u>(702)</u>		<u>(438)</u>
Total Celanese Corporation shareholders' equity		<u>5,624</u>		<u>4,880</u>
Noncontrolling Interests				
Balance as of the beginning of the period		468		348
Net earnings (loss) attributable to noncontrolling interests		3		4
Distributions/dividends to noncontrolling interests		(7)		(7)
Balance as of the end of the period		<u>464</u>		<u>345</u>
Total equity		<u>6,088</u>		<u>5,225</u>

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2023	2022
	(In \$ millions)	
Operating Activities		
Net earnings (loss)	314	940
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities		
Depreciation, amortization and accretion	359	213
Pension and postretirement net periodic benefit cost	7	(42)
Pension and postretirement contributions	(24)	(23)
Deferred income taxes, net	(3)	15
(Gain) loss on disposition of businesses and assets, net	(4)	(8)
Stock-based compensation	32	31
Undistributed earnings in unconsolidated affiliates	(15)	(10)
Other, net	(4)	5
Operating cash provided by (used in) discontinued operations	(4)	(19)
Changes in operating assets and liabilities		
Trade receivables - third party and affiliates, net	(10)	(216)
Inventories	220	(251)
Other assets	187	22
Trade payables - third party and affiliates	(211)	169
Other liabilities	(178)	(15)
Net cash provided by (used in) operating activities	666	811
Investing Activities		
Capital expenditures on property, plant and equipment	(309)	(261)
Acquisitions, net of cash acquired	—	(14)
Proceeds from sale of businesses and assets, net	9	16
Other, net	(41)	(26)
Net cash provided by (used in) investing activities	(341)	(285)
Financing Activities		
Net change in short-term borrowings with maturities of 3 months or less	(300)	19
Proceeds from short-term borrowings	349	—
Repayments of short-term borrowings	(370)	—
Repayments of long-term debt	(13)	(14)
Purchases of treasury stock, including related fees	—	(17)
Common stock dividends	(152)	(147)
Distributions to noncontrolling interests	(7)	(7)
Issuance cost of bridge facility	—	(63)
Other, net	(23)	(25)
Net cash provided by (used in) financing activities	(516)	(254)
Exchange rate effects on cash and cash equivalents	(21)	(25)
Net increase (decrease) in cash and cash equivalents	(212)	247
Cash and cash equivalents as of beginning of period	1,508	536
Cash and cash equivalents as of end of period	1,296	783

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and Basis of Presentation

Description of the Company

Celanese Corporation and its subsidiaries (collectively, the "Company") is a global chemical and specialty materials company. The Company produces high performance engineered polymers that are used in a variety of high-value applications, as well as acetyl products, which are intermediate chemicals, for nearly all major industries. The Company also engineers and manufactures a wide variety of products essential to everyday living. The Company's broad product portfolio serves a diverse set of end-use applications including automotive, chemical additives, construction, consumer and industrial adhesives, consumer and medical, energy storage, filtration, food and beverage, paints and coatings, paper and packaging, performance industrial and textiles.

Definitions

In this Quarterly Report on Form 10-Q ("Quarterly Report"), the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The term "Celanese U.S." refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.

Basis of Presentation

The unaudited interim consolidated financial statements for the three and six months ended June 30, 2023 and 2022 contained in this Quarterly Report were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for all periods presented and include the accounts of the Company, its majority owned subsidiaries over which the Company exercises control and, when applicable, variable interest entities in which the Company is the primary beneficiary. The unaudited interim consolidated financial statements and other financial information included in this Quarterly Report, unless otherwise specified, have been presented to separately show the effects of discontinued operations.

In the opinion of management, the accompanying unaudited consolidated balance sheets and related unaudited interim consolidated statements of operations, comprehensive income (loss), cash flows and equity include all adjustments, consisting only of normal recurring items necessary for their fair presentation in conformity with U.S. GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in accordance with rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as of and for the year ended December 31, 2022, filed on February 24, 2023 with the SEC as part of the Company's Annual Report on Form 10-K.

Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the entire year.

In the ordinary course of business, the Company enters into contracts and agreements relative to a number of topics, including acquisitions, dispositions, joint ventures, supply agreements, product sales and other arrangements. The Company endeavors to describe those contracts or agreements that are material to its business, results of operations or financial position. The Company may also describe some arrangements that are not material but in which the Company believes investors may have an interest or which may have been included in a Form 8-K filing. Investors should not assume the Company has described all contracts and agreements relative to the Company's business in this Quarterly Report.

For those consolidated ventures in which the Company owns or is exposed to less than 100% of the economics, the outside shareholders' interests are shown as noncontrolling interests.

Estimates and Assumptions

The preparation of unaudited interim consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of Net sales, expenses and allocated charges during the reporting period. Significant estimates pertain to impairments of goodwill, intangible assets and other long-lived assets, purchase price allocations, restructuring costs and other (charges) gains, net, income taxes, pension

and other postretirement benefits, asset retirement obligations, environmental liabilities and loss contingencies, among others. Actual results could differ from those estimates.

2. Recent Accounting Pronouncements

There are no recent Accounting Standard Updates issued by the Financial Accounting Standards Board which are expected to materially impact the Company's financial position, operating results or financial disclosures.

3. Acquisitions, Dispositions and Plant Closures

Acquisitions

In November 2022, the Company acquired 100% ownership of entities and assets consisting of a majority of the Mobility & Materials business ("M&M") of DuPont de Nemours, Inc. ("DuPont") (the "M&M Acquisition") for a purchase price of \$11.0 billion, subject to transaction adjustments, in an all-cash transaction. The Company acquired a global production network of 29 facilities, including compounding and polymerization, customer and supplier contracts and agreements, an intellectual property portfolio, including approximately 850 patents with associated technical and R&D assets, and approximately 5,000 employees across the manufacturing, technical, and commercial organizations. This acquisition of M&M enhances the engineered materials product portfolio by adding new polymers, brands, product technology, and backward integration in critical polymers, allowing the Company to accelerate growth in high-value applications including future mobility, connectivity and medical. The acquisition was accounted for as a business combination and the acquired operations are included in the Engineered Materials segment.

The Company preliminarily allocated the purchase price of the acquisition to identifiable assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The purchase price allocation was based upon preliminary information and is subject to change if additional information about the facts and circumstances that existed at the acquisition date becomes available. The Company is in the ongoing process of conducting a valuation of the assets acquired and liabilities assumed related to the acquisition, including trade names and customer relationships, personal and real property, investment in equity affiliates and deferred taxes. The final fair value of the net assets acquired may result in adjustments to these assets and liabilities, including goodwill. During the measurement period to date, there were no adjustments that materially impacted the Company's goodwill initially recorded.

The following unaudited pro forma financial information presents the consolidated results of operations as if the M&M Acquisition had occurred at the beginning of 2022. M&M's pre-acquisition results have been added to the Company's historical results. The pro forma results contained in the table below include adjustments for (i) increased depreciation expense as a result of acquisition date fair value adjustments, (ii) amortization of acquired intangibles, (iii) interest expense and amortization of debt issuance costs of \$171 million and \$343 million related to borrowings under the U.S. Term Loan Facility (defined below) and the issuance of Acquisition Notes (defined below) as if these had taken place at the beginning of 2022 for the three and six months ended June 30, 2022, respectively and (iv) net total inventory step up of inventory amortized to Cost of sales of \$33 million and \$131 million for the three and six months ended June 30, 2022, respectively.

These pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the results of operations as they would have been had the acquisitions occurred on the assumed dates, nor are they necessarily an indication of future operating results.

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
	(In \$ millions)	
Unaudited Consolidated Pro Forma Results		
<i>Proforma</i> Net sales	3,397	6,824
<i>Proforma</i> Earnings (loss) from continuing operations before tax	285	597

Nutrinova Joint Venture

On June 22, 2023, the Company announced the signing of a definitive agreement with Mitsui & Co., Ltd. ("Mitsui") to form a food ingredients joint venture under the name Nutrinova. The Company will contribute receivables, inventory, property, plant and equipment, certain intangible assets, other assets, other liabilities, technology and employees of its food ingredients business while retaining a 30% stake in the joint venture. Mitsui will acquire the remaining 70% stake at a purchase price of

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\$473 million. The parties expect to close the transaction in the second half of 2023, pending regulatory approvals. The Company will account for its remaining investment in the food ingredients business as an equity method investment.

As of June 30, 2023, the food ingredients business, currently included in the Engineered Materials segment, was classified as held for sale and measured and reported at the lower of its carrying amount or fair value less costs to sell. The assets and liabilities classified as held for sale in the unaudited consolidated balance sheet are as follows:

	As of June 30, 2023
	(In \$ millions)
Current assets	83
Goodwill	80
Other long-term assets	48
Assets held for sale	211
Other liabilities	19
Liabilities held for sale	19

Korea Engineering Plastics Co. Restructuring

In April 2022, the Company completed the restructuring of Korea Engineering Plastics Co. ("KEPCO"), a joint venture owned 50% by the Company and 50% by Mitsubishi Gas Chemical Company, Inc. KEPCO was first formed in 1987 to manufacture and market polyoxymethylene ("POM") in Asia, with a particular focus on serving domestic demand in South Korea. KEPCO will now focus solely on manufacturing and supplying high quality products to its shareholders, who will independently market them globally. As part of the restructuring of KEPCO, the Company paid KEPCO \$5 million and will pay 5 equal annual installments of €24 million on October 1 of each year beginning in 2022. This resulted in an increase to the Company's investment in KEPCO of \$134 million. The Company's joint venture partner will make similar payments to KEPCO. The restructuring did not result in a change in ownership percentage of KEPCO, nor a change in control, and KEPCO will continue to be accounted for as an equity method investment.

4. Inventories

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Finished goods	1,632	1,820
Work-in-process	202	202
Raw materials and supplies	680	786
Total	2,514	2,808

5. Goodwill and Intangible Assets, Net

Goodwill

	Engineered Materials	Acetyl Chain (In \$ millions)	Total
As of December 31, 2022	6,775	367	7,142
Acquisitions (Note 3)	8	—	8
Transfer ⁽¹⁾	(80)	—	(80)
Exchange rate changes	(11)	4	(7)
As of June 30, 2023 ⁽²⁾	<u>6,692</u>	<u>371</u>	<u>7,063</u>

⁽¹⁾ Related to goodwill reclassified to assets held for sale ([Note 3](#)).

⁽²⁾ There were no accumulated impairment losses as of June 30, 2023.

Intangible Assets, Net

Finite-lived intangible assets are as follows:

	Licenses	Customer- Related Intangible Assets	Developed Technology (In \$ millions)	Covenants Not to Compete and Other	Total
Gross Asset Value					
As of December 31, 2022	42	2,455	601	55	3,153
Transfer ⁽¹⁾	—	(58)	(1)	—	(59)
Exchange rate changes	(2)	9	(6)	—	1
As of June 30, 2023	<u>40</u>	<u>2,406</u>	<u>594</u>	<u>55</u>	<u>3,095</u>
Accumulated Amortization					
As of December 31, 2022	(39)	(567)	(50)	(40)	(696)
Amortization	—	(63)	(20)	—	(83)
Transfer ⁽¹⁾	—	58	1	—	59
Exchange rate changes	2	(7)	(1)	—	(6)
As of June 30, 2023	<u>(37)</u>	<u>(579)</u>	<u>(70)</u>	<u>(40)</u>	<u>(726)</u>
Net book value	<u>3</u>	<u>1,827</u>	<u>524</u>	<u>15</u>	<u>2,369</u>

⁽¹⁾ Related to finite-lived intangible assets reclassified to assets held for sale ([Note 3](#)).

Indefinite-lived intangible assets are as follows:

	Trademarks and Trade Names (In \$ millions)
As of December 31, 2022	1,648
Transfer ⁽¹⁾	(14)
Exchange rate changes	4
As of June 30, 2023	<u>1,638</u>

⁽¹⁾ Related to indefinite-lived intangible assets reclassified to assets held for sale ([Note 3](#)).

During the six months ended June 30, 2023, the Company did not renew or extend any intangible assets.

Estimated amortization expense for the succeeding five fiscal years is as follows:

	(In \$ millions)
2024	160
2025	160
2026	160
2027	160
2028	160

6. Current Other Liabilities

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Benefit obligations (Note 8)	25	25
Customer rebates	88	101
Derivatives (Note 12)	64	63
Interest (Note 7)	290	265
Legal (Note 14)	25	21
Operating leases	89	83
Restructuring (Note 18)	21	6
Salaries and benefits	132	151
Sales and use tax/foreign withholding tax payable	99	108
Investment in affiliates	87	79
Other ⁽¹⁾	226	299
Total	1,146	1,201

⁽¹⁾ Includes \$115 million and \$166 million payable to DuPont related to the M&M Acquisition and transition activities as of June 30, 2023 and December 31, 2022, respectively.

7. Debt

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Short-Term Borrowings and Current Installments of Long-Term Debt - Third Party and Affiliates		
Current installments of long-term debt	1,050	506
Short-term borrowings, including amounts due to affiliates ⁽¹⁾	250	500
Revolving credit facilities ⁽²⁾	207	300
Total	1,507	1,306

⁽¹⁾ The weighted average interest rate was 4.9% and 5.8% as of June 30, 2023 and December 31, 2022, respectively.

⁽²⁾ The weighted average interest rate was 3.4% and 5.8% as of June 30, 2023 and December 31, 2022, respectively.

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Long-Term Debt		
Senior unsecured notes due 2023, interest rate of 1.125%	489	480
Senior unsecured notes due 2024, interest rate of 3.500%	500	499
Senior unsecured notes due 2024, interest rate of 5.900%	2,000	2,000
Senior unsecured notes due 2025, interest rate of 1.250%	326	320
Senior unsecured notes due 2025, interest rate of 6.050%	1,750	1,750
Senior unsecured term loan due 2025, interest rate of 6.760%	750	750
Senior unsecured notes due 2026, interest rate of 1.400%	400	400
Senior unsecured notes due 2026, interest rate of 4.777%	1,087	1,067
Senior unsecured notes due 2027, interest rate of 2.125%	541	531
Senior unsecured notes due 2027, interest rate of 6.165%	2,000	2,000
Senior unsecured term loan due 2027, interest rate of 6.760%	1,000	1,000
Senior unsecured notes due 2028, interest rate of 0.625%	543	533
Senior unsecured notes due 2029, interest rate of 5.337%	543	533
Senior unsecured notes due 2029, interest rate of 6.330%	750	750
Senior unsecured notes due 2032, interest rate of 6.379%	1,000	1,000
Pollution control and industrial revenue bonds due at various dates through 2030, interest rates ranging from 4.05% to 5.00%	163	164
Bank loans due at various dates through 2026 ⁽¹⁾	4	4
Obligations under finance leases due at various dates through 2054	157	172
Subtotal	14,003	13,953
Unamortized debt issuance costs ⁽²⁾	(64)	(74)
Current installments of long-term debt	(1,050)	(506)
Total	12,889	13,373

⁽¹⁾ The weighted average interest rate was 1.3% and 1.3% as of June 30, 2023 and December 31, 2022, respectively.

⁽²⁾ Related to the Company's long-term debt, excluding obligations under finance leases.

Senior Credit Facilities

In March 2022, Celanese, Celanese U.S. and certain subsidiaries entered into a term loan credit agreement (the "March 2022 U.S. Term Loan Credit Agreement"), pursuant to which lenders provided a tranche of delayed-draw term loans due 364 days from issuance in an amount equal to \$500 million and a tranche of delayed-draw term loans due 5 years from issuance in an amount equal to \$1.0 billion. In September 2022, Celanese, Celanese U.S. and certain subsidiaries entered into an additional term loan credit agreement (the "September 2022 U.S. Term Loan Credit Agreement" and, together with the March 2022 U.S. Term Loan Credit Agreement, the "U.S. Term Loan Credit Agreements"), pursuant to which lenders have provided delayed-draw term loans due 3 years from issuance in an amount equal to \$750 million (the term loans represented by the U.S. Term Loan Credit Agreements collectively, the "U.S. Term Loan Facility"). The U.S. Term Loan Facility was fully drawn during the three months ended December 31, 2022.

Also in March 2022, Celanese, Celanese U.S. and certain subsidiaries entered into a new revolving credit agreement (the "U.S. Revolving Credit Agreement" and, together with the U.S. Term Loan Credit Agreements, the "U.S. Credit Agreements") consisting of a \$1.75 billion senior unsecured revolving credit facility (with a letter of credit sublimit), maturing in 2027 (the "U.S. Revolving Credit Facility").

On February 21, 2023, the Company amended certain covenants in the U.S. Credit Agreements, including financial ratio maintenance covenants. The U.S. Credit Agreements are guaranteed by Celanese, Celanese U.S. and domestic subsidiaries together representing substantially all of the Company's U.S. assets and business operations (the "Subsidiary Guarantors"). The Subsidiary Guarantors are listed in [Exhibit 22.1](#) to this Quarterly Report.

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On January 4, 2023, Celanese (Shanghai) International Trading Co., Ltd ("CSIT"), a fully consolidated subsidiary, entered into a restatement of an existing credit facility agreement (the "China Revolving Credit Agreement") to upsize and modify the facility thereunder to consist of an aggregate CNY1.75 billion uncommitted senior unsecured revolving credit facility available under two tranches (with overdraft, bank guarantee and documentary credit sublimits) (the "China Revolving Credit Facility"). Obligations bear interest at certain fixed and floating rates. The China Revolving Credit Agreement is guaranteed by Celanese U.S.

On January 6, 2023, CSIT entered into a senior unsecured working capital loan contract for CNY800 million (the "China Working Capital Term Loan Agreement," together with the China Revolving Credit Agreement, the "China Credit Agreements," and the China Credit Agreements together with the U.S. Credit Agreements, the "Global Credit Agreements"), payable 12 months from withdrawal date and bearing interest at 0.5% less than certain interbank rates. The loan under the China Working Capital Term Loan Agreement was fully drawn on January 10, 2023 and is supported by a letter of comfort from the Company. The Company expects that the China Credit Agreements will facilitate its efficient repatriation of cash to the U.S. to repay debt and effectively redomicile a portion of its U.S. debt to China at a lower average interest rate.

The Company's debt balances and amounts available for borrowing under its senior unsecured revolving credit facilities are as follows:

	As of June 30, 2023
	(In \$ millions)
U.S. Revolving Credit Facility	
Borrowings outstanding	—
Available for borrowing	1,750
China Revolving Credit Facility	
Borrowings outstanding	207
Available for borrowing	34

Senior Notes

The Company has outstanding senior unsecured notes, issued in public offerings registered under the Securities Act of 1933 ("Securities Act"), as amended (collectively, the "Senior Notes"). The Senior Notes were issued by Celanese U.S. and are guaranteed on a senior unsecured basis by Celanese and the Subsidiary Guarantors. Celanese U.S. may redeem some or all of each of the Senior Notes, prior to their respective maturity dates, at a redemption price of 100% of the principal amount, plus a "make-whole" premium as specified in the applicable indenture, plus accrued and unpaid interest, if any, to the redemption date.

In July 2022, Celanese U.S. completed an offering of \$7.5 billion aggregate principal amount of notes of various maturities in a public offering registered under the Securities Act (the "Acquisition USD Notes"). In July 2022, Celanese U.S. completed an offering of €1.5 billion in aggregate principal amount of euro-denominated senior unsecured notes due in 2026 and 2029 in a public offering registered under the Securities Act (collectively, the "Acquisition Euro Notes" and together with the Acquisition USD Notes, the "Acquisition Notes"). Certain of the Acquisition Notes were issued at a discount to par, which will be amortized to Interest expense in the consolidated statements of operations over the terms of the applicable Acquisition Notes. Fees and expenses of the offering of the Acquisition Notes, inclusive of underwriting discounts, were \$65 million.

Accounts Receivable Purchasing Facility

On June 1, 2023, the Company entered into an amendment to the amended and restated receivables purchase agreement (the "Amended Receivables Purchase Agreement") under its U.S. accounts receivable purchasing facility among certain of the Company's subsidiaries, its wholly-owned, "bankruptcy remote" special purpose subsidiary ("SPE") and certain global financial institutions ("Purchasers"). The Amended Receivables Purchase Agreement extends the term of the accounts receivable purchasing facility such that the SPE may sell certain receivables until June 18, 2025. Under the Amended Receivables Purchase Agreement, transfers of U.S. accounts receivable from the SPE are treated as sales and are accounted for as a reduction in accounts receivable because the agreement transfers effective control over and risk related to the U.S. accounts receivable to the SPE. The Company and related subsidiaries have no continuing involvement in the transferred U.S. accounts receivable, other than collection and administrative responsibilities and, once sold, the U.S. accounts receivable are no longer available to satisfy creditors of the Company or the related subsidiaries. These sales are transacted at 100% of the face value of the relevant U.S. accounts receivable, resulting in derecognition of the U.S. accounts receivables from the Company's unaudited consolidated balance sheet. The Company derecognized \$663 million and \$1.1 billion of accounts receivable under this agreement for the six months ended June 30, 2023 and year ended December 31, 2022, respectively, and collected \$565 million and \$1.1 billion of accounts receivable sold under this agreement during the same periods. Unsold U.S. accounts receivable of \$86 million were pledged by the SPE as collateral to the Purchasers as of June 30, 2023.

Factoring and Discounting Agreements

The Company has factoring agreements in Europe and Singapore with financial institutions to sell 100% and 90% of certain accounts receivable, respectively, on a non-recourse basis. These transactions are treated as sales and are accounted for as reductions in accounts receivable because the agreements transfer effective control over and risk related to the receivables to the buyer. The Company has no continuing involvement in the transferred receivables, other than collection and administrative responsibilities and, once sold, the accounts receivable are no longer available to satisfy creditors in the event of bankruptcy. The Company derecognized \$196 million and \$320 million of accounts receivable under these factoring agreements for the six months ended June 30, 2023 and year ended December 31, 2022, respectively, and collected \$189 million and \$325 million of accounts receivable sold under these factoring agreements during the same periods.

Covenants

The Company's material financing arrangements contain customary covenants, such as events of default and change of control provisions, and in the case of the U.S. Credit Agreements the maintenance of certain financial ratios (subject to adjustment following certain qualifying acquisitions and dispositions, as set forth in the U.S. Credit Agreements, as amended). Failure to comply with these covenants, or the occurrence of any other event of default, could result in acceleration of the borrowings and other financial obligations. The Company is in compliance with the covenants in its material financing arrangements as of June 30, 2023.

8. Benefit Obligations

The components of net periodic benefit cost are as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
	Pension Benefits	Post-retirement Benefits	Pension Benefits	Post-retirement Benefits	Pension Benefits	Post-retirement Benefits	Pension Benefits	Post-retirement Benefits
	(In \$ millions)							
Service cost	2	—	4	—	6	—	7	—
Interest cost	34	1	16	1	66	1	33	1
Expected return on plan assets	(33)	—	(42)	—	(66)	—	(83)	—
Total	3	1	(22)	1	6	1	(43)	1

Benefit obligation funding is as follows:

	As of June 30, 2023	Total Expected 2023
	(In \$ millions)	
Cash contributions to defined benefit pension plans	13	27
Benefit payments to nonqualified pension plans	9	18
Benefit payments to other postretirement benefit plans	2	4

The Company's estimates of its U.S. defined benefit pension plan contributions reflect the provisions of the Pension Protection Act of 2006.

Pension and postretirement benefit plan balances recognized in the unaudited consolidated balance sheets consist of the following:

	As of June 30, 2023		As of December 31, 2022	
	Pension Benefits	Post-retirement Benefits	Pension Benefits	Post-retirement Benefits
	(In \$ millions)			
Noncurrent Other assets	164	—	160	—
Current Other liabilities	(21)	(3)	(21)	(3)
Benefit obligations	(366)	(35)	(372)	(35)
Net amount recognized	(223)	(38)	(233)	(38)

9. Environmental

The Company is subject to environmental laws and regulations worldwide that impose limitations on the discharge of pollutants into the air and water, establish standards for the treatment, storage and disposal of solid and hazardous wastes, and impose record keeping and notification requirements. Failure to timely comply with these laws and regulations may expose the Company to penalties. The Company believes that it is in substantial compliance with all applicable environmental laws and regulations and engages in an ongoing process of updating its controls to mitigate compliance risks. The Company is also subject to retained environmental obligations specified in various contractual agreements arising from the divestiture of certain businesses by the Company or one of its predecessor companies.

The components of environmental remediation liabilities are as follows:

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Demerger obligations (Note 14)	18	20
Divestiture obligations (Note 14)	13	14
Active sites	20	21
U.S. Superfund sites	8	10
Other environmental remediation liabilities	2	2
Total	61	67

Remediation

Due to its industrial history and through retained contractual and legal obligations, the Company has the obligation to remediate specific areas on its own sites as well as on divested, demerger, orphan or U.S. Superfund sites (defined below). In addition, as part of the demerger agreement between the Company and Hoechst AG ("Hoechst"), a specified portion of the responsibility for environmental liabilities from a number of Hoechst divestitures was transferred to the Company ([Note 14](#)). Certain of these sites, at which the Company maintains continuing involvement, were and continue to be designated as discontinued operations when closed. The Company provides for such obligations when the event of loss is probable and reasonably estimable. The Company believes that environmental remediation costs will not have a material adverse effect on the financial position of the Company, but may have a material adverse effect on the results of operations or cash flows in any given period.

U.S. Superfund Sites

In the U.S., the Company may be subject to substantial claims brought by U.S. federal or state regulatory agencies or private individuals pursuant to statutory authority or common law. In particular, the Company has a potential liability under the U.S. Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and related state laws (collectively referred to as "Superfund") for investigation and cleanup costs at certain sites. At most of these sites, numerous companies, including the Company, or one of its predecessor companies, have been notified that the U.S. Environmental Protection Agency ("EPA"), state governing bodies or private individuals consider such companies to be potentially responsible parties ("PRP") under Superfund or related laws. The proceedings relating to these sites are in various stages. The cleanup process has not been completed at most sites, and the status of the insurance coverage for some of these proceedings is uncertain. Consequently, the Company cannot accurately determine its ultimate liability for investigation or cleanup costs at these sites.

As events progress at each site for which it has been named a PRP, the Company accrues any probable and reasonably estimable liabilities. In establishing these liabilities, the Company considers the contaminants of concern, the potential impact thereof, the relationship of the contaminants of concern to its current and historic operations, its shipment of waste to a site, its percentage of total waste shipped to the site, the types of wastes involved, the conclusions of any studies, the magnitude of any remedial actions that may be necessary and the number and viability of other PRPs. Often the Company joins with other PRPs to sign joint defense agreements that settle, among PRPs, each party's percentage allocation of costs at the site. Although the ultimate liability may differ from the estimate, the Company routinely reviews the liabilities and revises the estimate, as appropriate, based on the most current information available.

One such site is the Diamond Alkali Superfund Site, which is comprised of a number of sub-sites, including the Lower Passaic River Study Area ("LPRSA"), which is the lower 17-mile stretch of the Passaic River ("Lower Passaic River Site"), and the Newark Bay Study Area. The Company and 70 other companies are parties to a May 2007 Administrative Order on Consent with the EPA to perform a Remedial Investigation/Feasibility Study ("RI/FS") at the Lower Passaic River Site in order to identify the levels of contaminants and potential cleanup actions, including the potential migration of contaminants between the LPRSA and the Newark Bay Area.

In March 2016, the EPA issued its final Record of Decision concerning the remediation of the lower 8.3 miles of the Lower Passaic River Site ("Lower 8.3 Miles"). Pursuant to the EPA's Record of Decision, the Lower 8.3 Miles must be dredged bank to bank and an engineered cap must be installed at an EPA estimated cost of approximately \$1.4 billion. In September 2021, the EPA issued a Record of Decision selecting an interim remedial plan for the upper 9 miles of the Lower Passaic River ("Upper 9 Miles"). Pursuant to the EPA's Record of Decision, targeted dredging will be conducted in the Upper 9 Miles to address surface sediments with elevated contamination followed by the installation of an engineered cap at an EPA estimated cost of \$441 million.

The Company owned and/or operated facilities in the vicinity of the Lower 8.3 Miles, but has found no evidence that it contributed any of the contaminants of concern to the Passaic River. In June 2018, Occidental Chemical Corporation ("OCC"), the successor to the Diamond Alkali Company, sued a subsidiary of the Company and 119 other parties alleging claims for joint and several damages, contribution and declaratory relief under Section 107 and 113 of Superfund for costs to clean up the LPRSA portion of the Diamond Alkali Superfund Site, Occidental Chemical Corporation v. 21st Century Fox America, Inc., et al, No. 2:18-CV-11273 (MCA) (LDW) (U.S. District Court New Jersey) (the "2018 OCC Lawsuit"), alleging that each of the defendants owned or operated a facility that contributed contamination to the LPRSA. With respect to the Company, the 2018 OCC lawsuit is limited to the former Celanese facility that Essex County, New Jersey has agreed to indemnify the Company for and does not change the Company's estimated liability for LPRSA cleanup costs.

Separately, the United States lodged a Consent Decree in U.S. District Court for the District of New Jersey on December 16, 2022 that will resolve the Company's liability (and that of more than 80 other settling defendants) to the EPA for costs to clean up both the Lower 8.3 Miles and Upper 9 Miles of the Lower Passaic River Site in exchange for a collective payment of \$150 million, *United States v. Alden Leeds, Inc.*, No. 2:22-7326 (MCA) (LDW) (U.S. District Court New Jersey) ("Consent Decree Action"). The Consent Decree also will provide the Company protection from contribution claims by others for costs incurred to clean up both the Lower 8.3 Miles and Upper 9 Miles of the Lower Passaic River Site. The Company's proposed payment toward the \$150 million collective settlement payment is not material to the Company's results of operations, cash flows or financial position. The Consent Decree is still subject to public comment and court approval.

On March 7, 2023, the U.S. District Court for the District of New Jersey entered an order staying and administratively terminating the 2018 OCC Lawsuit, pending resolution of the request for judicial approval of the Consent Decree in the Consent Decree Action. On March 24, 2023, OCC filed a new lawsuit against 40 parties, including a subsidiary of the Company, seeking to recover costs for remedial design work the EPA has ordered OCC to undertake for a portion of the LPRSA at an estimated cost of \$71 million, *Occidental Chemical Corporation v. Givaudan Fragrances Corporation*, No. 2:23-cv-1699 (U.S. District Court New Jersey) (the "2023 OCC Lawsuit"). Like the earlier lawsuit, the 2023 OCC Lawsuit concerns the facility Essex County, New Jersey purchased and for which Essex County, New Jersey has agreed to defend and indemnify the Company. This new lawsuit does not change the Company's estimated liability for LPRSA cleanup costs.

The Company will continue to vigorously defend these matters and continues to believe that its ultimate allocable share of the cleanup costs with respect to the Lower Passaic River Site, previously estimated at less than 1%, will not be material.

Other Environmental Matters

In April 2022, a methanol leak on a pipeline to our Bishop, Texas facility was discovered. The release has been contained, the leak has been repaired and the pipeline has resumed operation. The Company promptly disclosed the incident to state and federal authorities, including the Texas Commission on Environmental Quality and the EPA, and remediation activities are now completed. While the Company has not received a notice of violation nor been assessed any fines or penalties to date, the Company recorded a reserve in Other current liabilities based on anticipated clean-up costs and possible penalties to state or federal authorities. The Company does not believe that resolution of this matter will have a material impact on our financial condition or results of operations.

10. Shareholders' Equity

Common Stock

The Company's Board of Directors follows a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of the Company's Common Stock, par value \$0.0001 per share ("Common Stock"), unless the Company's Board of Directors, in its sole discretion, determines otherwise. The amount available to the Company to pay cash dividends is not currently restricted by its existing Global Credit Agreements and its indentures governing its senior unsecured notes. Any decision to declare and pay dividends in the future will be made at the discretion of the Company's Board of Directors and will depend on, among other things, the results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Company's Board of Directors may deem relevant.

The Company declared a quarterly cash dividend of \$0.70 per share on its Common Stock on July 19, 2023, amounting to \$76 million. The cash dividend will be paid on August 14, 2023 to holders of record as of July 31, 2023.

Treasury Stock

The Company's Board of Directors authorizes repurchases of Common Stock from time to time. These authorizations give management discretion in determining the timing and conditions under which shares may be repurchased. This repurchase program does not have an expiration date.

	Total From February 2008 Through June 30, 2023
Shares repurchased	69,324,429
Average purchase price per share	\$ 83.71
Shares repurchased (in \$ millions)	\$ 5,803
Aggregate Board of Directors repurchase authorizations during the period (in \$ millions)	\$ 6,866

The purchase of treasury stock reduces the number of shares outstanding. The repurchased shares may be used by the Company for compensation programs utilizing the Company's stock and other corporate purposes. The Company accounts for treasury stock using the cost method and includes treasury stock as a component of shareholders' equity.

The Company did not repurchase any Common Stock during the six months ended June 30, 2023 or 2022.

Other Comprehensive Income (Loss), Net

	Three Months Ended June 30,					
	2023			2022		
	Gross Amount	Income Tax (Provision) Benefit	Net Amount	Gross Amount	Income Tax (Provision) Benefit	Net Amount
	(In \$ millions)					
Foreign currency translation gain (loss)	(214)	13	(201)	(107)	(24)	(131)
Gain (loss) on cash flow hedges	(1)	1	—	33	(7)	26
Pension and postretirement benefits gain (loss)	—	1	1	—	—	—
Total	(215)	15	(200)	(74)	(31)	(105)

	Six Months Ended June 30,					
	2023			2022		
	Gross Amount	Income Tax (Provision) Benefit	Net Amount	Gross Amount	Income Tax (Provision) Benefit	Net Amount
	(In \$ millions)					
Foreign currency translation gain (loss)	(218)	30	(188)	(122)	(30)	(152)
Gain (loss) on cash flow hedges	3	1	4	52	(11)	41
Pension and postretirement benefits gain (loss)	(1)	1	—	2	—	2
Total	(216)	32	(184)	(68)	(41)	(109)

Adjustments to Accumulated other comprehensive income (loss), net, are as follows:

	Foreign Currency Translation Gain (Loss)	Gain (Loss) on Cash Flow Hedges (Note 12)	Pension and Postretirement Benefits Gain (Loss) (Note 8)	Accumulated Other Comprehensive Income (Loss), Net
	(In \$ millions)			
As of December 31, 2022	(488)	(22)	(8)	(518)
Other comprehensive income (loss) before reclassifications	(218)	(2)	(1)	(221)
Amounts reclassified from accumulated other comprehensive income (loss)	—	5	—	5
Income tax (provision) benefit	30	1	1	32
As of June 30, 2023	(676)	(18)	(8)	(702)

11. Income Taxes

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In percentages)			
Effective income tax rate	(2)	20	6	19

The effective income tax rate for the three months ended June 30, 2023 was lower compared to the same period in 2022, primarily due to decreased earnings in high taxed jurisdictions related to current demand conditions and a decrease in valuation allowances on U.S. foreign tax credit carryforwards due to revised forecasts of foreign sourced income and expenses during the carryforward period. The effective income tax rate for the six months ended June 30, 2023 was lower compared to the same period in 2022, primarily due to decreased earnings in high taxed jurisdictions related to current demand conditions.

In December 2017, the Tax Cuts and Jobs Act (the "TCJA") was enacted and was effective January 1, 2018. The U.S. Treasury has issued various final and proposed regulatory packages supplementing the TCJA provisions since 2018. There have been no material proposed or final regulatory packages during the three months ended June 30, 2023.

In August 2022, the Inflation Reduction Act (the "IRA") was enacted and included a 1% excise tax on share repurchases in excess of \$1 million, and a corporate minimum tax of 15% on adjusted book earnings. The corporate minimum tax paid is creditable in future years to the extent that regular tax liability exceeds the minimum tax in any given year. The Company does not expect these provisions and any newly issued administrative guidance to have a material impact to future income tax expense. The IRA also provides various beneficial credits for energy efficient related manufacturing, transportation and fuels, hydrogen/carbon recapture and renewable energy, which the Company is evaluating in regards to planned projects.

The Company will continue to monitor the expected impacts of any new guidance on the Company's filing positions and will record the impacts as discrete income tax expense or benefit in the period the guidance is finalized or becomes effective.

Due to the TCJA and uncertainty as to future foreign source income, the Company previously recorded a valuation allowance on a substantial portion of its foreign tax credit carryforwards. The Company is currently evaluating tax planning strategies to enable the use of the Company's foreign tax credit carryforwards that may decrease the Company's effective tax rate in future periods as the valuation allowance is reversed.

The Company's tax returns have been under joint audit for the years 2013 through 2015 by the United States, Netherlands and Germany (the "Authorities"). In September 2021, the Company received a draft joint audit report proposing adjustments to transfer pricing and the reallocation of income between the related jurisdictions. The Authorities also proposed to apply these adjustments to open tax years through 2019. The Company and the Authorities were unable to reach an agreement jointly and therefore the audits continued on a separate jurisdictional basis. In the fourth quarter of 2022, the Company concluded settlement discussions with the Dutch tax authorities. The Company is engaged in discussions with the other authorities regarding the ongoing examinations and will evaluate all additional potential remedies as the discussions progress.

In addition, the Company's income tax returns in Mexico are under audit for the year 2018, and in Canada for the years 2016 through 2018. In January 2022, the Mexico tax authorities issued preliminary findings for disallowance of operating expenses on several of the applicable tax returns. The Company has analyzed the preliminary findings, engaged in preliminary discussions with the Mexico tax authorities and has recorded the appropriate tax reserves as of June 30, 2023. The Company will continue discussions with the Mexico authorities in 2023. Related to Canada, the Company is in ongoing discussions regarding the audit findings with the Canadian authorities and does not expect a material impact to income tax expense.

As of June 30, 2023, the Company believes that an adequate provision for income taxes has been made for all open tax years related to the examinations by government authorities. However, the outcome of tax audits cannot be predicted with certainty. If any issues raised in the audits described above are resolved in a manner inconsistent with the Company's expectations or the Company is unsuccessful in defending its positions, the Company could be required to adjust its provision for income taxes in the period such resolution occurs. If required, any such adjustments could be material to the statements of operations and cash flows in the period(s) recorded.

12. Derivative Financial Instruments

Derivatives Designated As Hedges

Net Investment Hedges

The total notional amount of foreign currency denominated debt and cross-currency swaps designated as net investment hedges are as follows:

	As of June 30, 2023	As of December 31, 2022
	(In € millions)	
Total	5,591	5,639

Concurrently with the offering of the Acquisition USD Notes in July 2022 ([Note 7](#)), the Company entered into cross-currency swaps to effectively convert \$2.0 billion and \$500 million of the Acquisition USD Notes into a euro-denominated borrowing at prevailing euro interest rates, maturing on July 15, 2027 and July 15, 2032, respectively. The swaps and €1.5 billion of the Acquisition Euro Notes qualify and have been designated as net investment hedges of the Company's foreign currency exchange rate exposure on the net investments of certain of its euro-denominated subsidiaries.

Derivatives Not Designated As Hedges

Foreign Currency Forwards and Swaps

Gross notional values of the foreign currency forwards and swaps not designated as hedges are as follows:

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Total	1,715	1,314

Information regarding changes in the fair value of the Company's derivative and non-derivative instruments is as follows:

	Gain (Loss) Recognized in Other Comprehensive Income (Loss)		Gain (Loss) Recognized in Earnings (Loss)		Statement of Operations Classification
	Three Months Ended June 30,				
	2023	2022	2023	2022	
(In \$ millions)					
Designated as Cash Flow Hedges					
Commodity swaps	(7)	42	—	11	Cost of sales
Interest rate swaps	—	—	(2)	(2)	Interest expense
Foreign currency forwards	2	—	(1)	—	Cost of sales
Total	<u>(5)</u>	<u>42</u>	<u>(3)</u>	<u>9</u>	
Designated as Net Investment Hedges					
Foreign currency denominated debt (Note 7)	(5)	93	—	—	N/A
Cross-currency swaps	(74)	25	—	—	N/A
Total	<u>(79)</u>	<u>118</u>	<u>—</u>	<u>—</u>	
Not Designated as Hedges					
Foreign currency forwards and swaps	—	—	(1)	(3)	Foreign exchange gain (loss), net; Other income (expense), net
Total	<u>—</u>	<u>—</u>	<u>(1)</u>	<u>(3)</u>	
	Gain (Loss) Recognized in Other Comprehensive Income (Loss)		Gain (Loss) Recognized in Earnings (Loss)		Statement of Operations Classification
	Six Months Ended June 30,				
	2023	2022	2023	2022	
(In \$ millions)					
Designated as Cash Flow Hedges					
Commodity swaps	(7)	59	1	11	Cost of sales
Interest rate swaps	—	—	(4)	(4)	Interest expense
Foreign currency forwards	4	—	(2)	—	Cost of sales
Total	<u>(3)</u>	<u>59</u>	<u>(5)</u>	<u>7</u>	
Designated as Net Investment Hedges					
Foreign currency denominated debt (Note 7)	(61)	121	—	—	N/A
Cross-currency swaps	(93)	27	—	—	N/A
Total	<u>(154)</u>	<u>148</u>	<u>—</u>	<u>—</u>	
Not Designated as Hedges					
Foreign currency forwards and swaps	—	—	1	(4)	Foreign exchange gain (loss), net; Other income (expense), net
Total	<u>—</u>	<u>—</u>	<u>1</u>	<u>(4)</u>	

See [Note 13](#) for additional information regarding the fair value of the Company's derivative instruments.

Certain of the Company's commodity swaps, interest rate swaps, cross-currency swaps and foreign currency forwards and swaps permit the Company to net settle all contracts with the counterparty through a single payment in an agreed upon currency in the event of default or early termination of the contract, similar to a master netting arrangement.

Information regarding the gross amounts of the Company's derivative instruments and the amounts offset in the unaudited consolidated balance sheets is as follows:

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Derivative Assets		
Gross amount recognized	156	169
Gross amount offset in the consolidated balance sheets	—	—
Net amount presented in the consolidated balance sheets	156	169
Gross amount not offset in the consolidated balance sheets	17	16
Net amount	139	153
	As of June 30, 2023	As of December 31, 2022
	(In \$ millions)	
Derivative Liabilities		
Gross amount recognized	279	189
Gross amount offset in the consolidated balance sheets	—	—
Net amount presented in the consolidated balance sheets	279	189
Gross amount not offset in the consolidated balance sheets	17	16
Net amount	262	173

13. Fair Value Measurements

The Company's financial assets and liabilities are measured at fair value on a recurring basis as follows:

Derivative financial instruments include interest rate swaps, commodity swaps, cross-currency swaps and foreign currency forwards and swaps and are valued in the market using discounted cash flow techniques. These techniques incorporate Level 1 and Level 2 fair value measurement inputs such as interest rates and foreign currency exchange rates. These market inputs are utilized in the discounted cash flow calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to the derivative valuation for interest rate swaps, commodity swaps, cross-currency swaps and foreign currency forwards and swaps are observable in the active markets and are classified as Level 2 in the fair value measurement hierarchy.

	Fair Value Measurement	
	Significant Other	
	Observable Inputs	Balance Sheet Classification
	(Level 2)	
	(In \$ millions)	
As of June 30, 2023		
Derivatives Designated as Cash Flow Hedges		
Commodity swaps	6	Current Other assets
Commodity swaps	34	Noncurrent Other assets
Foreign currency forwards and swaps	4	Current Other assets
Derivatives Designated as Net Investment Hedges		
Cross-currency swaps	101	Current Other assets
Derivatives Not Designated as Hedges		
Foreign currency forwards and swaps	11	Current Other assets
Total assets	<u>156</u>	
Derivatives Designated as Net Investment Hedges		
Cross-currency swaps	(60)	Current Other liabilities
Cross-currency swaps	(207)	Noncurrent Other liabilities
Derivatives Not Designated as Hedges		
Foreign currency forwards and swaps	(4)	Current Other liabilities
Foreign currency forwards and swaps	(8)	Noncurrent Other liabilities
Total liabilities	<u>(279)</u>	
As of December 31, 2022		
Derivatives Designated as Cash Flow Hedges		
Commodity swaps	9	Current Other assets
Commodity swaps	39	Noncurrent Other assets
Derivatives Designated as Net Investment Hedges		
Cross-currency swaps	99	Current Other assets
Cross-currency swaps	13	Noncurrent Other assets
Derivatives Not Designated as Hedges		
Foreign currency forwards and swaps	9	Current Other assets
Total assets	<u>169</u>	
Derivatives Designated as Cash Flow Hedges		
Commodity swaps	(2)	Current Other liabilities
Derivatives Designated as Net Investment Hedges		
Cross-currency swaps	(58)	Current Other liabilities
Cross-currency swaps	(126)	Noncurrent Other liabilities
Derivatives Not Designated as Hedges		
Foreign currency forwards and swaps	(3)	Current Other liabilities
Total liabilities	<u>(189)</u>	

Carrying values and fair values of financial instruments that are not carried at fair value are as follows:

	Fair Value Measurement			Total
	Carrying Amount	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
(In \$ millions)				
As of June 30, 2023				
Equity investments without readily determinable fair values	170	—	—	—
Insurance contracts in nonqualified trusts	21	21	—	21
Long-term debt, including current installments of long-term debt	14,003	13,650	157	13,807
As of December 31, 2022				
Equity investments without readily determinable fair values	170	—	—	—
Insurance contracts in nonqualified trusts	22	23	—	23
Long-term debt, including current installments of long-term debt	13,953	13,247	172	13,419

In general, the equity investments included in the table above are not publicly traded and their fair values are not readily determinable. The Company believes the carrying values approximate fair value. Insurance contracts in nonqualified trusts consist of long-term fixed income securities, which are valued using independent vendor pricing models with observable inputs in the active market and therefore represent a Level 2 fair value measurement. The fair value of long-term debt is based on valuations from third-party banks and market quotations and is classified as Level 2 in the fair value measurement hierarchy. The fair value of obligations under finance leases, which are included in long-term debt, is based on lease payments and discount rates, which are not observable in the market and therefore represents a Level 3 fair value measurement.

As of June 30, 2023, and December 31, 2022, the fair values of cash and cash equivalents, receivables, marketable securities, trade payables, short-term borrowings and the current installments of long-term debt approximate carrying values due to the short-term nature of these instruments. These items have been excluded from the table with the exception of the current installments of long-term debt.

14. Commitments and Contingencies

Commitments

Guarantees

The Company has agreed to guarantee or indemnify third parties for environmental and other liabilities pursuant to a variety of agreements, including asset and business divestiture agreements, leases, settlement agreements and various agreements with affiliated companies. Although many of these obligations contain monetary and/or time limitations, others do not provide such limitations.

The Company has accrued for all probable and reasonably estimable losses associated with all known matters or claims. These known obligations include the following:

- ***Demerger Obligations***

In connection with the Hoechst demerger, the Company agreed to indemnify Hoechst, and its legal successors, for various liabilities under the demerger agreement, including for environmental liabilities associated with contamination arising either from environmental damage in general ("Category A") or under 19 divestiture agreements entered into by Hoechst prior to the demerger ("Category B") ([Note 9](#)).

The Company's obligation to indemnify Hoechst, and its legal successors, is capped under Category B at €250 million. If and to the extent the environmental damage should exceed €750 million in aggregate, the Company's obligation to indemnify Hoechst and its legal successors applies, but is then limited to 33.33% of the remediation cost without further limitations. Cumulative

payments under the divestiture agreements as of June 30, 2023 are \$110 million. Though the Company is significantly under its obligation cap under Category B, most of the divestiture agreements have become time barred and/or any notified environmental damage claims have been partially settled.

The Company has also undertaken in the demerger agreement to indemnify Hoechst and its legal successors for (i) 33.33% of any and all Category A liabilities that result from Hoechst being held as the responsible party pursuant to public law or current or future environmental law or by third parties pursuant to private or public law related to contamination and (ii) liabilities that Hoechst is required to discharge, including tax liabilities, which are associated with businesses that were included in the demerger but were not demerged due to legal restrictions on the transfers of such items. These indemnities do not provide for any monetary or time limitations. The Company has not been requested by Hoechst to make any payments in connection with this indemnification. Accordingly, the Company has not made any payments to Hoechst and its legal successors.

Based on the Company's evaluation of currently available information, including the lack of requests for indemnification, the Company cannot estimate the remaining demerger obligations, if any, in excess of amounts accrued.

- ***Divestiture Obligations***

The Company and its predecessor companies agreed to indemnify third-party purchasers of former businesses and assets for various pre-closing conditions, as well as for breaches of representations, warranties and covenants. Such liabilities also include environmental liability, product liability, antitrust and other liabilities. These indemnifications and guarantees represent standard contractual terms associated with typical divestiture agreements and, other than environmental liabilities, the Company does not believe that they expose the Company to significant risk ([Note 9](#)).

The Company has divested numerous businesses, investments and facilities through agreements containing indemnifications or guarantees to the purchasers. Many of the obligations contain monetary and/or time limitations, which extend through 2037. The aggregate amount of outstanding indemnifications and guarantees provided for under these agreements is \$116 million as of June 30, 2023. Other agreements do not provide for any monetary or time limitations.

Based on the Company's evaluation of currently available information, including the number of requests for indemnification or other payment received by the Company, the Company cannot estimate the remaining divestiture obligations, if any, in excess of amounts accrued.

Purchase Obligations

In the normal course of business, the Company enters into various purchase commitments for goods and services. The Company maintains a number of "take-or-pay" contracts for purchases of raw materials, utilities and other services. Certain of the contracts contain a contract termination buy-out provision that allows for the Company to exit the contracts for amounts less than the remaining take-or-pay obligations. Additionally, the Company has other outstanding commitments representing maintenance and service agreements, energy and utility agreements, consulting contracts and software agreements. As of June 30, 2023, the Company had unconditional purchase obligations of \$4.1 billion, of which \$355 million will be paid in 2023, \$665 million in 2024, \$558 million in 2025, \$436 million in 2026, \$355 million in 2027 and the balance thereafter through 2042.

Contingencies

The Company is involved in legal and regulatory proceedings, lawsuits, claims and investigations incidental to the normal conduct of business, relating to such matters as product liability, land disputes, insurance coverage disputes, contracts, employment, antitrust or competition, intellectual property, personal injury and other actions in tort, workers' compensation, chemical exposure, asbestos exposure, taxes, trade compliance, acquisitions and divestitures, claims of current and legacy shareholders, past waste disposal practices and release of chemicals into the environment. The Company is actively defending those matters where the Company is named as a defendant and, based on the current facts, does not believe the outcomes from these matters would be material to the Company's results of operations, cash flows or financial position.

15. Segment Information

	Engineered Materials	Acetyl Chain	Other Activities	Eliminations	Consolidated
(In \$ millions)					
Three Months Ended June 30, 2023					
Net sales	1,585	1,233	—	(23) ⁽¹⁾	2,795
Other (charges) gains, net (Note 18)	(8)	—	(2)	—	(10)
Operating profit (loss)	158	295	(118)	—	335
Equity in net earnings (loss) of affiliates	18	2	3	—	23
Depreciation and amortization	112	54	6	—	172
Capital expenditures	58	67	27	—	152 ⁽²⁾
Three Months Ended June 30, 2022					
Net sales	948	1,559	—	(21) ⁽¹⁾	2,486
Other (charges) gains, net (Note 18)	1	—	—	—	1
Operating profit (loss)	166	428	(111)	—	483
Equity in net earnings (loss) of affiliates	53	3	4	—	60
Depreciation and amortization	45	52	6	—	103
Capital expenditures	35	87	10	—	132 ⁽²⁾

⁽¹⁾ Includes intersegment sales primarily related to the Acetyl Chain.

⁽²⁾ Includes an increase in accrued capital expenditures of \$7 million and \$8 million for the three months ended June 30, 2023 and 2022, respectively.

	Engineered Materials	Acetyl Chain	Other Activities	Eliminations	Consolidated
(In \$ millions)					
Six Months Ended June 30, 2023					
Net sales	3,215	2,483	—	(50) ⁽¹⁾	5,648
Other (charges) gains, net (Note 18)	(29)	(1)	(3)	—	(33)
Operating profit (loss)	270	573	(257)	—	586
Equity in net earnings (loss) of affiliates	29	3	6	—	38
Depreciation and amortization	224	108	12	—	344
Capital expenditures	103	118	39	—	260 ⁽²⁾
As of June 30, 2023					
Goodwill and intangible assets, net	10,646	424	—	—	11,070
Total assets	18,146	5,589	1,914	—	25,649
Six Months Ended June 30, 2022					
Net sales	1,858	3,211	—	(45) ⁽¹⁾	5,024
Operating profit (loss)	290	931	(207)	—	1,014
Equity in net earnings (loss) of affiliates	102	7	7	—	116
Depreciation and amortization	91	108	10	—	209
Capital expenditures	65	157	24	—	246 ⁽²⁾
As of December 31, 2022					
Goodwill and intangible assets, net	10,826	421	—	—	11,247
Total assets	20,611	5,471	190	—	26,272

⁽¹⁾ Includes intersegment sales primarily related to the Acetyl Chain.

⁽²⁾ Includes a decrease in accrued capital expenditures of \$49 million and \$15 million for the six months ended June 30, 2023 and 2022, respectively.

16. Revenue Recognition

The Company has certain contracts that represent take-or-pay revenue arrangements in which the Company's performance obligations extend over multiple years. As of June 30, 2023, the Company had \$1.3 billion of remaining performance obligations related to take-or-pay contracts. The Company expects to recognize approximately \$272 million of its remaining performance obligations as Net sales in 2023, \$481 million in 2024, \$324 million in 2025 and the balance thereafter.

Contract Balances

Contract liabilities primarily relate to advances or deposits received from the Company's customers before revenue is recognized. These amounts are recorded as deferred revenue and are included in Current and Noncurrent Other liabilities in the unaudited consolidated balance sheets.

The Company does not have any material contract assets as of June 30, 2023.

Disaggregated Revenue

In general, the Company's business segmentation is aligned according to the nature and economic characteristics of its products and customer relationships and provides meaningful disaggregation of each business segment's results of operations.

The Company manages its Engineered Materials business segment through its project management pipeline, which is comprised of a broad range of projects which are solutions-based and are tailored to each customer's unique needs. Projects are identified and selected based on success rate and may involve a number of different polymers per project for use in multiple end-use applications. Therefore, the Company is agnostic toward products and end-use markets for the Engineered Materials business segment.

The Company manages its Acetyl Chain business segment by leveraging its ability to sell chemicals externally to end-use markets or downstream to its acetate tow, intermediate chemistry, emulsion polymers, redispersible powders and ethylene vinyl acetate polymers businesses. Decisions to sell externally and geographically or downstream and along the Acetyl Chain are based on market demand, trade flows and maximizing the value of its chemicals. Therefore, the Company's strategic focus is on executing within this integrated chain model and less on driving product-specific revenue.

Further disaggregation of Net sales by business segment and geographic destination is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(In \$ millions)			
Engineered Materials				
North America	471	284	950	573
Europe and Africa	519	380	1,079	757
Asia-Pacific	554	256	1,102	477
South America	41	28	84	51
Total	1,585	948	3,215	1,858
Acetyl Chain				
North America	361	451	726	876
Europe and Africa	437	545	897	1,137
Asia-Pacific	379	510	746	1,071
South America	33	32	64	82
Total ⁽¹⁾	1,210	1,538	2,433	3,166

⁽¹⁾ Excludes intersegment sales of \$23 million and \$21 million for the three months ended June 30, 2023 and 2022, respectively. Excludes intersegment sales of \$50 million and \$45 million for the six months ended June 30, 2023 and 2022, respectively.

17. Earnings (Loss) Per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(In \$ millions, except share data)				
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	219	440	313	942
Earnings (loss) from discontinued operations	1	(6)	(2)	(6)
Net earnings (loss)	220	434	311	936
Weighted average shares - basic	108,886,678	108,392,155	108,761,071	108,289,603
Incremental shares attributable to equity awards ⁽¹⁾	419,653	731,194	520,293	868,452
Weighted average shares - diluted	109,306,331	109,123,349	109,281,364	109,158,055

⁽¹⁾ Excludes options to purchase 242,421 and 0 shares of Common Stock for the three months ended June 30, 2023 and 2022, respectively, and 164,739 and 0 shares of Common Stock for the six months ended June 30, 2023 and 2022, respectively, as their effect would have been antidilutive. Excludes 102,773 and 107,287 equity award shares for the three months ended June 30, 2023 and 2022, respectively, and 46,008 and 82,887 equity award shares for the six months ended June 30, 2023 and 2022, respectively, as their effect would have been antidilutive.

18. Other (Charges) Gains, Net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(In \$ millions)				
Restructuring ⁽¹⁾	(10)	1	(33)	—
Total	(10)	1	(33)	—

⁽¹⁾ Includes employee termination benefits primarily related to Company-wide business optimization projects during the three and six months ended June 30, 2023.

The changes in the restructuring liabilities by business segment are as follows:

	Engineered Materials	Acetyl Chain	Other	Total
	(In \$ millions)			
Employee Termination Benefits				
As of December 31, 2022	4	1	1	6
Additions	29	1	3	33
Cash payments	(14)	(1)	(3)	(18)
As of June 30, 2023	19	1	1	21

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Quarterly Report on Form 10-Q ("Quarterly Report"), the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The terms the "Company," "we," "our" and "us," refer to Celanese and its subsidiaries on a consolidated basis. The term "Celanese U.S." refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.

The following discussion should be read in conjunction with the Celanese Corporation and Subsidiaries consolidated financial statements as of and for the year ended December 31, 2022 filed on February 24, 2023 with the Securities and Exchange Commission ("SEC") as part of the Company's Annual Report on Form 10-K ("2022 Form 10-K") and the unaudited interim consolidated financial statements and notes to the unaudited interim consolidated financial statements herein, which are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investors are cautioned that the forward-looking statements contained in this section and other parts of this Quarterly Report involve both risk and uncertainty. Several important factors could cause actual results to differ materially from those anticipated by these statements. Many of these statements are macroeconomic in nature and are, therefore, beyond the control of management. See "Forward-Looking Statements" below and at the beginning of our 2022 Form 10-K.

Forward-Looking Statements

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and other parts of this Quarterly Report contain certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, us. Generally, words such as "believe," "expect," "intend," "estimate," "anticipate," "project," "plan," "may," "can," "could," "might," and "will," and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views and beliefs with respect to future events at the time that the statements are made, are not historical facts or guarantees of future performance and involve risks and uncertainties that are difficult to predict and many of which are outside of our control. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. All forward-looking statements made in this Quarterly Report are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this Quarterly Report will increase with the passage of time. We undertake no obligation, and disclaim any duty, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in our expectations or otherwise.

Risk Factors

See *Part I - Item 1A. Risk Factors* of our 2022 Form 10-K for a description of certain risk factors that you should consider which could significantly affect our financial results. In addition, the following factors, among others, could cause our actual results to differ materially from those results, performance or achievements that may be expressed or implied by such forward-looking statements:

- changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate;
- volatility or changes in the price and availability of raw materials and energy, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources;
- the length and depth of product and industry business cycles particularly in the automotive, electrical, textiles, electronics and construction industries;
- the ability to pass increases in raw material prices, logistics costs and other costs on to customers or otherwise improve margins through price increases;
- the accuracy or inaccuracy of our beliefs or assumptions regarding anticipated benefits of the acquisition (the "M&M Acquisition") by us of the majority of the Mobility & Materials business (the "M&M Business") of DuPont de Nemours, Inc. ("DuPont");
- the possibility that we will not be able to realize all of the anticipated improvements in the M&M Business's financial performance – including optimizing pricing, currency mix and inventory – or realize all of the anticipated benefits of the M&M Acquisition, including synergies and growth opportunities, within the anticipated timeframe or at all, whether as a

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- result of difficulties arising from the operation or integration of the M&M Business or other unanticipated delays, costs, inefficiencies or liabilities;
- increased commercial, legal or regulatory complexity of entering into, or expanding our exposure to, certain end markets and geographies;
- risks in the global economy and equity and credit markets and their potential impact on our ability to pay down debt in the future and/or refinance at suitable rates, in a timely manner, or at all;
- diversion of management's attention from ongoing business operations and opportunities and other disruption caused by the M&M Acquisition and the integration processes and their impact on our existing business and relationships;
- risks and costs associated with increased leverage from the M&M Acquisition, including increased interest expense and potential reduction of business and strategic flexibility;
- the ability to maintain plant utilization rates and to implement planned capacity additions, expansions and maintenance;
- the ability to reduce or maintain current levels of production costs and to improve productivity by implementing technological improvements to existing plants;
- increased price competition and the introduction of competing products by other companies;
- the ability to identify desirable potential acquisition or divestiture opportunities and to complete such transactions, including obtaining regulatory approvals, consistent with our strategy;
- market acceptance of our products and technology;
- compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, transportation, logistics or supply chain disruptions, cybersecurity incidents, terrorism or political unrest, public health crises (including, but not limited to, the COVID-19 pandemic), or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, the occurrence of acts of war (such as the Russia-Ukraine conflict) or terrorist incidents or as a result of weather, natural disasters, or other crises;
- the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to us;
- changes in applicable tariffs, duties and trade agreements, tax rates or legislation throughout the world including, but not limited to, adjustments, changes in estimates or interpretations or the resolution of tax examinations or audits that may impact recorded or future tax impacts and potential regulatory and legislative tax developments in the United States and other jurisdictions;
- changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property;
- potential liability for remedial actions and increased costs under existing or future environmental, health and safety regulations, including those relating to climate change or other sustainability matters;
- potential liability resulting from pending or future claims or litigation, including investigations or enforcement actions, or from changes in the laws, regulations or policies of governments or other governmental activities, in the countries in which we operate;
- changes in currency exchange rates and interest rates; and
- various other factors, both referenced and not referenced in this Quarterly Report.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, affect us in ways or to an extent that we currently do not expect or consider to be significant, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this Quarterly Report as anticipated, believed, estimated, expected, intended, planned or projected. We neither intend nor assume any obligation to update these forward-looking statements, which speak only as of their dates.

Overview

We are a global chemical and specialty materials company. We are a leading global producer of high performance engineered polymers that are used in a variety of high-value applications, as well as one of the world's largest producers of acetyl products, which are intermediate chemicals, for nearly all major industries. As a recognized innovator in the chemicals industry, we engineer and manufacture a wide variety of products essential to everyday living. Our broad product portfolio serves a diverse set of end-use applications including automotive, chemical additives, construction, consumer and industrial adhesives, medical, consumer electronics, energy storage, filtration, food and beverage, paints and coatings, paper and packaging, performance industrial and textiles. Our products enjoy leading global positions due to our differentiated business models, large global production capacity, operating efficiencies, proprietary technology and competitive cost structures.

Our large and diverse global customer base primarily consists of major companies across a broad array of industries. We hold geographically balanced global positions and participate in diversified end-use applications. We combine a demonstrated track record of execution, strong performance built on differentiated business models and a clear focus on growth and value creation. Known for operational excellence, reliability and execution of our business strategies, we partner with our customers around the globe to deliver best-in-class technologies and solutions.

Results of Operations

Financial Highlights

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
(unaudited)						
(In \$ millions, except percentages)						
Statement of Operations Data						
Net sales	2,795	2,486	309	5,648	5,024	624
Gross profit	686	705	(19)	1,317	1,450	(133)
Selling, general and administrative ("SG&A") expenses	(274)	(197)	(77)	(559)	(371)	(188)
Other (charges) gains, net	(10)	1	(11)	(33)	—	(33)
Operating profit (loss)	335	483	(148)	586	1,014	(428)
Equity in net earnings (loss) of affiliates	23	60	(37)	38	116	(78)
Non-operating pension and other postretirement employee benefit (expense) income	(2)	25	(27)	(1)	49	(50)
Interest expense	(182)	(48)	(134)	(364)	(83)	(281)
Interest income	7	1	6	15	2	13
Dividend income - equity investments	31	36	(5)	65	73	(8)
Earnings (loss) from continuing operations before tax	216	554	(338)	337	1,170	(833)
Earnings (loss) from continuing operations	220	442	(222)	316	946	(630)
Earnings (loss) from discontinued operations	1	(6)	7	(2)	(6)	4
Net earnings (loss)	221	436	(215)	314	940	(626)
Net earnings (loss) attributable to Celanese Corporation	220	434	(214)	311	936	(625)
Other Data						
Depreciation and amortization	172	103	69	344	209	135
SG&A expenses as a percentage of Net sales	9.8 %	7.9 %		9.9 %	7.4 %	
Operating margin ⁽¹⁾	12.0 %	19.4 %		10.4 %	20.2 %	
Other (charges) gains, net						
Restructuring	(10)	1	(11)	(33)	—	(33)
Total Other (charges) gains, net	(10)	1	(11)	(33)	—	(33)

⁽¹⁾ Defined as Operating profit (loss) divided by Net sales.

	As of June 30, 2023	As of December 31, 2022
	(unaudited) (In \$ millions)	
Balance Sheet Data		
Cash and cash equivalents	1,296	1,508
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,507	1,306
Long-term debt, net of unamortized deferred financing costs	12,889	13,373
Total debt	14,396	14,679

Factors Affecting Business Segment Net Sales

The percentage increase (decrease) in Net sales attributable to each of the factors indicated for each of our business segments is as follows:

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

	Volume	Price	Currency	Total
	(unaudited) (In percentages)			
Engineered Materials	75	(8)	—	67
Acetyl Chain	(2)	(19)	—	(21)
Total Company	27	(15)	—	12

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

	Volume	Price	Currency	Total
	(unaudited) (In percentages)			
Engineered Materials	77	(2)	(2)	73
Acetyl Chain	(5)	(17)	(1)	(23)
Total Company	26	(12)	(2)	12

Consolidated Results

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

Net sales increased \$309 million, or 12%, for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher volume in our Engineered Materials segment, primarily related to the M&M Acquisition and the KEPCO restructuring (see [Note 3 - Acquisitions, Dispositions and Plant Closures](#) in the accompanying unaudited interim consolidated financial statements for further information);

partially offset by:

- lower pricing, primarily driven by our Acetyl Chain segment due to weaker economic conditions particularly in Asia, as well our Engineered Materials segment due to decreased energy surcharges, an unfavorable product mix, primarily in Asia and reduced pricing due to market considerations; and
- lower volume in our Acetyl Chain segment, primarily due to decreased demand in Europe.

Operating profit decreased \$148 million, or 31%, for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher raw material costs and spending in our Engineered Materials segment as a result of the M&M Acquisition;
- lower Net sales in our Acetyl Chain segment; and
- an unfavorable impact of \$11 million to Other (charges) gains, net related to Company-wide business optimization projects in the current year (see [Note 18 - Other \(Charges\) Gains, Net](#) in the accompanying unaudited interim consolidated financial statements for further information);

partially offset by:

- higher Net sales in our Engineered Materials segment; and
- lower raw material and sourcing costs in our Acetyl Chain segment, primarily for ethylene, methanol and acid.

Non-operating pension and other postretirement employee benefit (expense) income decreased \$27 million, or 108%, for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher interest cost and lower expected return on plan assets.

Equity in net earnings (loss) of affiliates decreased \$37 million for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- losses from our DuPont Teijin Films strategic affiliates due to restructuring; and
- a decrease in equity investment in earnings of \$4 million as a result of our KEPCO strategic affiliate restructuring.

Our effective income tax rate for the three months ended June 30, 2023 was (2)% compared to 20% for the same period in 2022. The lower effective income tax rate was primarily due to decreased earnings in high taxed jurisdictions related to current demand conditions and a decrease in valuation allowances on U.S. foreign tax credit carryforwards due to revised forecasts of foreign sourced income and expenses during the carryforward period (see [Note 11 - Income Taxes](#) in the accompanying unaudited interim consolidated financial statements for further information).

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Net sales increased \$624 million, or 12%, for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher volume in our Engineered Materials segment, primarily related to the M&M Acquisition and the KEPCO restructuring (see [Note 3 - Acquisitions, Dispositions and Plant Closures](#) in the accompanying unaudited interim consolidated financial statements for further information);

partially offset by:

- lower pricing, primarily in our Engineered Materials segment due to decreased energy surcharges and an unfavorable product mix in Asia and our Acetyl Chain segment due to weaker economic conditions particularly in Asia;
- lower volume in our Acetyl Chain segment, primarily due to decreased demand in Europe; and
- unfavorable currency impacts, primarily resulting from weaker CNY and euro relative to the U.S. dollar.

Operating profit decreased \$428 million, or 42%, for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher raw material costs and spending in our Engineered Materials segment as a result of the M&M Acquisition;
- lower Net sales in our Acetyl Chain segment; and
- an unfavorable impact of \$33 million to Other (charges) gains, net related to Company-wide business optimization projects in the current year (see [Note 18 - Other \(Charges\) Gains, Net](#) in the accompanying unaudited interim consolidated financial statements for further information);

partially offset by:

- higher Net sales in our Engineered Materials segment; and
- lower raw material and sourcing costs in our Acetyl Chain segment, primarily for ethylene, methanol and acid.

Non-operating pension and other postretirement employee benefit (expense) income decreased \$50 million, or 102%, for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher interest cost and lower expected return on plan assets.

Equity in net earnings (loss) of affiliates decreased \$78 million for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- losses from our DuPont Teijin Films strategic affiliates due to restructuring; and
- a decrease in equity investment in earnings of \$19 million as a result of our KEPCO strategic affiliate restructuring.

Our effective income tax rate for the six months ended June 30, 2023 was 6% compared to 19% for the same period in 2022. The lower effective income tax rate was primarily due to decreased earnings in high taxed jurisdictions related to current demand conditions. See [Note 11 - Income Taxes](#) in the accompanying unaudited interim consolidated financial statements for further information.

Business Segments

Engineered Materials

	Three Months Ended June 30,			% Change	Six Months Ended June 30,			% Change
	2023	2022	Change		2023	2022	Change	
	(unaudited)							
	(In \$ millions, except percentages)							
Net sales	1,585	948	637	67.2 %	3,215	1,858	1,357	73.0 %
Net Sales Variance								
Volume	75 %				77 %			
Price	(8)%				(2)%			
Currency	— %				(2)%			
Other	— %				— %			
Other (charges) gains, net	(8)	1	(9)	(900.0)%	(29)	—	(29)	(100.0)%
Operating profit (loss)	158	166	(8)	(4.8)%	270	290	(20)	(6.9)%
Operating margin	10.0 %	17.5 %			8.4 %	15.6 %		
Equity in net earnings (loss) of affiliates	18	53	(35)	(66.0)%	29	102	(73)	(71.6)%
Depreciation and amortization	112	45	67	148.9 %	224	91	133	146.2 %

Our Engineered Materials segment includes our engineered materials business, our food ingredients business and certain strategic affiliates. Our engineered materials business develops, produces and supplies a broad portfolio of high performance specialty polymers for automotive and medical applications, as well as industrial products and consumer electronics. Together with our strategic affiliates, our engineered materials business is a leading participant in the global specialty polymers industry.

The pricing of products within the Engineered Materials segment is primarily based on the value of the material we produce and is generally independent of changes in the cost of raw materials, but may be impacted during periods of inflation and increased costs. Therefore, in general, margins may expand or contract in response to changes in raw material costs. We attempt to address increases in raw material costs through appropriate pricing actions.

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

Net sales increased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher volume, primarily related to the M&M Acquisition and the KEPCO restructuring (see [Note 3 - Acquisitions, Dispositions and Plant Closures](#) in the accompanying unaudited interim consolidated financial statements for further information);

partially offset by:

- lower pricing for most of our products, primarily due to decreased energy surcharges, an unfavorable product mix, primarily in Asia, and reduced pricing due to market considerations.

Operating profit decreased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher raw material costs as a result of the M&M Acquisition;
- higher spending of \$187 million as a result of the M&M Acquisition; and
- an unfavorable impact of \$9 million to Other (charges) gains, net related to Company-wide business optimization projects in the current year (see [Note 18 - Other \(Charges\) Gains, Net](#) in the accompanying unaudited interim consolidated financial statements for further information);

largely offset by:

- higher Net sales.

Equity in net earnings (loss) of affiliates decreased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- losses from our DuPont Teijin Films strategic affiliates due to restructuring; and
- a decrease in equity investment in earnings of \$4 million as a result of our KEPCO strategic affiliate restructuring.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Net sales increased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher volume, primarily related to the M&M Acquisition and the KEPCO restructuring (see [Note 3 - Acquisitions, Dispositions and Plant Closures](#) in the accompanying unaudited interim consolidated financial statements for further information);

partially offset by:

- lower pricing for most of our products, primarily due to decreased energy surcharges and an unfavorable product mix, primarily in Asia; and
- an unfavorable currency impact resulting from a weaker CNY and euro relative to the U.S. dollar.

Operating profit decreased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher raw material costs as a result of the M&M Acquisition;
- higher spending of \$374 million as a result of the M&M Acquisition; and
- an unfavorable impact of \$29 million to Other (charges) gains, net related to Company-wide business optimization projects in the current year (see [Note 18 - Other \(Charges\) Gains, Net](#) in the accompanying unaudited interim consolidated financial statements for further information);

largely offset by:

- higher Net sales.

Equity in net earnings (loss) of affiliates decreased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- losses from our DuPont Teijin Films strategic affiliates due to restructuring; and
- a decrease in equity investment in earnings of \$19 million as a result of our KEPCO strategic affiliate restructuring.

Acetyl Chain

	Three Months Ended June 30,			% Change	Six Months Ended June 30,			% Change
	2023	2022	Change		2023	2022	Change	
(unaudited)								
(In \$ millions, except percentages)								
Net sales	1,233	1,559	(326)	(20.9)%	2,483	3,211	(728)	(22.7)%
Net Sales Variance								
<i>Volume</i>	(2)%				(5)%			
<i>Price</i>	(19)%				(17)%			
<i>Currency</i>	— %				(1)%			
<i>Other</i>	— %				— %			
Operating profit (loss)	295	428	(133)	(31.1)%	573	931	(358)	(38.5)%
Operating margin	23.9 %	27.5 %			23.1 %	29.0 %		
Dividend income - equity investments	30	36	(6)	(16.7)%	63	72	(9)	(12.5)%
Depreciation and amortization	54	52	2	3.8 %	108	108	—	— %

Our Acetyl Chain segment, which includes the integrated chain of our intermediate chemistry, emulsion polymers, ethylene vinyl acetate polymers, redispersible powders and acetate tow businesses, is active in every major global industrial sector and serves diverse consumer end-use applications. These include conventional uses, such as paints, coatings, adhesives, and filter products, as well as other unique, high-value end uses including flexible packaging, thermal laminations, pharmaceuticals, wire and cable, and compounds. Together with our strategic affiliates, our Acetyl Chain businesses are leading producers and suppliers in multiple global industrial sectors.

The pricing of products within the Acetyl Chain is influenced by industry utilization rates and changes in the cost of raw materials. Therefore, in general, there is a directional correlation between these factors and our Net sales for most Acetyl Chain products. This impact to pricing typically lags changes in raw material costs over months or quarters.

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

Net sales decreased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- lower pricing for most of our products, primarily vinyl acetate monomer ("VAM") and acid, due to weaker economic conditions particularly in Asia, partially offset by higher pricing for acetate tow; and
- lower volume for most of our products due to decreased demand, primarily in Europe.

Operating profit decreased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- lower Net sales;

partially offset by:

- lower raw material and sourcing costs, primarily for ethylene, methanol and acid.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Net sales decreased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- lower pricing for most of our products, primarily VAM and acid, due to weaker economic conditions particularly in Asia, partially offset by higher pricing for acetate tow;
- lower volume for most of our products due to decreased demand, primarily in Europe; and
- an unfavorable currency impact, primarily resulting from a weaker CNY relative to the U.S. dollar.

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Operating profit decreased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- lower Net sales;

partially offset by:

- lower raw material and sourcing costs, primarily for ethylene, methanol and acid.

Other Activities

	Three Months Ended June 30,			% Change	Six Months Ended June 30,			% Change
	2023	2022	Change		2023	2022	Change	
	(unaudited)							
	(In \$ millions, except percentages)							
Operating profit (loss)	(118)	(111)	(7)	(6.3)%	(257)	(207)	(50)	(24.2)%
Non-operating pension and other postretirement employee benefit (expense) income	(2)	25	(27)	(108.0)%	(1)	49	(50)	(102.0)%

Other Activities primarily consists of corporate center costs, including administrative activities such as finance, information technology and human resource functions, interest income and expense associated with financing activities and results of our captive insurance companies. Other Activities also includes the components of net periodic benefit cost (interest cost, expected return on assets and net actuarial gains and losses) for our defined benefit pension plans and other postretirement plans not allocated to our business segments.

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

Operating loss increased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher project and functional spending of \$21 million, primarily related to the M&M Acquisition;

partially offset by:

- a favorable currency impact of \$16 million.

Non-operating pension and other postretirement employee benefit (expense) income decreased for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher interest cost and lower expected return on plan assets.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Operating loss increased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher project and functional spending of \$65 million, primarily related to the M&M Acquisition;

partially offset by:

- a favorable currency impact of \$23 million.

Non-operating pension and other postretirement employee benefit (expense) income decreased for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to:

- higher interest cost and lower expected return on plan assets.

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operations, available cash and cash equivalents, dividends from our portfolio of strategic investments and available borrowings under our senior U.S. unsecured revolving credit facility and our China Revolving Credit Facility (defined below). As of June 30, 2023, we have \$1.75 billion available for borrowing under our senior U.S. unsecured revolving credit facility, and \$34 million available for borrowing under our separate China Revolving Credit Facility, if required, in meeting our working capital needs and other contractual obligations. In addition, we held cash and cash equivalents of \$1.3 billion as of June 30, 2023. We are actively managing our business to maintain and improve cash flow, and we believe that liquidity from the above-referenced sources will be sufficient to meet our operational and capital investment needs and financial obligations for the foreseeable future.

On June 22, 2023, we announced the signing of a definitive agreement to form a food ingredients joint venture with Mitsui & Co., Ltd. ("Mitsui") under the name Nutrinova. Pursuant to the agreement, we will contribute receivables, inventory, property, plant and equipment, certain intangible assets, other assets, other liabilities, technology and employees of our food ingredients business while retaining a 30% stake in the joint venture. Mitsui will acquire the remaining 70% stake at a purchase price of \$473 million. We expect to close the transaction in the second half of 2023, pending regulatory approvals. For further information regarding the food ingredients joint venture, see [Note 3 - Acquisitions, Dispositions and Plant Closures](#) in the accompanying unaudited interim consolidated financial statements.

In November 2022, we acquired a majority of the M&M Business for a purchase price of \$11.0 billion, subject to transaction adjustments, in an all-cash transaction. For further information regarding the acquisition, see [Note 3 - Acquisitions, Dispositions and Plant Closures](#) in the accompanying unaudited interim consolidated financial statements.

Our incurrence of debt to finance the purchase price for the M&M Acquisition has increased our leverage and our ratio of indebtedness to consolidated EBITDA as set forth in our senior unsecured credit facilities. We believe that cash flows from our operations, together with cash generation, synergy opportunities from the M&M Acquisition and cost reduction initiatives, will support our deleveraging efforts over the next few years. In furtherance of these deleveraging efforts, we have paused our share repurchase program and are in the process of evaluating additional cash generation opportunities which may also include, in addition to the food ingredients joint venture described above, additional opportunistic dispositions or monetization of other product or business lines or other assets. We are committed to rapid deleveraging and to maintaining our investment grade debt rating.

While our contractual obligations, commitments and debt service requirements over the next several years are significant, we continue to believe we will have available resources to meet our liquidity requirements, including debt service, for the next twelve months. If our cash flow from operations is insufficient to fund our debt service and other obligations, we may be required to use other means available to us such as increasing our borrowings, reducing or delaying capital expenditures, seeking additional capital or seeking to restructure or refinance our indebtedness. There can be no assurance, however, that we will continue to generate cash flows at or above current levels.

We continue to prioritize those projects expected to drive productivity in the near term and expect capital expenditures to be approximately \$500 million in 2023, primarily associated with certain investments in growth opportunities and productivity improvements. In Engineered Materials, at our Nanjing, China facility, our expansions of (1) the compounding plant is in construction and (2) the new liquid crystal polymer ("LCP") plant is in detailed engineering design. Our energy optimization productivity project at our polyoxymethylene ("POM") unit in Frankfurt, Germany is in detailed engineering design. In the Acetyl Chain, our planned expansion of our acetic acid unit at Clear Lake, Texas is on track to be commissioned in the fourth quarter of 2024. The other major projects that support the Acetyl Chain are in various stages of construction and on schedule, which include our planned expansions of (1) our vinyl acetate ethylene ("VAE") emulsions units in Nanjing, China, (2) our VAE emulsion plant in Frankfurt, Germany, and (3) the sustainable production of methanol ("MeOH") at our Fairway joint venture MeOH unit in Clear Lake, Texas using captured carbon dioxide as feedstock. The expansion of our vinyl acetate monomer ("VAM") plant in Bay City, Texas is on temporary hold. We continue to see the incremental capacity from investments made in recent years strengthen our manufacturing network reliability to best serve our customers.

On a stand-alone basis, Celanese and its immediate 100% owned subsidiary, Celanese U.S., have no independent external operations of their own. Accordingly, they generally depend on the cash flow of their subsidiaries and their ability to pay dividends and make other distributions to Celanese and Celanese U.S. in order to meet their obligations, including their obligations under senior credit facilities and senior notes, and to pay dividends on our Common Stock.

We are subject to capital controls and exchange restrictions imposed by the local governments in certain jurisdictions where we operate, such as China, South Korea, India and Indonesia. Capital controls impose limitations on our ability to exchange

currencies, repatriate earnings or capital, lend via intercompany loans or create cross-border cash pooling arrangements. Our largest exposure to a country with capital controls is in China. Pursuant to applicable regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, the Chinese government imposes certain currency exchange controls on cash transfers out of China, puts certain limitations on duration, purpose and amount of intercompany loans, and restricts cross-border cash pooling. While it is possible that future tightening of these restrictions or application of new similar restrictions could impact us, these limitations do not currently restrict our operations.

We remain in compliance with the covenants in the Global Credit Agreements (defined below, and as amended to date) and expect to remain in compliance based on our current expectation of future results of operations and planned cash generation activities. If the actual future results of our operations and cash generation activities differ materially from these expectations, we may be required to seek an amendment to or waiver of any impacted covenants, which may increase our borrowing costs under the Global Credit Agreements.

Cash Flows

Cash and cash equivalents decreased \$212 million to \$1.3 billion as of June 30, 2023 compared to December 31, 2022. As of June 30, 2023, \$1.0 billion of the \$1.3 billion of cash and cash equivalents was held by our foreign subsidiaries. Under the TCJA, we have incurred a prior year charge associated with the deemed repatriation of previously unremitted foreign earnings, including foreign held cash. These funds are largely accessible over a period of time without additional material tax consequences, if needed in the U.S., to fund operations.

• Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities decreased \$145 million to \$666 million for the six months ended June 30, 2023 compared to net cash provided by operating activities of \$811 million for the same period in 2022, primarily due to:

- lower earnings performance; and
- an increase in cash interest paid of \$272 million;

partially offset by:

- favorable trade working capital of \$297 million, primarily due to the timing of collections of trade receivables, inventory reduction due to lower volume, lower raw materials costs and cost of inventory, and settlement of trade payables during the six months ended June 30, 2023; and
- cash receipts of non-trade receivables of \$91 million, primarily related to receivable balances arising from the M&M Acquisition and transition activities.

• Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities increased \$56 million to \$341 million for the six months ended June 30, 2023 compared to net cash used in investing activities of \$285 million for the same period in 2022; primarily due to:

- an increase of \$48 million in capital expenditures during the six months ended June 30, 2023.

• Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities increased \$262 million to \$516 million for the six months ended June 30, 2023 compared to net cash used in financing activities of \$254 million for the same period in 2022, primarily due to:

- an increase in net payments on short-term debt of \$340 million, primarily as a result of payment on our March 2022 U.S. Term Loan Credit Agreement (defined below) and revolving credit facilities partially offset by borrowings on our revolving credit facilities and China Working Capital Term Loan Agreement (defined below);

partially offset by:

- a payment of \$63 million during the six months ended June 30, 2022 for fees related to a bridge facility commitment letter with Bank of America, N.A. ("Bank of America") pursuant to which Bank of America had committed to provide,

subject to the terms and conditions set forth therein, a 364-day \$11.0 billion senior unsecured bridge term loan facility (the "Bridge Facility"), which did not recur in the current year; and

- a decrease in share repurchases of our Common Stock of \$17 million during the six months ended June 30, 2023.

Debt and Other Obligations

In March 2022, we entered into a term loan credit agreement (the "March 2022 U.S. Term Loan Credit Agreement"), pursuant to which lenders have committed to provide a tranche of delayed-draw term loans due 364 days from issuance in an amount equal to \$500 million and a tranche of delayed-draw term loans due 5 years from issuance in an amount equal to \$1.0 billion. In September 2022, we entered into an additional term loan credit agreement (the "September 2022 U.S. Term Loan Credit Agreement" and, together with the March 2022 U.S. Term Loan Credit Agreement, the "U.S. Term Loan Credit Agreements"), pursuant to which lenders have committed to provide delayed-draw term loans due 3 years from issuance in an amount equal to \$750 million (the term loans represented by the U.S. Term Loan Credit Agreements collectively, the "U.S. Term Loan Facility").

Also in March 2022, we entered into a new revolving credit agreement (the "U.S. Revolving Credit Agreement" and, together with the U.S. Term Loan Credit Agreements the "U.S. Credit Agreements") consisting of a \$1.75 billion senior unsecured revolving credit facility (with a letter of credit sublimit), maturing in 2027. The proceeds of a \$365 million borrowing under the new senior unsecured revolving credit facility were used to repay and terminate our then-existing revolving credit facility.

On February 21, 2023, we amended certain covenants in the U.S. Credit Agreements, including financial ratio maintenance covenants. The U.S. Credit Agreements are guaranteed by Celanese, Celanese U.S. and domestic subsidiaries together representing substantially all of the Company's U.S. assets and business operations.

On January 4, 2023, Celanese (Shanghai) International Trading Co., Ltd ("CSIT"), a fully consolidated subsidiary, entered into a restatement of an existing credit facility agreement (the "China Revolving Credit Agreement") to upsize and modify the facility thereunder to consist of an aggregate CNY1.75 billion uncommitted senior unsecured revolving credit facility available under two tranches (with overdraft, bank guarantee and documentary credit sublimits) (the "China Revolving Credit Facility"). Obligations bear interest at certain fixed and floating rates. The China Revolving Credit Agreement is guaranteed by Celanese U.S.

On January 6, 2023, CSIT entered into a senior unsecured working capital loan contract for CNY800 million (the "China Working Capital Term Loan Agreement", together with the China Revolving Credit Agreement, the "China Credit Agreements," and the China Credit Agreements together with the U.S. Credit Agreements, the "Global Credit Agreements"), payable 12 months from withdrawal date and bearing interest at 0.5% less than certain interbank rates. The loan under the China Working Capital Term Loan Agreement was fully drawn on January 10, 2023 and is supported by a letter of comfort from us. We expect the China Credit Agreements will facilitate our efficient repatriation of cash to the U.S. to repay debt and effectively redomicile a portion of our U.S. debt to China at a lower average interest rate.

There have been no material changes to our debt or other obligations described in our 2022 Form 10-K other than those disclosed above and in [Note 7 - Debt](#) in the accompanying unaudited interim consolidated financial statements.

Accounts Receivable Purchasing Facility

On June 1, 2023, we entered into an amendment to the amended and restated receivables purchase agreement under our U.S. accounts receivable purchasing facility among certain of our subsidiaries, our wholly-owned, "bankruptcy remote" special purpose subsidiary ("SPE") and certain global financial institutions ("Purchasers"). We de-recognized \$663 million and \$1.1 billion of accounts receivable under this agreement for the six months ended June 30, 2023 and year ended December 31, 2022, respectively, and collected \$565 million and \$1.1 billion of accounts receivable sold under this agreement during the same periods. Unsold U.S. accounts receivable of \$86 million were pledged by the SPE as collateral to the Purchasers as of June 30, 2023.

Factoring and Discounting Agreements

We have factoring agreements in Europe and Singapore with financial institutions to sell 100% and 90% of certain accounts receivable, respectively, on a non-recourse basis. We de-recognized \$196 million and \$320 million of accounts receivable under these factoring agreements for the six months ended June 30, 2023 and year ended December 31, 2022, respectively, and collected \$189 million and \$325 million of accounts receivable sold under these factoring agreements during the same periods.

Covenants

We are in compliance with the covenants in our material financing arrangements as of June 30, 2023.

See [Note 7 - Debt](#) in the accompanying unaudited interim consolidated financial statements for further information.

Guarantor Financial Information

We have outstanding senior unsecured notes, issued in public offerings registered under the Securities Act of 1933, as amended (collectively, the "Senior Notes"). The Senior Notes were issued by Celanese U.S. ("Issuer") and are guaranteed by Celanese Corporation ("Parent Guarantor") and the Subsidiary Guarantors (collectively the "Obligor Group"). See [Note 7 - Debt](#) in the accompanying unaudited interim consolidated financial statements for further information. The Issuer and Subsidiary Guarantors are 100% owned subsidiaries of the Parent Guarantor. The Subsidiary Guarantors are listed in [Exhibit 22.1](#) to this Quarterly Report.

The Parent Guarantor and the Subsidiary Guarantors have guaranteed the Senior Notes on a full and unconditional, joint and several, senior unsecured basis. The guarantees are subject to certain customary release provisions, including that a Subsidiary Guarantor will be released from its respective guarantee in specified circumstances, including (i) the sale or transfer of all of its assets or capital stock; (ii) its merger or consolidation with, or transfer of all or substantially all of its assets to, another person; or (iii) its ceasing to be a majority-owned subsidiary of the Issuer in connection with any sale of its capital stock or other transaction. Additionally, a Subsidiary Guarantor will be released from its guarantee of the Senior Notes at such time that it ceases to guarantee the Issuer's obligations under the U.S. Credit Agreements (subject to the satisfaction of customary document delivery requirements). The obligations of the Subsidiary Guarantors under their guarantees are limited as necessary to prevent such guarantees from constituting a fraudulent conveyance or fraudulent transfer under applicable law.

The Parent Guarantor and the Issuer are holding companies that conduct substantially all of their operations through their subsidiaries, which own substantially all of our consolidated assets. The Parent Guarantor has no material assets other than the stock of its immediate 100% owned subsidiary, the Issuer. The principal source of cash to pay the Parent Guarantor's and the Issuer's obligations, including obligations under the Senior Notes and the guarantee of the Issuer's obligations under the U.S. Credit Agreements, is the cash that our subsidiaries generate from their operations. Each of the Subsidiary Guarantors and our non-guarantor subsidiaries is a distinct legal entity and, under certain circumstances, applicable country or state laws, regulatory limitations and terms of other debt instruments may limit our subsidiaries' ability to distribute cash to the Issuer and the Parent Guarantor.

For cash management purposes, we transfer cash among the Parent Guarantor, Issuer, Subsidiary Guarantors and non-guarantors through intercompany financing arrangements, contributions or declaration of dividends between the respective parent and its subsidiaries. While the non-guarantor subsidiaries do not guarantee the Issuer's obligations under our outstanding debt, the transfer of cash under these activities facilitates the ability of the recipient to make specified third-party payments for principal and interest on the Senior Notes, U.S. Credit Agreements, other outstanding debt, Common Stock dividends and Common Stock repurchases.

The summarized financial information of the Obligor Group is presented below on a combined basis after the elimination of: (i) intercompany transactions among such entities and (ii) equity in earnings from and investments in the non-guarantor subsidiaries. Transactions with, and amounts due to or from, non-guarantor subsidiaries and affiliates are separately disclosed.

	Six Months Ended June 30, 2023
	(In \$ millions)
	(unaudited)
Net sales to third parties	944
Net sales to non-guarantor subsidiaries	559
Total net sales	<u>1,503</u>
Gross profit	318
Earnings (loss) from continuing operations	1,187
Net earnings (loss)	1,185
Net earnings (loss) attributable to the Obligor Group	1,185

	As of June 30, 2023	As of December 31, 2022
	(In \$ millions) (unaudited)	
Receivables from non-guarantor subsidiaries	643	754
Other current assets	1,675	1,588
Total current assets	<u>2,318</u>	<u>2,342</u>
Goodwill	528	567
Other noncurrent assets	2,745	2,718
Total noncurrent assets	<u>3,273</u>	<u>3,285</u>
Current liabilities due to non-guarantor subsidiaries	1,768	2,100
Current liabilities due to affiliates	1	2
Other current liabilities	2,030	2,201
Total current liabilities	<u>3,799</u>	<u>4,303</u>
Noncurrent liabilities due to non-guarantor subsidiaries	3,383	3,400
Other noncurrent liabilities	13,404	13,842
Total noncurrent liabilities	<u>16,787</u>	<u>17,242</u>

Share Capital

We declared a quarterly cash dividend of \$0.70 per share on our Common Stock on July 19, 2023, amounting to \$76 million.

There have been no material changes to our share capital described in our 2022 Form 10-K other than those disclosed above and in [Note 10 - Shareholders' Equity](#) in the accompanying unaudited interim consolidated financial statements.

Contractual Obligations

We have not entered into any material off-balance sheet arrangements.

Except as otherwise described in this report, there have been no material revisions outside the ordinary course of business to our contractual obligations as described in our 2022 Form 10-K.

Tax Return Audits

Our tax returns are under joint audit for the years 2013 through 2015 by the United States, Netherlands and Germany (the "Authorities"). In addition, our income tax returns in Mexico are under audit for the year 2018, and in Canada for the years 2016 through 2018. As of June 30, 2023, we believe that an adequate provision for income taxes has been made for all open tax years related to the examinations by government authorities. We are in ongoing discussions regarding the audit findings with the Canadian authorities and do not expect a material impact to income tax expense. However, the outcome of tax audits cannot be predicted with certainty. If any issues raised by the government authorities are resolved in a manner inconsistent with our expectations or we are unsuccessful in defending its positions, we could be required to adjust our provision for income taxes in the period such resolution occurs. If required, any such adjustments could be material to the statements of operations and cash flows in the period(s) recorded. See [Note 11 - Income Taxes](#) in the accompanying unaudited interim consolidated financial statements for further information.

Business Environment

We continued to experience destocking in addition to volatile underlying demand conditions across several end-markets. We continue to closely monitor the impact of, and responses to, geopolitical effects on demand conditions and the supply chain. Demand conditions and moderating raw materials costs resulted in elevated industry competitive dynamics and pricing pressure across many end-markets. Average prices of raw materials and energy feedstocks, particularly natural gas, which is a significant input for our manufacturing operations, have continued to moderate. We expect demand and destocking challenges to persist, to put pressure on pricing partially offset by improvement in input costs across the year.

Following Russia's invasion of Ukraine, we suspended sales into Russia, Belarus and the sanctioned regions of Ukraine. Revenue from these countries and regions constituted less than 0.1% of our consolidated Net sales in fiscal year 2022 and we

have no manufacturing assets in these countries or regions. We do not currently expect the conflict to result in a material impact on our business or financial results, but the full impact of the conflict and international responses thereto remains uncertain and will depend on future geopolitical and economic developments that are impossible to predict. Potential risks we may face include increased volatility in capital and commodity markets, rapid changes to sanctions, supply chain and transportation disruptions, exacerbation of inflationary conditions, impacts to consumer or business sentiment and an increased risk of cyber security incidents.

Critical Accounting Policies and Estimates

Our unaudited interim consolidated financial statements are based on the selection and application of significant accounting policies. The preparation of unaudited interim consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of Net sales, expenses and allocated charges during the reporting period. Actual results could differ from those estimates. However, we are not currently aware of any reasonably likely events or circumstances that would result in materially different results.

We describe our significant accounting policies in Note 2 - Summary of Accounting Policies, of the Notes to the Consolidated Financial Statements included in our 2022 Form 10-K. We discuss our critical accounting policies and estimates in MD&A in our 2022 Form 10-K.

Recent Accounting Pronouncements

See [Note 2 - Recent Accounting Pronouncements](#) in the accompanying unaudited interim consolidated financial statements included in this Quarterly Report for information regarding recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk for the Company has not changed materially from the foreign exchange, interest rate and commodity risks disclosed in Item 7A. Quantitative and Qualitative Disclosures about Market Risk in our 2022 Form 10-K. See also [Note 12 - Derivative Financial Instruments](#) in the accompanying unaudited interim consolidated financial statements for further discussion of our market risk management and the related impact on the Company's financial position and results of operations.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, as of June 30, 2023, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

During the period covered by this report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and regulatory proceedings, lawsuits, claims and investigations incidental to the normal conduct of its business, relating to such matters as product liability, land disputes, insurance coverage disputes, contracts, employment, antitrust and competition, intellectual property, personal injury and other actions in tort, workers' compensation, chemical exposure, asbestos exposure, taxes, trade compliance, acquisitions and divestitures, claims of current and legacy shareholders, past waste disposal practices and release of chemicals into the environment. The Company is actively defending those matters where it is named as a defendant. Due to the inherent subjectivity of assessments and unpredictability of outcomes of legal proceedings, the Company's litigation accruals and estimates of possible loss or range of possible loss may not represent the ultimate loss to the Company from legal proceedings. See [Note 9 - Environmental](#) and [Note 14 - Commitments and Contingencies](#) in the accompanying unaudited interim consolidated financial statements for a discussion of material environmental matters and material commitments and contingencies related to legal and regulatory proceedings. There have been no significant developments in the "Legal Proceedings" described in our 2022 Form 10-K other than those disclosed in [Note 9 - Environmental](#) and [Note 14 - Commitments and Contingencies](#) in the accompanying unaudited interim consolidated financial statements. See *Part I - Item 1A. Risk Factors* of our 2022 Form 10-K for certain risk factors relating to these legal proceedings.

Item 1A. Risk Factors

In addition to the information in this Quarterly Report, readers should carefully consider the information in *Part I, Item 1A. Risk Factors* of our 2022 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not repurchase any Common Stock during the three months ended June 30, 2023. As of June 30, 2023, our Board of Directors had authorized the repurchase of \$6.9 billion of our Common Stock since February 2008, with approximately \$1.1 billion value of shares remaining that may be purchased under the program. See [Note 10 - Shareholders' Equity](#) in the accompanying unaudited interim consolidated financial statements for further information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

(c) Trading Plans

During the quarter ended June 30, 2023, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading plans or "non-Rule 10b5-1 trading arrangements" as defined in Item 408 of Regulation S-K.

Item 6. Exhibits⁽¹⁾

Exhibit Number	Description
2.1†	Transaction Agreement, dated as of February 17, 2022, by and among DuPont De Nemours, Inc., DuPont E&I Holding, Inc. and Celanese Corporation (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on February 18, 2022).
3.1	Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q filed with the SEC on October 18, 2016).
3.1(a)	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation dated as of April 21, 2016 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on April 22, 2016).
3.1(b)	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation dated as of September 17, 2018 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on September 17, 2018).
3.1(c)	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation dated April 18, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on April 23, 2019).
3.2	Seventh Amended and Restated By-laws, amended effective November 2, 2022 (incorporated by reference to Exhibit 3.2 to the Quarterly report on Form 10-Q filed with the SEC on November 4, 2022).
10.1‡	Celanese Corporation Amended and Restated 2018 Global Incentive Plan, dated as of April 20, 2023 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 25, 2023).
10.2*‡	Form of 2023 Time-Based Restricted Stock Unit Award Agreement (for non-employee directors).
10.3*‡	Settlement Agreement, dated February 13, 2023, between Celanese Corporation and John Fotheringham.
22.1	List of Guarantor Subsidiaries (incorporated by reference to Exhibit 22.1 to the Annual Report on Form 10-K filed with the SEC on February 24, 2023).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 has been formatted in Inline XBRL.

* Filed herewith.

‡ Indicates a management contract or compensatory plan or arrangement.

† The Company has omitted certain schedules and similar attachments to such agreements pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish a copy of such omitted documents to the SEC upon request.

(1) The Company and its subsidiaries have in the past issued, and may in the future issue from time to time, long-term debt. The Company may not file with the applicable report copies of the instruments defining the rights of holders of long-term debt to the extent that the aggregate principal amount of the debt instruments of any one series of such debt instruments for which the instruments have not been filed has not exceeded or will not exceed 10% of the assets of the Company at any pertinent time. The Company hereby agrees to furnish a copy of any such instrument(s) to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CELANESE CORPORATION

By: /s/ LORI J. RYERKERK

Lori J. Ryerkerk
Chair of the Board of Directors,
Chief Executive Officer and President

Date: August 8, 2023

By: /s/ SCOTT A. RICHARDSON

Scott A. Richardson
Executive Vice President and
Chief Financial Officer

Date: August 8, 2023

[Form of 2023 Director Time-Based RSU Award Agreement]



**CELANESE CORPORATION
AMENDED AND RESTATED 2018 GLOBAL INCENTIVE PLAN
TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
DATED [Grant Date]**

Pursuant to the terms and conditions of the Celanese Corporation Amended and Restated 2018 Global Incentive Plan, you have been awarded Time-Based Restricted Stock Units, subject to the restrictions described in this Agreement. In addition to the information included in this Award Agreement, the Participant's name and the number of Restricted Stock Units can be found in the Grant Summary located in the electronic stock plan award administration system maintained by the Company or its designee that contains a link to this Agreement (which summary information is set forth in the appropriate records of the Company authorizing such award).

2023 RSU Award

[Number of Shares Granted] Units

This grant is made pursuant to the Time-Based Restricted Stock Unit Award Agreement dated as of [Grant Date], between Celanese and [Participant Name], which Agreement is attached hereto and made a part hereof.

CELANESE CORPORATION
AMENDED AND RESTATED 2018 GLOBAL INCENTIVE PLAN
TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
(Non-Employee Director)

This Time-Based Restricted Stock Unit Award Agreement (the "Agreement"), is made and entered into effective as of [Grant Date] (the "Grant Date"), by and between Celanese Corporation, a Delaware corporation (the "Company"), and [Participant Name] (the "Participant"). Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Celanese Corporation Amended and Restated 2018 Global Incentive Plan (as amended from time to time, the "2018 Plan").

1. **Time-Based RSU Award**: The Company hereby grants to the Participant, pursuant to the terms of the 2018 Plan and this Agreement, an award (the "Award") of [Number of Shares Granted] time-based Restricted Stock Units (the "RSUs") representing the right to receive an equal number of Common Shares upon vesting. The Participant hereby acknowledges and accepts such Award upon the terms and subject to the conditions, restrictions and limitations contained in this Agreement and the 2018 Plan.

2. **Vesting of Restricted Stock Units**:

(a) **Normal Vesting**. Subject to Sections 2(b) and 2(c) below, the RSUs shall vest on <<Vest Date>> (the "Vesting Date").

(b) **Change in Control**. Notwithstanding any other provision of this Agreement to the contrary, upon the occurrence of a Change in Control, the RSUs, to the extent not previously forfeited or canceled, shall immediately vest and a number of Common Shares equal to such RSUs shall be delivered to the Participant within thirty (30) days of the occurrence of such Change in Control.

(c) **Termination of Service**.

(i) Upon the termination of the Participant's service with the Company as a director due to the Participant's death or Disability, a prorated portion of RSUs will vest in an amount equal to (A) the number of unvested RSUs multiplied by (B) a fraction, the numerator of which is the number of complete and partial calendar months that have transpired from the Grant Date to the date of termination, and the denominator of which is twelve months, such product to be rounded up to the nearest whole number. The prorated number of RSUs shall vest on the applicable Vesting Date. The remaining portion of the Award shall be forfeited and cancelled without consideration.

(ii) Upon the termination of the Participant's service with the Company as a director due to voluntary resignation prior to the next regularly scheduled meeting of the Company's stockholders at which directors are elected, or removal for cause, the Award shall be forfeited and cancelled without consideration.

(iii) Upon the termination of the Participant's service with the Company as a director due to retirement by reason of the Company's Director Retirement Guideline, or for any other reason not listed in Section 2(c)(i) or (c)(ii), the Award shall vest on the Vesting Date.

3. **Settlement of RSUs:** Subject to Section 2 of this Agreement, and except to the extent the Participant has elected that delivery be deferred in accordance with the rules and procedures prescribed by the Board or the Compensation and Management Development Committee (which rules and procedures, among other things, shall be consistent with the requirements of Section 409A of the Code), the Company shall deliver to the Participant (or to a Company-designated brokerage firm or plan administrator) as soon as administratively practicable following the Vesting Date (but in no event later than 2 ½ months after the Vesting Date), in complete settlement of all vested RSUs, a number of Common Shares equal to the number of vested RSUs.

4. **Rights as a Stockholder:** The Participant shall have no voting, dividend or other rights as a stockholder with respect to the Award until the RSUs have vested and Common Shares have been delivered pursuant to this Agreement.

5. **Non-Transferability of Award:** The RSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company; provided, that the Participant may designate a beneficiary, on a form provided by the Company, to receive any portion of the Award payable hereunder following the Participant's death.

6. **Securities Laws:** The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Common Shares issued as a result of the vesting or settlement of the RSUs, including without limitation (a) restrictions under an insider trading policy, and (b) restrictions as to the use of a specified brokerage firm for such resales or other transfers. Upon the acquisition of any Common Shares pursuant to the vesting or settlement of the RSUs, the Participant will make or enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws or with this Agreement and the 2018 Plan. All accounts in which such Common Shares are held or any certificates for Common Shares shall be subject to such stop transfer orders and other restrictions as the Company may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange or quotation system upon which the Common Shares are then listed or quoted, and any applicable federal or state securities law, and the Company may cause a legend or legends to be put on any such certificates (or other appropriate restrictions and/or notations to be associated with any accounts in which such Common Shares are held) to make appropriate reference to such restrictions.

7. **Severability:** In the event that any provision of this Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of this Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

8. **Further Assurances:** Each party shall cooperate and take such action as may be reasonably requested by either party hereto in order to carry out the provisions and purposes of this Agreement.

9. **Binding Effect:** The Award and this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

10. **Electronic Delivery:** By executing this Agreement, the Participant hereby consents to the delivery of any and all information (including, without limitation, information required to

be delivered to the Participant pursuant to applicable securities laws), in whole or in part, regarding the Company and its subsidiaries, the 2018 Plan, and the Award via electronic mail, the Company's or a plan administrator's web site, or other means of electronic delivery.

11. **Governing Law.** Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be governed by, construed under and interpreted in accordance with the laws of the State of Delaware, without regard to its conflicts of laws rules.

12. **Restricted Stock Units Subject to Plan:** By entering into this Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the 2018 Plan and the 2018 Plan's prospectus. The RSUs and the Common Shares issued upon vesting of such RSUs are subject to the 2018 Plan, which is hereby incorporated by reference. In the event of any conflict between any term or provision of this Agreement and a term or provision of the 2018 Plan, the applicable terms and provisions of the 2018 Plan shall govern and prevail.

13. **Validity of Agreement:** This Agreement shall be valid, binding and effective upon the Company on the Grant Date. However, the Participant must accept this Agreement electronically pursuant to the online acceptance procedure established by the Company within ninety (90) days; otherwise the Company may, in its sole discretion, rescind the Award in its entirety.

14. **Headings:** The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

15. **Compliance with Section 409A of the Code:** Notwithstanding any provision in this Agreement to the contrary, this Agreement will be interpreted and applied so that the Agreement does not fail to meet, and is operated in accordance with, the requirements of Section 409A of the Code. The Company reserves the right to change the terms of this Agreement and the 2018 Plan without the Participant's consent to the extent necessary or desirable to comply with the requirements of Section 409A of the Code, the Treasury regulations and other guidance thereunder. Further, in accordance with the restrictions provided by Treasury Regulation Section 1.409A-3(j)(2), any subsequent amendments to this Agreement or any other agreement, or the entering into or termination of any other agreement, affecting the RSUs provided by this Agreement shall not modify the time or form of issuance of the RSUs set forth in this Agreement.

16. **Definitions:** The following terms shall have the following meanings for purposes of this Agreement, notwithstanding any contrary definition in the 2018 Plan:

(a) "*Change in Control*" of the Company means:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this subparagraph, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate,

or (iv) any acquisition pursuant to a transaction that complies with clauses (A), (B) or (C) in paragraph (iii) of this definition; or

(ii) Individuals who, as of the effective date of this Agreement, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the effective date of this Agreement whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, if it is determined that an Award hereunder is subject to the requirements of Section 409A and the Change in Control is a "payment event" under Section 409A for such Award, the Company will not be deemed to have undergone a Change in Control unless the Company is deemed to have undergone a "change in control event" pursuant to the definition of such term in Section 409A.

(b) "*Disability*" has the same meaning as "Disability" in the Celanese Corporation 2008 Deferred Compensation Plan or such other meaning as determined by the Board in its sole discretion.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Participant has also executed this Agreement in duplicate.

CELANESE CORPORATION

By: Lori J. Ryerkerk
Chair, Chief Executive Officer and President

Dated February 13, 2023

(1) CELANESE CORPORATION

– and –

(2) JOHN FOTHERINGHAM

**Without Prejudice
Subject to Contract**

SETTLEMENT AGREEMENT

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
Telephone House 2-4 Temple Avenue
London EC4Y 0HB

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SETTLEMENT AGREEMENT

THIS AGREEMENT is made on February 13, 2023

BETWEEN:

- (1) **CELANESE CORPORATION**, of 222 W. Las Colinas Blvd., Suite 900N, Irving, TX 75039 (the "**Company**"); and
- (2) **JOHN FOTHERINGHAM**, whose address is 5 Westminster Avenue, Chester, CH4 8JB ("**You**").

RECITALS

- (A) You have been employed by the Company under the terms of an letter dated 30 September 2020, incorporating the terms of employment for Staff of the Company (the "**Employment Letter**").
- (B) You have received independent legal advice from the Adviser a qualified lawyer as such term is defined in Section 203 of the Employment Rights Act 1996 as to the terms and effect of this Agreement and are aware that You have those potential claims against the Company which are listed and have been raised in clause 6.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 In this Agreement the following terms shall have the meanings set out below:

"**Adviser**" means Kate Venables of Brabners LLP.

"**Confidential Information**" means any and all confidential information, whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory, that shall include but not be limited to: (a) corporate and business strategies and plans; (b) details of actual or prospective clients or customers (together with their requirements or potential requirements and contact details); (c) details of actual or prospective employees and consultants and their remuneration arrangements, other than your own; (d) details and terms of any investment, partnership, joint venture or other form of commercial co-operation or agreement; (e) internal operating systems, trade arrangements, terms of business and price lists not generally known to the public, including sales information, pricing policies, credit policies and procedures, profit margins, discounts, rebates, marketing information or strategies; (f) financial information including budgets, management accounts, financial models, spreadsheets, costings, sales forecasts, projections, estimates, or results, information relating to internal funding requirements or allocation of resources; (g) confidential aspects of computer technology including systems, confidential algorithms, information relating to proprietary computer hardware or software (including updates and source and object codes) which are not generally known to the public; (h) disputes (whether existing, pending, potential or threatened), settlement terms and legally privileged materials; (i) personal or special categories of personal data; (j) trade secrets, confidential techniques, technology, know-how, systems and processes used for the production or development of products and services, including manufacturing processes, formulations, formulae, recipes, raw materials and technical data and including information that is a trade secret as defined in Regulation 2 of the Trade Secrets (Enforcement, etc.) Regulations 2018, as amended; (k) research and

development activities (including designs, applications, drawings or specifications of products and services contemplated or in the course of development, details of product or market testing), inventions, discoveries or improvements (whether patentable or not) and patent applications in the course of preparation; (l) details, designs, applications, drawings or specifications of products or services which are not generally known to the public; and (m) anything marked as confidential (or similar), which You are told is confidential, which You should realise is confidential, which is subject to an obligation of confidence owed to a third party, or which You should reasonably treat as being confidential.

"Connected Person" means any officer, employee, consultant, customer, client, supplier, business partner, shareholder or investor of the Company or any Group Company.

"Group Company" and **"Group Companies"** means the Company and any group undertaking (as defined in Section 1161(5) of the Companies Act 2006 and supplemented by Section 1162 of the Companies Act 2006) or any associated body corporate (as defined in Section 256 of the Companies Act 2006) for the time being of the Company and any of the Company's subsidiary undertakings (as defined in Section 1162 of the Companies Act 2006 which, for the avoidance of doubt shall include Celanese Services UK Limited.

"Leaving Date" means 1 September 2023, or an earlier date if agreed between the parties in advance and in writing.

"Post-Employment Notice Pay" has the meaning given in section 402D of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA").

"Post-Employment Notice Period" has the meaning given in section 402E(5) of ITEPA.

- 1.2 The headings in this Agreement are inserted for convenience only and shall not affect its construction.
- 1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.5 The schedules to this Agreement form part of (and are incorporated into) this Agreement.

2. TERMINATION OF EMPLOYMENT AND OFFICES

- 2.1 You accept and confirm the termination of your employment with Celanese Services UK Limited and any Group Companies with effect from the Leaving Date and notice is hereby given to terminate your employment with Celanese Services UK Limited. You hereby agree and undertake, as a term of this Agreement, that you will continue to comply with your obligations under the Employment Letter and the various Long-Term Incentive Award Claw-Back Agreements between you and the Company entered into prior to the date of this Agreement which, obligations you agree, shall neither be superseded, terminated nor replaced by this Agreement save where expressly stated.

- 2.2 You shall be entitled to receive your salary and contractual benefits up to and including the Leaving Date in the normal way but, save as set out expressly herein, You shall not be entitled to receive any payments in respect of bonus or commissions.
- 2.3 As at the Leaving Date, You will have completed the period of notice to which You are entitled under the Employment Letter. The parties accordingly agree that your Post-Employment Notice Period and Post-Employment Notice Pay are nil. It is expressly recorded that You have the right to seek the agreement of the Company to an earlier Leaving Date (such agreement to be sought in advance and agreed in writing). If an earlier Leaving Date is agreed, You agree to waive any outstanding entitlement to notice or payment in lieu of unexpired notice pursuant to the Employment Letter.
- 2.4 You shall resign from any and all directorships or offices which You hold with any Group Companies or otherwise in connection with your employment with effect from 1 March 2023 and shall execute such documents and do such further things (at the cost of the Company) as may in the opinion of the Company be necessary in order to give full effect to this clause 2.4.
- 2.5 All of the sums referred to in this clause 2 will be subject to the normal PAYE deductions.

3. GARDEN LEAVE

- 3.1 You shall, with effect from the date of this Agreement and until the Leaving Date, cease to carry out any duties for or attend any office of the Company and each Group Company. During such time You shall:
- (a) remain an employee of Celanese Services UK Limited and be bound by the terms of the Employment Letter;
 - (b) may not be employed or engaged or otherwise interested in any business or company other than a Group Company;
 - (c) not have any contact or communication with any client or customer employee, officer, director, agent or consultant of the Company or any Group Company except Lori J. Ryerkerk, Vanessa Dupuis and Lynne Puckett; and
 - (d) take any period of accrued but unused holiday entitlement.
- 3.2 From the date this Agreement is executed by You and until the end of the 90th day following the Leaving Date (the "Covered Period"), you shall fully comply with all Company policies and procedures, including the Company's Insider Trading Policy and during the Covered Period you shall obtain clearance from the Company's General Counsel or the General Counsel's designee prior to acquiring or disposing of any sales of Company stock. Further, (i) you will be prohibited from selling any shares of Company Stock from the date this Agreement is executed by You until the end of the 90th day following the date of resignation set forth in clause 2.4, and (ii) in accordance with the Company's Insider Trading Policy you will be prohibited from buying or selling any Company securities from 17 March 2023 through the end of the second full trading day following the Company's widespread, public release of first quarter earnings. You warrant that you have not purchased nor sold any shares of

Company stock during the six months preceding the date this Agreement is executed by You.

4. PAYMENTS AND BENEFITS

- 4.1 By way of compensation for the termination of your employment and without admission of liability (and provided You have previously returned to the Company a copy of this Agreement signed by You and the letter in schedule 1 signed by the Adviser and further provided You satisfy your obligations under this Agreement including, without limitation, entering into the Further Settlement Agreement as defined below), the Company shall:
- (a) pay to you an annual incentive in respect of the 2022 calendar year based the final Company performance modifier certified by the Compensation and Management Development Committee of the Board of Directors of the Company for 2022 as publicly disclosed in the Company's Proxy Statement for its 2023 Annual Meeting of Shareholders and an individual modifier of 1.0 against eligible 2022 earnings. Such 2022 annual incentive will be paid, less such deductions as are required by law, as soon as practicable following the later of (a) your execution and delivery of this Agreement and (b) the date 2022 annual incentives are paid to other Company executives. For the avoidance of doubt, you shall not be eligible to receive any 2023 annual incentive award,
 - (b) treat your termination of employment as a termination "without Cause" solely for purposes of your outstanding equity awards under the Celanese Corporation 2018 Global Incentive Plan, such that each outstanding equity award shall vest on a pro-rata basis based on the number of complete and partial calendar months from the grant date of the award through 1 March 2023 over the number of complete and partial months in the applicable vesting period, and otherwise in accordance with the terms of the applicable award agreement. Outstanding equity awards that are subject to performance-based vesting conditions shall remain subject to attainment of applicable performance goals and shall be settled, to the extent earned, after completion of the applicable performance period. For the avoidance of doubt, it is acknowledged and agreed that: (i) your outstanding equity awards shall be settled at the same time as such equity awards are settled for other executive officers of the Company; (ii) performance goals applicable to your performance-based vesting conditions shall be assessed consistent with those applicable to other executive officers of the Company; and (iii) you shall not be eligible to receive any long-term incentive awards in 2023; and
 - (c) contribute up to £5,000 (including any disbursements but excluding VAT) towards the legal fees You incur in reaching this Agreement. This payment shall be made directly to the legal advisers following receipt of appropriate invoices addressed to You in accordance with section 413A of the Income Tax (Earnings and Pensions) Act 2003.

5. CONDITION PRECEDENT

The payment and benefits referred to in clause 4 above (the "Settlement") shall be subject to clauses 6 and 7 below.

6. WAIVER OF CLAIMS

6.1 You agree that You have carefully considered facts and circumstances relating to your employment and its termination and accept the Settlement and other terms of this Agreement in full and final settlement of:

- (a) the following particular claims against the Company or any Group Company or any Connected Person (each of which is hereby intimated and waived):
 - (i) for breach of contract or wrongful dismissal;
 - (ii) for unfair dismissal, under section 111 of the Employment Rights Act 1996;
 - (iii) for unfair dismissal under section 103A of the Employment Rights Act 1996;
 - (iv) in relation to the right to a written statement of reasons for dismissal, under section 93 of the Employment Rights Act 1996;
 - (v) for a statutory redundancy payment, under section 163 of the Employment Rights Act 1996;
 - (vi) in relation to an unlawful deduction from wages or unlawful payment, under section 23 of the Employment Rights Act 1996;
 - (vii) in relation to working time or holiday pay, under regulation 30 of the Working Time Regulations 1998; and
 - (viii) in relation to personal injury of which You are aware or ought reasonably to be aware at the date of this Agreement,
- (b) the following additional claims against the Company or any Group Company or any Connected Person (each of which is hereby intimated and waived):
 - (i) for unlawful detriment, under section 48 of the Employment Rights Act 1996 or section 56 of the Pensions Act 2008;
 - (ii) in relation to parental rights and flexible working, under sections 80 and 80H of the Employment Rights Act 1996;
 - (iii) in relation to time off work, under sections 51, 54, 57, 57B, 60, 63 and 63C of the Employment Rights Act 1996;
 - (iv) for equal pay or equality of terms under sections 120 and 127 of the Equality Act 2010;
 - (v) for direct or indirect discrimination, harassment or victimisation related to sex, marital or civil partnership status under section 120 of the Equality Act 2010;

- (vi) for direct or indirect discrimination, harassment or victimisation related to race under section 120 of the Equality Act 2010;
 - (vii) for direct or indirect discrimination, harassment or victimisation related to disability, perceived disability, discrimination arising from disability, or failure to make adjustments under section 120 of the Equality Act 2010;
 - (viii) for direct or indirect discrimination, harassment or victimisation related to religion or belief under section 120 of the Equality Act 2010;
 - (ix) for direct or indirect discrimination, harassment or victimisation related to sexual orientation, under section 120 of the Equality Act 2010;
 - (x) for direct or indirect discrimination, harassment or victimisation related to age, under section 120 of the Equality Act 2010;
 - (xi) for less favourable treatment on the grounds of part-time status, under regulation 8 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;
 - (xii) for less favourable treatment on the grounds of fixed-term status, under regulation 7 of the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002;
 - (xiii) in relation to the right to be accompanied under section 11 of the Employment Relations Act 1999;
 - (xiv) in relation to the right to request time off for study or training under section 63I of the Employment Rights Act 1996;
 - (xv) for harassment under the Protection from Harassment Act 1997;
 - (xvi) for failure to comply with obligations under the Human Rights Act 1998;
 - (xvii) for failure to comply with obligations under the Data Protection Act 2018 and the UK GDPR (as defined in section 3(10) as supplemented by section 205(4) of the Data Protection Act 2018);
 - (xviii) arising as a consequence of the United Kingdom's former membership of the European Union,
- (c) any other rights of action whatsoever and howsoever arising (whether under common law, statute, European Union law or otherwise) whether in the United Kingdom or any other country or jurisdiction and whether contemplated or not which You have or may have against the Company or any Group Company or any Connected Person

arising out of your employment or its termination or any past or present directorship or office or its or their termination and You irrevocably waive any such claims or rights of action which You now have or may become aware of hereafter.

- 6.2 You shall on the Leaving Date execute a further agreement in the form appearing at Schedule 2 to this Agreement ("Further Settlement Agreement").
- 6.3 Save for nothing in this Agreement shall preclude You from pursuing:
- 6.3.1 any claims by You to enforce this Agreement;
 - 6.3.2 any claims in respect of personal injury (other than claims under discrimination legislation) of which You are not aware and could not reasonably be expected to be aware at the date of this Agreement ; and
 - 6.3.3 any claims in relation to accrued pension entitlements.

7. WARRANTIES

7.1 You warrant that:

- 7.1.1 You have no claims against the Company, any Group Company or any Connected Person arising out of your employment or its termination or any past or present directorship or office or its or their termination other than those raised in clause 6.1(a), (b) and (c);
- 7.1.2 You are not guilty of any act or omission which would entitle the Company to summarily dismiss You without notice or compensation; and
- 7.1.3 As at the date You execute this Agreement, You have not received (either orally or in writing) nor agreed to accept (either orally or in writing) any offer, whether conditional or unconditional:
 - (a) of a contract of service or for services;
 - (b) to hold any office; or
 - (c) of any form of deferred remunerationto take effect at any time after the Leaving Date.

- 7.2 You acknowledge that the Company has relied on the warranties set out in this Agreement in entering into this Agreement and that the Company shall be released from any obligation to make any payment or provide any benefit to You hereunder in the event that the information so warranted proves inaccurate.

8. COMPANY PROPERTY

- 8.1 You warrant that at the reasonable expense of the Company, (i) You will by no later than 1 March 2023 return to the Company all documents (including copies), software, credit or charge cards and any other property belonging to any of the Group Companies ("**Group Company Property**"); (ii) You have not downloaded any information or software belonging to the Company or any Group Company; (iii) You

have disclosed to the Company any passwords or computer access codes relevant to the business of the Company or any Group Company; and (iv) all correspondence or e-mails belonging to the Company and held on your personal computer have been transferred to compact disc or similar media and returned to the Company and that any copies held on the personal computer are permanently deleted.

- 8.2 At the reasonable expense of the Company, You undertake to return to the Company forthwith any Group Company Property which may come into your possession or control in the future.

9. CONFIDENTIAL INFORMATION

- 9.1 Without prejudice to your common law and contractual obligations, and subject always to clause 9.2 below, You hereby undertake that You will not at any time use or disclose to any person, company, firm, individual or organisation (except with the agreement of the Company or as required by law) any trade secret or Confidential Information belonging or relating to the Company or any Group Company or any Connected Person which You obtained during and in connection with your employment with any such companies.

- 9.2 The parties both acknowledge and understand that the purpose of this Agreement is not to prevent, discourage or improperly influence the reporting of matters that are properly disclosable to the courts, to other law enforcement bodies, or under regulatory law or under the Public Interest Disclosure Act 1998 and nothing in this Agreement will restrict your right to disclose information on the terms of the settlement if required:

9.2.1 by any order of any court of competent jurisdiction or any regulatory, judicial, governmental or similar body or taxation authority of competent jurisdiction;

9.2.2 by any law or reporting requirement;

9.2.3 where reasonably necessary in order to instruct legal, medical, financial, tax or professional advisers provided that You procure that any such adviser agrees to keep the information confidential;

9.2.4 in order to disclose any matter that may reasonably be considered to be a criminal or professional or regulatory offence in the laws or regulations of any country, or to assist in the investigation of any such offence;

9.2.5 in order to make a protected disclosure pursuant to the Public Interest Disclosure Act 1998 (as amended);

9.2.6 to a spouse, civil partner, partner or immediate family provided that they agree to keep the information confidential; or

9.2.7 where reasonably necessary to a recruitment consultant or prospective employer to the extent necessary to discuss your employment history provided that you do not disclose any Confidential Information belonging or relating to the Company or any Group Company or any Connected Person in so doing.

10. INDEPENDENT LEGAL ADVICE

10.1 You warrant that:

10.1.1 You have received independent legal advice from the Adviser who is a qualified lawyer acting in their professional capacity and who holds a current practising certificate, as to the terms and effect of this Agreement and, in particular, its effect on your ability to pursue your rights before an Employment Tribunal or court of competent jurisdiction in England and Wales;

10.1.2 that there was in force, when that lawyer gave the advice referred to in this paragraph, a policy of insurance covering claims in respect of any loss which may arise in consequence of the advice, as required by section 203 of the Employment Rights Act 1996 and section 147 of the Equality Act 2010, and also that, that lawyer is an independent adviser for the purposes of section 147 of the Equality Act 2010; and

10.1.3 You shall provide the Company with a letter in the form set out in schedule 1 signed by the Adviser.

11. COMPLIANCE WITH LEGISLATION

The conditions regulating compromise contracts, compromise agreements and settlement agreements (as applicable) under section 147(3) of the Equality Act 2010, section 203(3) of the Employment Rights Act 1996, regulation 35(3) of the Working Time Regulations 1998, section 14 of the Employment Relations Act 1999, regulation 9 of the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, regulation 10 of the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and section 58 of the Pensions Act 2008 are satisfied.

12. REPAYMENT PROVISIONS

If You:

- (a) breach any material term of this Agreement; or
- (b) raise any grievance in writing with the Company or any Group Company within four months of the Leaving Date;
- (c) lodge a subject access request under Article 15 of the General Data Protection Regulation ((EU) 2016/679) with any Group Company as it forms part of the laws of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 with any Group Company; or
- (d) commence proceedings against the Company or any Group Company in breach of this Agreement

then, without prejudice to the rights of the Company or any Group Company to enforce the terms of this Agreement, You will pay to the Company on demand by way of liquidated damages an amount equivalent to: (i) in the case of (a) above, the damages suffered by the Company as a result of the breach; or (ii) in the case of (b) or (c) above, a sum equivalent to the net amount of your 2022 bonus; or (iii), in the case

of (d) above, the value of any damages, account of profits or other compensation sought by You, or the amount which could be awarded in such proceedings, and in both cases the Company's costs in connection with such breach or proceedings subject, however to a maximum of the amount of any payments made under this Agreement and any such payment shall be recoverable as a debt.

13. DISPARAGING STATEMENTS

Subject always to clause 9.2 above, You warrant that you will not hold yourself out as representing the Company or make to any third party any misleading, untrue or derogatory statements (whether orally or in writing) about the Company, any Group Company or any Connected Person. The Company shall neither instruct nor authorize its officers, employees or workers to make adverse or derogatory comment about You or do anything that shall, or may, bring You into disrepute.

14. RESTRICTIVE COVENANTS

14.1 You acknowledge that because of the nature of your duties and the particular responsibilities arising as a result of such duties owed to the Company and any Group Companies, You have acquired knowledge of trade secrets and Confidential Information concerning the Company, the Group Companies and certain Connected Persons and are therefore in a position to harm their legitimate business interests if You were to make use of such trade secrets or confidential business information for your own purposes or the purposes of another. Accordingly, having regard to the above and in consideration of the sum of £1,000 which shall be paid to You within 14 days of the date hereof, and having taken independent legal advice, You accept that the restrictions in this clause 14 are reasonable.

14.2 In this clause, the following terms have the following meanings:

14.2.1 "**Customer**" means any person who or that was a customer of or in the habit of dealing with the Company or any Relevant Group Company for the sale or supply of Relevant Products and/or Relevant Services, in each case at any time during the 24 months prior to the Leaving Date, and:

- (a) with whom or which You were materially concerned or had material contact or dealings (in each case at any time during the 24 months prior to the Leaving Date); or
- (b) in relation to whom or which You were, at the Leaving Date, in possession of Confidential Information;

14.2.2 "**Investment**" means a holding of shares or securities of a company any of whose shares or securities are quoted or dealt in on any recognised investment exchange and which holding shall not exceed one per cent. of the issued share capital of the company concerned and which is held by way of bona fide investment only;

14.2.3 "**Key Person**" means any person with whom You worked closely or who directly reported to You, in each case at any time during the period of 24 months prior to the Leaving Date, and who:

- (a) was an employee, worker, agent, director, consultant or independent contractor employed, appointed or engaged by the Company or any Relevant Group Company in a senior, managerial, technical, professional, sales, distribution, marketing or product development position; or
- (b) was or was likely to be able to influence the Customer or Supplier relationships or trade connections of the Company or any Relevant Group Company; or
- (c) at the Leaving Date was in possession of Confidential Information relating to the Company or any Relevant Group Company;

14.2.4 "**Prospective Customer**" means any person with whom or which the Company or any Relevant Group Company has been in negotiations for the supply of Relevant Products and/or Relevant Services or that the Company or any Relevant Group Company has actively solicited for the supply of Relevant Products and/or Relevant Services, in each case at any time during the 24 months prior to the Leaving Date and where such activities have involved more than nominal expense or time commitment; and:

- (i) with whom or which You were materially concerned or had personal contact, in each case at any time during the 24 months prior to the Leaving Date; or
- (ii) in relation to whom or which You were, at the Leaving Date, in possession of Confidential Information;

14.2.5 "**Relevant Group Company**" means any Group Company (and, if applicable, its predecessors in business):

- (a) for which You performed services or in which You held office, in each case at any time during the 24 months prior to the Leaving Date; or
- (b) in relation to which You were, at the Leaving Date, in possession of Confidential Information;

14.2.6 "**Relevant Services**" and "**Relevant Products**" means those services and products (as the context requires) which are directly or indirectly competitive with those:

- (a) acetyl chain products supplied or developed by the Company or any Relevant Group Company that is within the Company's manufacturing portfolio as at 1 March 2023; and
- (b) with the supply or development of directly or indirectly competing acetyl chain products within the Company's manufacturing portfolio as at 1 March 2023 which You were materially concerned at any time during the 24 months prior to the Leaving Date;

14.2.7 "**Relevant Territory**" means any area or territory:

- (a) in which You worked during the 24 months prior to the Leaving Date under the terms of this agreement; and/or

(b) in relation to which You were responsible for, or involved in, the supply of Relevant Products and/or Services in the 24 months prior to the Leaving Date; and

14.2.8 **"Supplier"** means any person or business which at any time during the 24 months prior to the Leaving Date has supplied products or services to the Company or any Relevant Group Company in relation to Relevant Services or Relevant Products which are not readily available to the Company or any Relevant Group Company from another source or in relation to which the Company or any Relevant Group Company has exclusive, special or favourable terms which the Company or any Relevant Group Company could not easily obtain from another supplier and in each case:

(a) with whom You had material contact or dealings, in each case during the 24 months prior to the Leaving Date and in the course of your employment; or

(b) in relation to which You were, at the Leaving Date, in possession of Confidential Information.

14.3 You covenant to the Company (for itself and as trustee for each Relevant Group Company) that You shall not at any time prior to 1 March 2024 directly or indirectly, either alone or jointly with or on behalf of any third party and whether on your own account or as principal, partner, shareholder, director, employee, consultant or in any other capacity whatsoever:

14.3.1 in the Relevant Territory and in competition with the Company or any Relevant Group Company, engage, assist or be interested in the provision or development of, or any plans to provide or develop, Relevant Services and/or Relevant Products on behalf of any undertaking which is not a Group Company;

14.3.2 in competition with the Company or any Relevant Group Company, solicit or interfere with or endeavour to entice away from the Company or any Relevant Group Company any Customer or Prospective Customer in relation to the supply of Relevant Services and/or Relevant Products;

14.3.3 in the Relevant Territory and in competition with the Company or any Relevant Group Company, be concerned with the supply of Relevant Services and/or Relevant Products to any Customer or Prospective Customer;

14.3.4 in competition with the Company or any Relevant Group Company, solicit or interfere with or endeavour to entice away from the Company or any Relevant Group Company any Supplier;

14.3.5 solicit or attempt to solicit the employment, engagement or appointment of; or entice away or attempt to entice away from the Company or any Relevant Group Company any person who at the time of the conduct prohibited in this clause 14.3.5 had been a Key Person (whether or not such person would breach their contract of employment, engagement or appointment by reason of leaving the service of the business in which they work);

- 14.3.6 employ, engage or appoint or offer to employ, engage or appoint any person who immediately prior to the date of such offer of employment, engagement or appointment had been a Key Person (whether or not such person would breach their contract of employment, engagement or appointment by reason of leaving the service of the business in which they work); and
- 14.3.7 at any time following the Leaving Date represent yourself as being in any way connected with or interested in the business of the Company or any Relevant Group Company other than as a former employee.
- 14.4 Each of the obligations in this clause is an entire, separate and independent restriction on You, despite the fact that it may be contained in the same phrase and if any part is found to be invalid or unenforceable, the remainder will remain valid and enforceable.
- 14.5 You acknowledge that each and every restriction contained within this clause is intended by the parties to apply after the Leaving Date whether the termination is lawful or otherwise. The restrictions which are acknowledged to be ancillary in nature will apply even where the termination results from a breach of a provision within this agreement.
- 14.6 While the restrictions are considered by the parties to be fair and reasonable in the circumstances, it is agreed that if any of them should be judged to be void or ineffective for any reason, but would be treated as valid and effective if part of the wording (including part of any defined term) was deleted, they shall apply with such modifications as necessary to make them valid and effective and each defined term shall be deemed to be repeated each time it is used.
- 14.7 The provisions of this clause will not prevent You from holding an Investment.

15. FUTURE COOPERATION

You acknowledge that You possess Confidential Information and agrees that You shall reasonably cooperate with the Company in order to effectuate a smooth and orderly transition of your knowledge, expertise and experience, including, without limitation, responding to the Company's requests for information, identifying outstanding matters and the status thereof, and identifying and explaining the location of files and materials (including computer files) You maintained during your employment with the Company. Subject always to clause 9.2 above, You agree to cooperate with and make yourself readily available to the Company or its professional advisers, as the Company may request, to assist in any matter, including but not limited to giving truthful testimony in any litigation or potential litigation, over which You may have knowledge, information or expertise and without requiring payment or compensation save for reimbursement of out of pocket expenses and to notify of any contact by any party or an advisor (or their insurer) to any party involved in any such dispute or litigation. You agree that You will not counsel or assist any legal representatives, other advisors or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges or complaints by any third party against the Company or any Group Company or any Connected Person, unless under a subpoena or other court order to do so, and then only to the extent required by law. You further agree as soon as is reasonably practicable and in any event within three working days of receipt to (a) notify the Company upon receipt of any court order, subpoena or legal discovery device that seeks or might require the disclosure or

production of the existence or terms of this Agreement; and (b) furnish a copy of such subpoena or legal discovery device to the Company.

16. WITHOUT PREJUDICE STATUS

Once executed by both parties this Agreement will form an open and binding agreement notwithstanding the fact that the front sheet is marked "without prejudice" and "subject to contract".

17. THIRD PARTIES RIGHTS

The Contracts (Rights of Third Parties) Act 1999 shall only apply to this Agreement in relation to the Company or any Group Company or any Connected Person. No person other than the parties to this Agreement and any Group Company or Connected Person shall have any rights under it and it will not be enforceable by any person other than those parties.

18. ENTIRE AGREEMENT

- 18.1 The terms of this Agreement constitute the entire agreement between the parties in respect of the termination of your employment and supersede any previous agreement between them linked to the termination of your employment. The parties acknowledge that they are not entering into this Agreement in reliance upon any representation, warranty or undertaking which is not contained or referred to in this Agreement. The terms of this Agreement do not replace or supersede any provision of your contract of employment that remains in force after the Leaving Date, except where otherwise stated in this Agreement.
- 18.2 No variation of this Agreement shall be binding on either party unless and to the extent that the same is recorded in a written document executed by the parties. No waiver by the Company or any Group Company of any term, provision or condition of this Agreement or of any breach by You of any such term, provision or condition shall be effective unless it is in writing (excluding e-mail) and signed by the Company. No failure to exercise nor any delay in exercising any right or remedy hereunder by the Company or any Group Company shall operate as a waiver thereof or of any other right or remedy hereunder, nor shall any single or partial exercise of any right or remedy by the Company or any Group Company prevent any further or other exercise thereof or the exercise of any other right or remedy.

19. SEVERABILITY

If any provision or part of a provision of this Agreement shall be or become void or unenforceable for any reason, this shall not affect the validity of that provision or any remaining provisions of this Agreement in this or any other jurisdiction and the provision may be severable and if any provision would be treated as valid and effective if part of the wording was deleted, it shall apply with such modifications as necessary to make it valid and effective.

20. COUNTERPARTS

This Agreement may be executed by counterparts which together shall constitute one agreement. Either party may enter into this Agreement by executing a counterpart and this Agreement shall not take effect until it has been executed by both parties.

Delivery of an executed counterpart or a signature page by facsimile or scanned via email shall take effect as delivery of an executed counterpart of this Agreement following which the relevant party shall give the other the original of such page as soon as reasonably practicable thereafter.

21. ELECTRONIC SIGNATURE

This Agreement may be executed by electronic signature (whatever form the electronic signature takes as agreed between the parties) and the parties agree that this method of signature is as conclusive of their intention to be bound by this Agreement as if signed by each party's manuscript signature.

22. GOVERNING LAW AND JURISDICTION

22.1 This Agreement shall be governed by and construed in accordance with the law of England and Wales.

22.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Agreement.

1.1 **IN WITNESS** whereof this Agreement has been executed as a deed and delivered on the date first above written.

Signed and Delivered as a deed by)
JOHN FOTHERINGHAM)
in the presence of:) /s/ John Fotheringham

Witness Signature: /s/ Joanna McGarrigle
Witness name: Joanna McGarrigle
Witness address: 43 Highfield Close, Amersham, Buckinghamshire, HP6 6HQ
Witness occupation: Occupational Therapy Assistant

Signed and Delivered by)
Lynne Puckett for and)
on behalf of **CELANESE CORPORATION**)
in the presence of:) /s/ Lynne Puckett

Witness Signature: /s/ Alex Bednar

Witness name: Alex Bednar

Witness address: 701 Millstone Lane, Nashville, TN 3705

Witness occupation: Contracts Coordinator & Notary Public

SCHEDULE 1

Letter from Adviser

[To be typed on the headed notepaper of [the law firm acting for the Executive]]

_____ 202_

Dear Sirs

Re: *[insert name of employer]* (the "**Company**") and *[insert name of employee]* (the "**Executive**")

We refer to the agreement between the Company and the Executive, our client, dated _____ 202_, a copy of which is attached (the "**Settlement Agreement**") and confirm that:

1. *[name of adviser]* has given the Executive independent [legal] advice as to the terms and effect of the Settlement Agreement and, in particular, (i) its effect on their ability to pursue their rights before an employment tribunal or court;
2. *[name of adviser]* is [a solicitor of the Senior Courts of England and Wales and holds (and held at the time the advice was given) a current practising certificate issued by The Solicitors Regulation Authority];
3. *[firm]* holds, and held at the time the advice was given, a current policy of insurance or an indemnity provided for members of a profession or professional body covering the risk of a claim by the Executive in respect of any loss arising in consequence of the advice; and
4. neither *[firm]* nor *[name of adviser]* acted for the Company or any Group Company in relation to the termination of the Executive's employment with the Company or the Settlement Agreement and we consider *[name of adviser]* to be an independent adviser for the purposes of section 147 of the Equality Act 2010.

Yours faithfully

[Name of adviser]
for and on behalf of
[firm]

SCHEDULE 2

Dated 2023

(1) CELANESE CORPORATION

– and –

(2) JOHN FOTHERINGHAM

**Without Prejudice
Subject to Contract**

FURTHER SETTLEMENT AGREEMENT

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
Telephone House 2-4 Temple Avenue
London EC4Y 0HB

FURTHER SETTLEMENT AGREEMENT

THIS FURTHER SETTLEMENT AGREEMENT is made on 2023

BETWEEN:

- (1) **CELANESE CORPORATION**, of 222 W. Las Colinas Blvd., Suite 900N, Irving, TX 75039 (the "**Company**"); and
- (2) **JOHN FOTHERINGHAM**, whose address is 5 Westminster Avenue, Chester, CH4 8JB ("**You**").

RECITALS

- (A) You and the Company entered into a settlement agreement dated __ February 2023 (the "**Original Settlement Agreement**").
- (B) The parties are entering into this Further Settlement Agreement in accordance with the provisions of clause 6.2 of the Original Settlement Agreement.
- (C) You have received independent legal advice from the Adviser a qualified lawyer as such term is defined in Section 203 of the Employment Rights Act 1996 as to the terms and effect of this Further Settlement Agreement and are aware that You have those potential claims against the Company which are listed and have been raised in clause 3.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

- 1.1 In this Further Settlement Agreement capitalised terms shall have the meanings given to them in the Original Settlement Agreement unless otherwise defined herein:
 - "**Adviser**" means Kate Venables of Brabners LLP.
 - "**Leaving Date**" means [INSERT 1 SEPTEMBER 2023 OR SUCH EARLIER DATE AS APPLICABLE].
- 1.2 The headings in this Further Settlement Agreement are inserted for convenience only and shall not affect its construction.
- 1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.5 The schedules to this Further Settlement Agreement form part of (and are incorporated into) this Further Settlement Agreement.

2. TERMINATION OF EMPLOYMENT

2.1 You accept and confirm the termination of your employment with Celanese Services UK Limited and any Group Companies with effect from the Leaving Date in accordance with the terms of the Original Settlement Agreement.

3. WAIVER OF CLAIMS

3.1 You agree that You have carefully considered facts and circumstances relating to your employment and its termination and agree to accept the sum of £100 and other terms of this Further Settlement Agreement in full and final settlement of:

(a) the following particular claims against the Company or any Group Company or any Connected Person (each of which is hereby intimated and waived):

- (i) for breach of contract or wrongful dismissal;
- (ii) for unfair dismissal, under section 111 of the Employment Rights Act 1996;
- (iii) for unfair dismissal under section 103A of the Employment Rights Act 1996;
- (iv) in relation to the right to a written statement of reasons for dismissal, under section 93 of the Employment Rights Act 1996;
- (v) for a statutory redundancy payment, under section 163 of the Employment Rights Act 1996;
- (vi) in relation to an unlawful deduction from wages or unlawful payment, under section 23 of the Employment Rights Act 1996;
- (vii) in relation to working time or holiday pay, under regulation 30 of the Working Time Regulations 1998; and
- (viii) in relation to personal injury of which You are aware or ought reasonably to be aware at the date of this Further Settlement Agreement,

(b) the following additional claims against the Company or any Group Company or any Connected Person (each of which is hereby intimated and waived):

- (i) for unlawful detriment, under section 48 of the Employment Rights Act 1996 or section 56 of the Pensions Act 2008;
- (ii) in relation to parental rights and flexible working, under sections 80 and 80H of the Employment Rights Act 1996;
- (iii) in relation to time off work, under sections 51, 54, 57, 57B, 60, 63 and 63C of the Employment Rights Act 1996;

- (iv) for equal pay or equality of terms under sections 120 and 127 of the Equality Act 2010;
- (v) for direct or indirect discrimination, harassment or victimisation related to sex, marital or civil partnership status under section 120 of the Equality Act 2010;
- (vi) for direct or indirect discrimination, harassment or victimisation related to race under section 120 of the Equality Act 2010;
- (vii) for direct or indirect discrimination, harassment or victimisation related to disability, perceived disability, discrimination arising from disability, or failure to make adjustments under section 120 of the Equality Act 2010;
- (viii) for direct or indirect discrimination, harassment or victimisation related to religion or belief under section 120 of the Equality Act 2010;
- (ix) for direct or indirect discrimination, harassment or victimisation related to sexual orientation, under section 120 of the Equality Act 2010;
- (x) for direct or indirect discrimination, harassment or victimisation related to age, under section 120 of the Equality Act 2010;
- (xi) for less favourable treatment on the grounds of part-time status, under regulation 8 of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;
- (xii) for less favourable treatment on the grounds of fixed-term status, under regulation 7 of the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002;
- (xiii) in relation to the right to be accompanied under section 11 of the Employment Relations Act 1999;
- (xiv) in relation to the right to request time off for study or training under section 63I of the Employment Rights Act 1996;
- (xv) for harassment under the Protection from Harassment Act 1997;
- (xvi) for failure to comply with obligations under the Human Rights Act 1998;
- (xvii) for failure to comply with obligations under the Data Protection Act 2018 and the UK GDPR (as defined in section 3(10) as supplemented by section 205(4) of the Data Protection Act 2018);

(xviii) arising as a consequence of the United Kingdom's former membership of the European Union,

(c) any other rights of action whatsoever and howsoever arising (whether under common law, statute, European Union law or otherwise) whether in the United Kingdom or any other country or jurisdiction and whether contemplated or not which You have or may have against the Company or any Group Company or any Connected Person arising out of your employment or its termination or any past or present directorship or office or its or their termination and You irrevocably waive any such claims or rights of action which You now have or may become aware of hereafter.

3.2 Save for nothing in this Further Settlement Agreement shall preclude You from pursuing:

3.2.1 any claims by You to enforce the Original Settlement Agreement or this Further Settlement Agreement;

3.2.2 any claims in respect of personal injury (other than claims under discrimination legislation) of which You are not aware and could not reasonably be expected to be aware at the date of this Further Settlement Agreement ; and

3.2.3 any claims in relation to accrued pension entitlements.

4. WARRANTIES

4.1 You warrant that:

4.1.1 You have no claims against the Company, any Group Company or any Connected Person arising out of your employment or its termination or any past or present directorship or office or its or their termination other than those raised in clause 3.1(a), (b) and (c); and

4.1.2 You are not guilty of any act or omission which would entitle the Company to summarily dismiss You without notice or compensation.

5. INDEPENDENT LEGAL ADVICE

5.1 You warrant that:

5.1.1 You have received independent legal advice from the Adviser who is a qualified lawyer acting in their professional capacity and who holds a current practising certificate, as to the terms and effect of this Further Settlement Agreement and, in particular, its effect on your ability to pursue your rights before an Employment Tribunal or court of competent jurisdiction in England and Wales;

5.1.2 that there was in force, when that lawyer gave the advice referred to in this paragraph, a policy of insurance covering claims in respect of any loss which may arise in consequence of the advice, as required by section 203 of the Employment Rights Act 1996 and section 147 of the Equality Act 2010, and also that, that lawyer is an independent adviser for the purposes of section 147 of the Equality Act 2010; and

5.1.3 You shall provide the Company with a letter in the form set out in schedule 1 signed by the Adviser.

6. COMPLIANCE WITH LEGISLATION

The conditions regulating compromise contracts, compromise agreements and Further Settlement Agreements (as applicable) under section 147(3) of the Equality Act 2010, section 203(3) of the Employment Rights Act 1996, regulation 35(3) of the Working Time Regulations 1998, section 14 of the Employment Relations Act 1999, regulation 9 of the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, regulation 10 of the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and section 58 of the Pensions Act 2008 are satisfied.

7. WITHOUT PREJUDICE STATUS

Once executed by both parties this Further Settlement Agreement will form an open and binding agreement notwithstanding the fact that the front sheet is marked "without prejudice" and "subject to contract".

8. THIRD PARTIES RIGHTS

The Contracts (Rights of Third Parties) Act 1999 shall only apply to this Further Settlement Agreement in relation to the Company or any Group Company or any Connected Person. No person other than the parties to this Further Settlement Agreement and any Group Company or Connected Person shall have any rights under it and it will not be enforceable by any person other than those parties.

9. ENTIRE AGREEMENT

- 9.1 The terms of the Original Settlement Agreement and this Further Settlement Agreement constitute the entire agreement between the parties in respect of the termination of your employment and supersede any previous agreement between them linked to the termination of your employment. The parties acknowledge that they are not entering into this Further Settlement Agreement in reliance upon any representation, warranty or undertaking which is not contained or referred to in the Original Settlement Agreement or this Further Settlement Agreement. The terms of this Further Settlement Agreement do not replace or supersede any provision of your contract of employment that remains in force after the Leaving Date or the terms of the Original Settlement Agreement which remain in full force and effect, except where otherwise stated in this Further Settlement Agreement.
- 9.2 No variation of this Further Settlement Agreement shall be binding on either party unless and to the extent that the same is recorded in a written document executed by the parties. No waiver by the Company or any Group Company of any term, provision or condition of this Further Settlement Agreement or of any breach by You of any such term, provision or condition shall be effective unless it is in writing (excluding e-mail) and signed by the Company. No failure to exercise nor any delay in exercising any right or remedy hereunder by the Company or any Group Company shall operate as a waiver thereof or of any other right or remedy hereunder, nor shall any single or partial exercise of any right or remedy by the Company or any Group Company prevent any further or other exercise thereof or the exercise of any other right or remedy.

10. SEVERABILITY

If any provision or part of a provision of this Further Settlement Agreement shall be or become void or unenforceable for any reason, this shall not affect the validity of that provision or any remaining provisions of this Further Settlement Agreement in this or any other jurisdiction and the provision may be severable and if any provision would be treated as valid and effective if part of the wording was deleted, it shall apply with such modifications as necessary to make it valid and effective.

11. COUNTERPARTS

This Further Settlement Agreement may be executed by counterparts which together shall constitute one agreement. Either party may enter into this Further Settlement Agreement by executing a counterpart and this Further Settlement Agreement shall not take effect until it has been executed by both parties. Delivery of an executed counterpart or a signature page by facsimile or scanned via email shall take effect as delivery of an executed counterpart of this Further Settlement Agreement following which the relevant party shall give the other the original of such page as soon as reasonably practicable thereafter.

12. ELECTRONIC SIGNATURE

This Further Settlement Agreement may be executed by electronic signature (whatever form the electronic signature takes as agreed between the parties) and the parties agree that this method of signature is as conclusive of their intention to be bound by this Further Settlement Agreement as if signed by each party's manuscript signature.

13. GOVERNING LAW AND JURISDICTION

- 13.1 This Further Settlement Agreement shall be governed by and construed in accordance with the law of England and Wales.
- 13.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Further Settlement Agreement.

IN WITNESS whereof this Further Settlement Agreement has been executed as a deed and delivered on the date first above written.

Signed and Delivered as a deed by)
JOHN FOTHERINGHAM)
in the presence of:) _____

Witness Signature: _____
Witness name: _____
Witness address: _____
Witness occupation: _____

Signed and Delivered by _____)
_____ for and)
on behalf of **CELANESE CORPORATION**)
in the presence of:) _____

Witness Signature: _____

Witness name: _____

Witness address: _____

Witness occupation: _____

SCHEDULE 1

Letter from Adviser

[To be typed on the headed notepaper of [the law firm acting for the Executive]]

_____ 202_

Dear Sirs

Re: *[insert name of employer]* (the "**Company**") and *[insert name of employee]* (the "**Executive**")

We refer to the agreement between the Company and the Executive, our client, dated _____ 202_, a copy of which is attached (the "**Further Settlement Agreement**") and confirm that:

1. *[name of adviser]* has given the Executive independent [legal] advice as to the terms and effect of the Further Settlement Agreement and, in particular, (i) its effect on their ability to pursue their rights before an employment tribunal or court;
2. *[name of adviser]* is [a solicitor of the Senior Courts of England and Wales and holds (and held at the time the advice was given) a current practising certificate issued by The Solicitors Regulation Authority];
3. *[firm]* holds, and held at the time the advice was given, a current policy of insurance or an indemnity provided for members of a profession or professional body covering the risk of a claim by the Executive in respect of any loss arising in consequence of the advice; and
4. neither *[firm]* nor *[name of adviser]* acted for the Company or any Group Company in relation to the termination of the Executive's employment with the Company or the Further Settlement Agreement and we consider *[name of adviser]* to be an independent adviser for the purposes of section 147 of the Equality Act 2010.

Yours faithfully

[Name of adviser]
for and on behalf of
[firm]

**CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lori J. Ryerkerk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Celanese Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ LORI J. RYERKERK

Lori J. Ryerkerk
*Chair of the Board of Directors,
Chief Executive Officer and President*
August 8, 2023

**CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Scott A. Richardson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Celanese Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ SCOTT A. RICHARDSON

Scott A. Richardson
*Executive Vice President and
Chief Financial Officer*
August 8, 2023

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Celanese Corporation (the "Company") on Form 10-Q for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lori J. Ryerkerk, Chairman of the Board of Directors, Chief Executive Officer and President of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ LORI J. RYERKERK

Lori J. Ryerkerk

Chair of the Board of Directors,

Chief Executive Officer and President

August 8, 2023

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Celanese Corporation (the "Company") on Form 10-Q for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott A. Richardson, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SCOTT A. RICHARDSON

Scott A. Richardson

Executive Vice President and

Chief Financial Officer

August 8, 2023