EssentialCo H1 2023
Unaudited pro forma Financial Information

This financial report for the first half of 2023 provides pro forma financial information for Solvay in its configuration after Partial Demerger described herein, as if the Partial Demerger had taken place on the dates set forth herein. In that configuration, Solvay is referred to as EssentialCo. The financial report is for information only in connection with the Partial Demerger and certain transactions relating to Solvay's outstanding bonds, as described herein. The pro forma financial information does not reflect the financial condition or results of operations that would have occurred if the Partial Demerger had been completed as of the dates described herein. This document should be read in conjunction with the Information Document dated 30 June 2023 of EssentialCo, which provides information about the business, financial condition, results of operations and risk factors relating to EssentialCo.

Forenote

EssentialCo presents alternative performance indicators to provide a more consistent and comparable indication of the underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of EssentialCo operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the past or future performance, financial position or cash flows.
See the Glossary for definitions of adjustments (IFRS vs Underlying metrics) and in the following schedules the reconciliation with IFRS figures.

EssentialCo first half 2023
Underlying business review

Highlights

- **Net sales** in the first half of 2023 decreased by 3.2% organically versus H1 2022 driven by 15% lower volumes (-€397 million) in a weaker macro environment, which were partly offset by 12% higher prices (+€310 million). The lower year-over-year volumes were broad-based across various end markets, including construction, automotive, and electronic industries.
- **Underlying EBITDA** of €723 million in H1 2023, increases by 24.1% organically year on year[1], thanks to positive net pricing offsetting lower volumes and fixed costs discipline.
- The underlying **EBITDA margin** of 27.4% in H1 2023 is 5.8pp higher than in H1 2022, mainly as a result of net pricing despite lower volumes in a highly competitive environment.
- **Free Cash Flow** of €406 million in H1 2023 increased year-on-year despite €35 million higher capex, reflecting working capital discipline including inventory reduction and low overdues.

Underlying Key figures

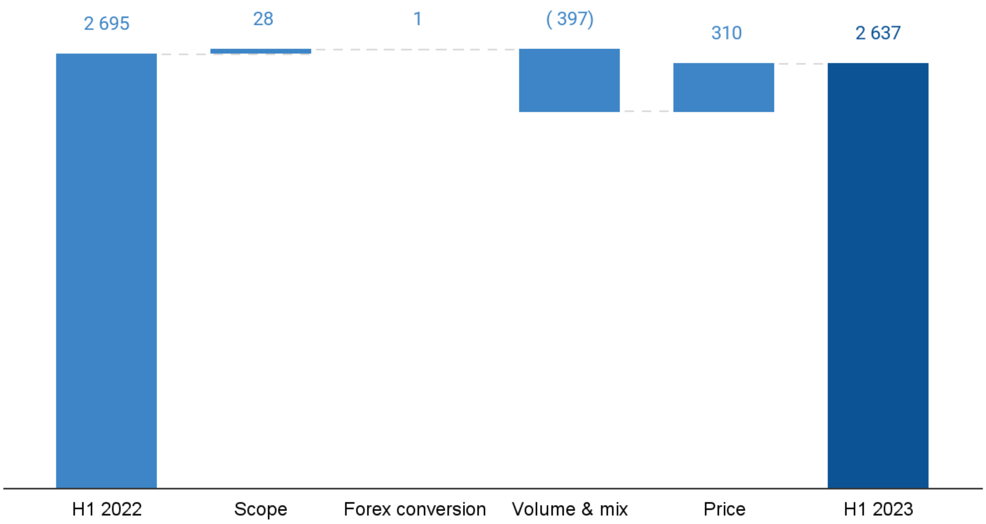
Underlying, (in € million)	H1 2023	H1 2022	% yoy	% organic
Net sales	2,637	2,695	-2.1%	-3.2%
EBITDA	723	582	24.3%	24.1%
EBITDA margin	27.4%	21.6%	5.8pp	-
Free Cash Flow	406	372	9.1%	-

[1] The pro forma interim financial information has been prepared to represent the effect of the Partial Demerger and the RusVinyl divestment as if they had occurred on December 31, 2022 in the Unaudited Pro Forma Statement of Financial Position, or on January 1, 2020 in the Unaudited Pro Forma Income Statement.

Group's performance

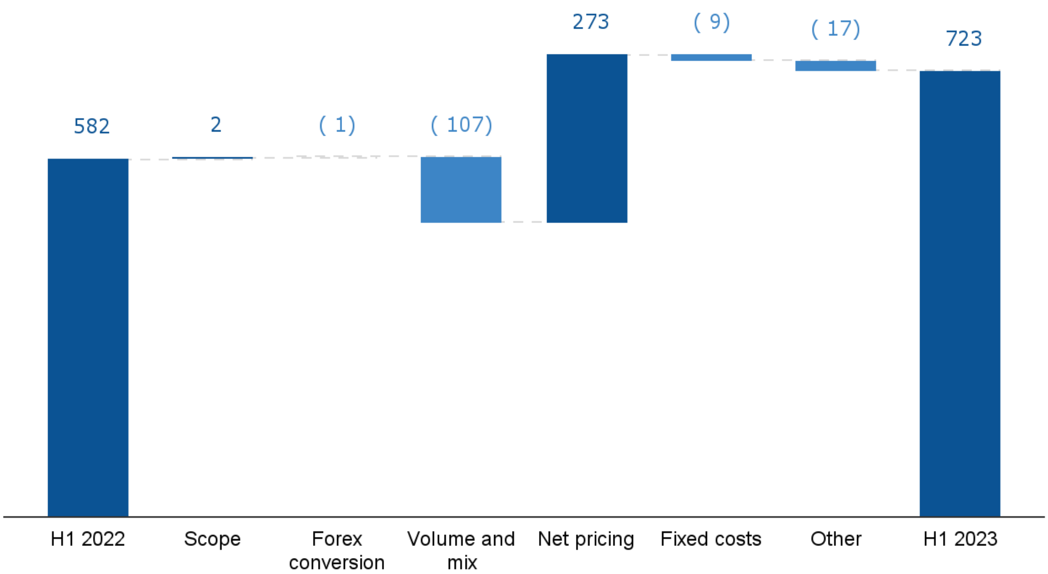
Net sales of €2,637 million in H1 2023 was lower by -2.1% versus H1 2022 (-3.2% organically) due to lower volumes partly offset by increased pricing actions and modest positive scope effect. Lower volumes were due to softer demand across several end markets, impacting all EssentialCo businesses. For instance, construction demand weighed on Soda Ash volumes, while the lower Pulp and Paper and Tire markets impacted Peroxides and Silica respectively. Coatis was the business that saw the highest decline of volumes as the business continues to normalize as expected, compared to record sales in H1 2022.

Underlying, (in € million)

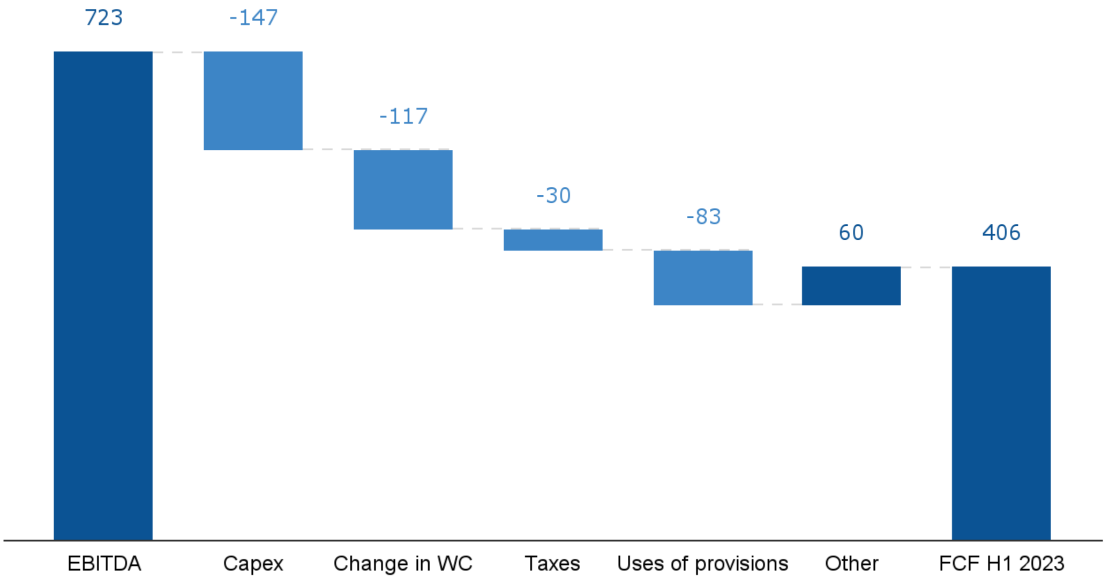


Underlying EBITDA of €723 million in H1 2023 was higher +24.3% (+24.1% organically) with the impact of lower volumes being more than offset by the positive Net pricing, and the stabilization of the variable costs. Fixed costs were essentially flat reflecting continued cost discipline that helped to mitigate inflationary pressures, and this further supported the increased profitability. This reflects the continuous focus of cost competitiveness across all the businesses. Overall, EBITDA margin thus improved by +5.8pp YoY, to a record 27.4%.

Underlying, (in € million)



Free cash flow[2] increased from €372 million in H1 2022 to €406 million in the H1 2023, mainly driven by disciplined working capital including the benefit of inventory reduction and sustained low overdues. Free cash flow was +9% higher compared to prior year.



Proforma Provisions

(in € million)	***June 30, 2023***
Employee benefits	742
Restructuring	106
Environment	441
Litigation	69
Other	140
Total	**1,497**

[2] Please note the Free cash flow does not include financing payments as the Free cash flow to Solvay shareholders does. Since the historical capital structure is different from the target one, Free cash flow is deemed more appropriate.

Performance details

Net sales bridge

(in € million)	H1 2022	Scope	Forex	Volume	Price	H1 2023	*Yoy %*	*Organic %*
All businesses	2,693	28	1	(402)	310	2,630	*-2.3%*	*-3.4%*
Corporate	2	0	0	5	-	7	*n.m.*	*n.m.*
Essential Co	**2,695**	**28**	**1**	**-397**	**310**	**2,637**	*-2.1%*	*-3.2%*

Business Performance

EssentialCo business sales in H1 2023 decreased -2.3% (-3.4% organically) with lower volumes (-15%) partly offset by higher prices (+12%)

In Soda Ash & Derivatives, sales improved +9.4% (+7.9% organically) versus H1 2022. Volumes were lower due mainly to lower demand for flat glass used in construction and competition in the seaborne market. This was more than offset by sustained higher contract pricing.

Peroxides sales were lower by -8.3% (-8.0% organically) as lower volumes more than offset positive pricing in the quarter. Demand softened especially in pulp & paper and chemicals markets.

Silica sales decreased very slightly -1.3% (-0.7% organically) driven by lower volumes in the tire market, partly offset by higher pricing.

Coatis sales were down -23.1% (-26.9% organically) in comparison to a very strong H1 2022 as the business continued to normalize. Sales volumes declined due to lower demand and competitive price-pressure in Brazil and from lower demand in Europe.

Special Chem sales decreased -3.5% (-2.4% organically) due to weak demand in electronics, partially offset by higher prices.

Overall for the EssentialCo businesses, the businesses EBITDA rose +16.7% (+16.6% organically) as a result of significant price actions across all businesses except Coatis. Combined with lower variable costs and fixed costs control, this resulted in an underlying EBITDA margin of 28.0% in H1 2023, +4.6pp vs H1 2022.

Corporate and Business Services

Corporate and Business Services contributed €-13 million to EBITDA, a significant improvement compared to €-49 million in H1 2022, mostly driven by the stabilization of the energy business.

Key Segment figures

(in € million)	H1 2023	H1 2022	Underlying % yoy	% organic
Net sales	**2,637**	**2,695**	***-2.1%***	***-3.2%***
All businesses	2,630	2,693	***-2.3%***	***-3.4%***
Soda Ash	1,117	1,021	*9.4%*	*7.9%*
Peroxides	336	366	*-8.3%*	*-8.0%*
Silica	316	320	*-1.3%*	*-0.7%*
Coatis	354	460	*-23.1%*	*-26.9%*
Special Chem	508	526	*-3.5%*	*-2.4%*
Corporate	7	2	***n.m.***	***n.m.***
EBITDA	**723**	**582**	***24.3%***	***24.1%***
All businesses	736	631	*16.7%*	*16.6%*
Corporate	-13	-49	*-73.3%*	*-73.1%*
EBITDA margin	***27.4%***	***21.6%***	***5.8pp***	**-**
All businesses	*28.0%*	*23.4%*	*4.6pp*	-

Supplementary information

External Net Sales By End-Market

(in EUR million)	**H1 2023**	**H1 2022**	% YoY
Industrial and Chemical Applications	565	576	-1.8%
Automotive	463	506	-8.5%
Consumer Goods & Healthcare	451	455	-0.9%
Agro, Feed and Food	448	401	11.7%
Building	305	309	-1.3%
Resources & Environment	231	251	-8.0%
Electronics	112	148	-24.3%
Other	62	49	26.6%
Total Net Sales	**2,637**	**2,695**	**-2.1%**

Reconciliation of alternative performance metrics

EssentialCo measures its financial performance using alternative performance metrics, which can be found below. EssentialCo believes that these measurements are useful for analyzing and explaining changes and trends in its historical results of operations, as they allow performance to be compared on a consistent basis. Definitions of the different metrics presented here are included in the glossary at the end of this financial report.

Underlying EBITDA

The following table presents a reconciliation of Underlying EBIT and Underlying EBITDA to EBIT for the first half of 2023 and the first half of 2022.

(in € million)	H1 2023	H1 2022
EBIT	**471**	**671**
Results from portfolio management and major restructuring	39	22
Results from legacy remediation and major litigation	24	38
Amortization of intangible assets resulting from Purchase price allocation (PPA)	5	5
Gains and losses from CO_2 hedge management	-10	-347
Corporate costs allocation	35	38
Underlying EBIT	565	426
Depreciation and amortization (other than amounts reflected above)	159	156
Underlying EBITDA	**723**	**582**

Net Working capital

The following tables present EssentialCo's working capital as of June 30, 2023, compared to December 31, 2022

Net working capital

(in € million)		June 30, 2023	December 31, 2022
Inventories	a	665	720
Trade receivables	b	868	1,009
Other current receivables	c	838	1,467
Trade payables	d	-957	-1,333
Other current liabilities	e	-697	-1,124
Net working capital	f = a+b+c+d+e	**717**	**739**

Unaudited Pro Forma Interim Financial Information

The following Unaudited Pro Forma Interim Financial Information, which has been derived from Solvay SA/NV's ("Solvay" or the "Solvay Group") unaudited condensed interim consolidated financial statements as of and for the six-month period ended June 30, 2023 and from the unaudited condensed interim combined financial statements of SpecialtyCo as of and for the six-month period ended June 30, 2023, is presented for illustrative purposes only and should not be considered to be an indication of the income statement or statement of financial position of Solvay following the contemplated separation. Because of its nature, the Unaudited Pro Forma Interim Financial Information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of Solvay. Future results of operations may differ materially from those presented in the Unaudited Pro Forma Interim Financial Information due to various factors.

Background information

Solvay announced, on March 15, 2022 that it was reviewing plans to separate into two independent, publicly traded companies:

"SpecialtyCo", which would comprise the Solvay Group's Materials segment, and the majority of the Solvay Group's Solutions segment (together the "Specialty Businesses").

"EssentialCo", which would comprise the leading mono-technology businesses in the Solvay Group's Chemicals segment and its Special Chem businesses (together the "Remaining Solvay Group"). Following the Partial Demerger (as defined below), the Remaining Solvay Group would consist of EssentialCo.

Under the separation plan, Solvay's shareholders would retain their current shares of Solvay. The separation (or the "Transaction") would be affected by means of a partial demerger ("*scission partielle*") of Solvay, under Belgian law, whereby the Specialty Businesses and related legal entities, assets and liabilities will be contributed under a universal succession regime ("*transmission à titre universel*") to SpecialtyCo (the "Partial Demerger"). Upon completion of the Partial Demerger, Solvay shareholders would receive shares issued by SpecialtyCo pro rata to their shareholdings in Solvay, and SpecialtyCo's shares would be admitted to trading on Euronext Brussels and Euronext Paris immediately thereafter. The Partial Demerger is expected to be structured in a manner that would be tax efficient for a significant majority of Solvay's shareholders in key jurisdictions. The Transaction remains subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors, consent of certain financing providers and shareholders' approval at an extraordinary general meeting. Solvay expects to complete the process in December 2023.

Before the Partial Demerger, a legal reorganization is planned to separate the Specialty Businesses from other businesses of the Solvay Group (the "Legal Reorganization"), by: (i) transferring assets, liabilities and activities from entities that currently undertake both Specialty Businesses and Remaining Solvay Group operations (referred to as "Mixed Entities") to existing or new legal entities dedicated to either Specialty Businesses or the Remaining Solvay Group activities; and (ii) reorganizing the ownership within the Solvay Group of all existing legal entities entirely dedicated to the Specialty Businesses before the Legal Reorganization ("Dedicated Entities"), all existing legal entities that were Mixed Entities before the Legal Reorganization and from which Remaining Solvay Group's activities have been carved out, and all new legal entities to which Specialty Businesses have been carved-out as part of the Legal Reorganization.

Restructuring provision

In the context of the Group's plan to separate into two independent publicly traded companies, new restructuring initiatives were launched in H1 2023. These initiatives will lead to the net suppression of certain roles in EssentialCo by the end of 2023. As a consequence, a restructuring provision of €33 million was recognized in H1 2023.

Portfolio Management

On March 31, 2023 Solvay announced that it had agreed final terms to sell its 50% stake in RusVinyl to its joint venture partner, Sibur. The agreement is based on a purchase price for Solvay's 50% stake of € 433 million. The equity earnings and the capital loss are not included in the profit or loss and would have a neutral impact in equity. The RusVinyl divestment was completed at the end of the first quarter of 2023.

The pro forma interim financial information has been prepared to represent the effect of the Partial Demerger and the RusVinyl divestment as if they had occurred on December 31, 2022 in the Unaudited Pro Forma Statement of Financial Position, or on January 1, 2020 in the Unaudited Pro Forma Income Statement.

Other

The Unaudited Pro Forma Financial Information includes an Unaudited Pro Forma Statement of Financial Position as of June 30, 2023 and an Unaudited Pro Forma Income Statement for the years ended June 30, 2023 and June 30, 2022 with the related explanatory notes and has been prepared for illustrative purposes only to represent the pro forma financial position and pro forma results of EssentialCo following completion of the Partial Demerger.

Neither the assumptions underlying the preparation of the Unaudited Pro Forma Interim Financial Information nor the Unaudited Pro Forma Interim Financial Information itself have been audited or reviewed.

Rounding adjustments to the nearest one decimal place have been made. Therefore, figures shown as total may not be the exact arithmetic aggregation of the figures that precede them.

Basis of preparation

The Unaudited Pro Forma Interim Financial Information is presented in millions of euros, except where stated otherwise.

The unaudited pro forma interim statement of financial position as at June 30, 2023 has been derived from:

- Solvay’s unaudited condensed interim consolidated financial statements as of and for the six-month period ended June 30, 2023, prepared in accordance with IAS 34 “ Interim Financial Reporting” as published by the International Accounting Standards Board (“IASB”), and endorsed by the European Union (hereafter “IAS 34”).
- SpecialtyCo’s unaudited condensed interim combined financial statements as of and for the six-month period ended June 30, 2023, prepared in accordance with IAS 34.

The unaudited pro forma interim income statements for the six-months periods ended June 30, 2023 and 2022 have been derived from:

- Solvay’s unaudited condensed interim consolidated financial statements as of and for the six-month period ended June 30, 2023 prepared in accordance with IAS 34.
- SpecialtyCo’s unaudited condensed interim combined financial statements as of and for the six-month period ended June 30, 2023 prepared in accordance with IAS 34.

EY Réviseurs d’Entreprises SRL, independent auditors, have reviewed Solvay’s unaudited condensed interim consolidated financial statements as of and for the six-month period ended June 30, 2023 and SpecialtyCo’s unaudited condensed interim combined financial statements as of and for the six-month period ended June 30, 2023 and have issued unqualified independent auditor's review reports thereon.

The Unaudited Pro Forma Interim Financial Information has been prepared in accordance with the principles described in the Prospectus Delegated Regulation and the related guidance issued by the European Securities and Markets Authority (ESMA). The Unaudited Pro Forma Interim Financial Information presented in this document have not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or practices generally accepted in the United States.

The Unaudited Pro Forma Interim Financial Information reflects the application of pro forma adjustments that are (i) directly attributable and (ii) factually supportable and are based upon available information, and certain assumptions described in the accompanying notes hereto, that management believes are reasonable under the given circumstances. The Unaudited Pro Forma Interim Financial Information does not reflect items such as EssentialCo’s expected synergies, operating efficiencies or restructuring and integration costs that may result from the Partial Demerger.

In preparing the Unaudited Pro Forma Interim Financial Information management has used certain assumptions including in relation to:

Services provided and charged by centrally managed functions

The costs related to corporate functions that were incurred for the benefit of the Solvay Group as a whole, including but not limited to costs for Solvay's Board of Directors, Executive Leadership Team, Investor Relations and Corporate Communications team, have been included in the Unaudited Pro Forma Interim Financial Information.

Obligations for employee benefits

For employee benefit plans where the local legal framework or contractual arrangement does not contain the requirements for allocation of rights and obligations for employees that will be transferred to SpecialtyCo entities, the benefit obligations and related assets are included in the Unaudited Pro Forma Interim Financial Information.

Cash and cash equivalents

Within the Solvay Group, financing historically was made available by cash pooling agreements and loans within the Solvay Group and externally with banks and through financing vehicles (e.g., asset-backed security structures).

The majority of the intercompany balances arising from the Solvay cash pooling agreements involving entities that will be transferred to SpecialtyCo are presented as other current financial instruments and current financial debt in the Unaudited Pro Forma Interim Financial Information.

Derivative financial instruments

External cash flow hedges have been entered into by a central function, on behalf of operating entities within the Solvay Group. When no back-to-back contract exists, mainly in China and Brazil, foreign currency exposures on highly probable future transactions were hedged by a central function.

The hedged position was based on both foreign currency exposures on highly probable future transactions related to activities in the Remaining Solvay Group, and exposures on transactions related to activities to be transferred to SpecialtyCo. Cash flow hedge accounting is continued to be applied to the remaining part of the hedge instrument that relates to foreign currency exposure on highly probable future transactions related to the activities in the Remaining Solvay Group.

Intercompany transactions

Within the Solvay Group, intercompany transactions have occurred historically with entities over which Solvay exercised control, or significant influence, or with joint ventures. Transactions with entities over which Solvay exercised control were customarily accounted for as intragroup transactions which were eliminated as part of the consolidation procedures applied for the purposes of preparing the Solvay Group's consolidated financial statements.

Transactions that were previously eliminated in the Solvay Group need to be reinstated, to the extent they are between entities in the Remaining Solvay Group and SpecialtyCo entities.

Transactions between EssentialCo and SpecialtyCo entities mainly comprise structured borrowings and loans as well as intercompany bank accounts between EssentialCo and SpecialtyCo, in place over the periods presented, which were eliminated as part of the consolidation procedures applied for the Solvay Group's consolidated financial statements, and which were reinstated in the Unaudited Pro Forma Interim Financial Information. This does not reflect the expected situation after the Partial Demerger as no financing relations are expected to exist between EssentialCo and SpecialtyCo once the transaction is completed. For the balances resulting from transactions between Mixed Entities, the following approach has been followed in the Unaudited Pro Forma Interim Financial Information:

1. The balance is classified as an intragroup transaction and eliminated in the Unaudited Pro Forma Interim Financial Information if such a transaction is between two entities that are both part of EssentialCo.

2. The balance is classified as a transaction with related parties in the Unaudited Pro Forma Interim Financial Information if such transaction is a transaction between an entity that, after the Partial Demerger, will be part of EssentialCo and an entity that, after the Partial Demerger, will be part of SpecialtyCo.

Working capital

Working capital needs have historically been funded by intercompany loans and intercompany factoring with the central treasury entities in the Solvay Group. The impact of the intercompany factoring agreements have been eliminated in the Unaudited Pro Forma Interim Financial Information. The resulting accounts receivable are measured on the same basis as was done in the Solvay financial statements.

Accounts receivable, accounts payable and inventories are included in the Unaudited Pro Forma Interim Financial Information when they result from purchases and sales of products or services by entities within the Remaining Solvay Group. For Mixed Entities, the split of accounts receivable, accounts payable and inventories is based on the underlying business transaction.

Financial debt

Financial debt with bondholders, banks and other financial institutions is included in the Unaudited Pro Forma Interim Financial Information where the financial debt reflects the historical ownership of the legal entities that will be part of the Remaining Solvay Group. The debt instruments issued by Solvay are included in the Unaudited Pro Forma Interim Financial Information.

Transaction costs

The non-recurring transaction related costs recorded are assumed to have been incurred before closing of the Transaction. Under the assumption that the Partial Demerger would have taken place in 2020, these transaction costs would have been reflected in 2020 as a pro forma adjustment. These costs are reversed from the Unaudited Pro Forma Interim Income Statement for the six-month periods ended June 30, 2023 and June 30, 2022.

Unaudited Pro Forma Interim Statement of Financial Position at June 30, 2023

(in € million)	**Solvay historical consolidated** *Unaudited* **Note 1**	**SpecialtyCo historical combined** *Unaudited* **Note 1**	**Pro forma adjustments** *Unaudited* **Note 3**	**Pro forma financial information** *Unaudited*
ASSETS				
Intangible assets	1,949	1,718	0	232
Goodwill	3,450	2,647	-	802
Property, plant and equipment	5,389	3,249	2	2,141
Right-of-use assets	498	201	-	296
Equity instruments measured at fair value	79	79	0	-
Investment in associates and joint ventures	395	203	-	193
Other investments	37	4	-	33
Deferred tax assets	1,016	675	66	407
Loans and other assets	407	122	-1	284
Loans to Remaining Solvay Group / SpecialtyCo [(a)]	-	19	588	569
Other financial instruments	30	30	-	-
Non-current assets	**13,248**	**8,947**	**656**	**4,957**
Inventories	1,938	1,275	2	665
Trade receivables	1,897	1,032	3	867
Income tax receivables	141	40	0	102
Other financial instruments	183	27	1	158
IBA (*) receivables with remaining Solvay Group / SpecialtyCo [(a)]		1,281	1,884	603
Other receivables [(a)]	1,056	339	121	838
Loans to Remaining Solvay Group / SpecialtyCo [(a)]	-	27	1,804	1,777
Cash and cash equivalents	1,328	307	0	1,022
Current assets	**6,544**	**4,328**	**3,815**	**6,032**
Total assets	**19,792**	**13,275**	**4,471**	**10,989**
EQUITY AND LIABILITIES				
Shareholder's equity / Owner's net investment	10,766	6,252	11	4,525
Non-controlling interests	59	23	-	36
Total (Business) Equity	**10,825**	**6,275**	**11**	**4,561**
Provision for employee benefits	1,106	364	-	742
Other provisions	924	422	-	502
Deferred tax liabilities	497	414	57	140
Financial debt [(a)]	2,451	1,066	-	1,385
Borrowings from Remaining Solvay Group / SpecialtyCo [(a)]	-	569	588	19
Other liabilities	124	19	-	105
Non-current liabilities	**5,101**	**2,854**	**645**	**2,893**
Other provisions	485	231	-	254
Financial debt	343	102	1	242
Borrowings and IBA (*) liabilities from Remaining Solvay Group / SpecialtyCo [(a)]	-	2,379	3,688	1,309
Trade payables	1,772	818	2	957
Income tax payables	217	144	-3	70
Dividends payables	8	3	1	6
Other liabilities	1,041	470	126	697
Current liabilities	**3,866**	**4,147**	**3,815**	**3,535**
Total liabilities	**8,968**	**7,000**	**4,460**	**6,428**
Total equity and liabilities	**19,792**	**13,275**	**4,471**	**10,989**

[(a)] These balances relate to transactions with related parties as of June 30, 2023. Refer to Note 3.1.

(*) IBA = Internal bank accounts

Unaudited Pro Forma Interim Income Statement for the six-month period ended June 30, 2023

(in € million)	**Solvay historical consolidated** *Unaudited* **Note 1**	**SpecialtyCo historical combined** *Unaudited* **Note 1**	**Divestment of RusVinyl** *Unaudited* **Note 2**	**Pro forma adjustments** *Unaudited* **Note 3**	**Pro forma financial information** *Unaudited*
Sales	7,060	3,791	-	58	3,326
of which revenue from non-core activities[3]	806	163	-	46	689
of which net sales	6,254	3,628	-	11	2,637
Cost of goods sold	-4,955	-2,493	-	-58	-2,519
Gross margin	**2,105**	**1,298**	**-**	**0**	**807**
Commercial costs	-194	-142	-	0	-52
Administrative costs	-486	-264	-	0	-221
Research and development costs	-191	-171	-	0	-20
Other operating gains and (losses)	-83	-85	-	1	2
Earnings from associates and joint ventures	35	10	-7	0	18
Results from portfolio management and major restructuring	-343	-56	175	73	-39
Results from legacy remediation and major litigations	-218	-194	-	-	-24
EBIT	**625**	**395**	**168**	**73**	**471**
Cost of borrowings [(a)]	-51	-94	-	-107	-63
Interest on loans and short term deposits [(a)]	25	44	-	107	88
Other gains and (losses) on net indebtedness	-5	-7	-	0	1
Cost of discounting provisions	-31	-10	-	0	-21
Result from equity investments measured at fair value	3	2	-	0	1
Profit/(loss) for the six-month period before income taxes	**566**	**330**	**168**	**73**	**477**
Income taxes	-117	-28	-	4	-85
Profit/(loss) for the six-month period from continuing operations	**449**	**302**	**168**	**77**	**392**
Profit for the year from discontinued operations	-0	-	-	-	-0
Profit/(loss) for the six-month period	**449**	**302**	**168**	**77**	**392**
Of which attributable to					
Solvay share	443	300	168	77	388
non-controlling interests	6	2	-	0	4

(a) These balances relate to transactions with related parties. Refer to Note 3.1.

[3] The decrease in revenues from non-core activities is mainly related to lower gas and electricity prices.

Unaudited Pro Forma Interim Income Statement for the six-month period ended June 30, 2022

(*in € million*)	**Solvay historical consolidated** *Unaudited* **Note 1**	**SpecialtyCo historical combined** *Unaudited* **Note 1**	**Divestment of RusVinyl** *Unaudited* **Note 2**	**Pro forma adjustments** *Unaudited* **Note 3**	**Pro forma financial information** *Unaudited*
Sales	7,755	3,944	-	57	3,867
of which revenue from non-core activities	1,223	96	-	46	1,172
of which net sales	6,532	3,848	-	11	2,695
Cost of goods sold	-5,797	-2,657	-	-57	-3,197
Gross margin	**1,958**	**1,287**	**-**	**0**	**670**
Commercial costs	-160	-113	-	0	-47
Administrative costs	-532	-298	-	0	-235
Research and development costs	-164	-138	-	0	-26
Other operating gains and (losses)	277	-69	-	1	348
Earnings from associates and joint ventures	106	8	-78	-1	19
Results from portfolio management and major restructuring	-55	-7	-	28	-21
Results from legacy remediation and major litigations	-77	-40	-	-	-38
EBIT	**1,352**	**630**	**-78**	**28**	**671**
Cost of borrowings [a]	-58	-56	-	-33	-35
Interest on loans and short term deposits [a]	5	8	-	33	30
Other gains and (losses) on net indebtedness	2	-7	-	0	9
Cost of discounting provisions	-4	4	-	0	-7
Result from equity investments measured at fair value	-9	-9	-	0	0
Profit/(loss) for the six-month period before income taxes	**1,289**	**570**	**-78**	**28**	**669**
Income taxes	-227	-56	-	12	-159
Profit/(loss) for the six-month period from continuing operations	**1,062**	**515**	**-78**	**40**	**510**
Profit for the year from discontinued operations	1	-	-	-	1
Profit/(loss) for the six-month period	**1,062**	**515**	**-78**	**40**	**510**
Of which attributable to					
Solvay share	1,043	506	-78	40	499
non-controlling interests	20	9	-	-	11

[a] These balances relate to transactions with related parties. Refer to Note 3.1.

Other Financial Information for the six-month period ended June 30, 2023

(in € million)	**Solvay historical consolidated** *Unaudited* **Note 1**	**SpecialtyCo historical combined** *Unaudited* **Note 1**	**Pro forma adjustments** *Unaudited* **Note 3**	**Pro forma financial information** *Unaudited*
Depreciation, amortization and impairments	-464	-297	-	-167
Use of provisions	-145	-62	-	-83
Change in working capital	-272	-152	-	-120
Capital expenditure	-451	-305	-	-147

Other Financial Information for the six-month period ended June 30, 2022

(in € million)	**Solvay historical consolidated** *Unaudited* **Note 1**	**SpecialtyCo historical combined** *Unaudited* **Note 1**	**Pro forma adjustments** *Unaudited* **Note 3**	**Pro forma financial information** *Unaudited*
Depreciation, amortization and impairments	-451	-288	-	-163
Use of provisions	-164	-60	-	-104
Change in working capital	-687	-367	-	-320
Capital expenditure	-331	-219	-	-112

Notes to the Unaudited Pro Forma Interim Financial Information

Note 1 – Financial Information

Solvay unaudited condensed interim consolidated financial information

Solvay unaudited condensed interim consolidated financial information has been extracted directly from:

- Solvay's unaudited condensed interim consolidated financial statements as of June 30, 2023 and for the six-month periods ended June 30, 2023 and 2022 were prepared in accordance with IAS 34 *Interim Financial Reporting*.

SpecialtyCo unaudited condensed interim combined financial information

SpecialtyCo's unaudited condensed interim combined financial information has been extracted directly from:

- SpecialtyCo's unaudited condensed interim combined financial statements as of June 30, 2023 and for the six-month period ended June 30, 2023 were prepared in accordance with IAS 34 *Interim Financial Reporting*. The comparative information for the six-month period ended June 30, 2022 has been extracted from the comparative information prepared for the unaudited condensed interim combined financial statements as of and for the six-month period ended June 30, 2023.

Note 2 – Divestment of RusVinyl

General

On March 24, 2023 Solvay announced that it had agreed final terms to sell its 50% stake in RusVinyl to its joint venture partner, Sibur. The agreement is based on a purchase price for Solvay's 50% stake of € 432 million. The capital loss is not included in the profit or loss and would have a neutral impact in equity. The RusVinyl divestment was completed at the end of the first quarter of 2023.

For the purposes of the Unaudited Pro Forma Interim Statement of Financial Position as at June 30, 2023, the investment in RusVinyl is eliminated as it is assumed that the divestment occurred on December 31, 2022 and that the estimated cash consideration for the sale has been received on December 31, 2022.

For the purpose of presenting comparatives to the Unaudited Pro Forma Interim Income Statement for the six-month period ended June 30, 2023, the historical result of RusVinyl is eliminated as it is assumed that the divestments occurred in 2020.

Note 3 – Pro forma adjustments

The impact of these pro forma adjustments on the Unaudited Pro Forma Interim Statement of Financial Position for the six-month period ended June 30, 2023 is as follows:

(in € million)	**Note 3.1 Related party adjustment** *Unaudited*	**Note 3.2 Consolidation adjustment** *Unaudited*	**Note 3.3 Transaction costs** *Unaudited*	**Pro forma adjustments** *Unaudited*
ASSETS				
Intangible assets	-	0	-	0
Goodwill	-	-	-	-
Property, plant and equipment	-	2	-	2
Right-of-use assets	-	-	-	-
Equity instruments measured at fair value	-	0	-	0
Investments in associates and joint ventures	-	0	-	-
Other investments	-	0	-	0
Deferred tax assets	-	66	-	66
Loans and other assets	-	-1	-	-1
Loans to Remaining Solvay Group / SpecialtyCo	588	-	-	588
Of which Loans to Remaining Solvay Group	19	-	-	19
Of which Loans to SpecialtyCo	569	-	-	569
Other financial instruments	-	-	-	-
Non-current assets	**588**	**68**	-	**656**
Inventories	-	2	-	2
Trade receivables	-	3	-	3
Income tax receivables	-	0	-	0
Other financial instruments	-	1	-	1
IBA receivables with remaining Solvay Group / SpecialtyCo	1,884	-	-	1,884
Of which IBA receivables with remaining Solvay Group	1,281	-	-	1,281
Of which IBA receivables with SpecialtyCo	603	-	-	603
Other receivables	121	-	-	121
Of which Other receivables from SpecialtyCo	121	-	-	121
Loans to Remaining Solvay Group / SpecialtyCo	1,804	-	-	1,804
Of which Loans to Remaining Solvay Group	27	-	-	27
Of which Loans to SpecialtyCo	1,777	-	-	1,777
Cash and cash equivalents	-	0	-	-
Current assets	**3,809**	**6**	**-**	**3,815**
Total assets	**4,397**	**74**	-	**4,471**
EQUITY AND LIABILITIES				
Shareholder's equity	-	11	-	11
Non-controlling interests	-	0	-	-
Equity	**-**	**11**	**-**	**11**
Provisions for employee benefits	-	0	-	-
Other provisions	-	0	-	-
Deferred tax liabilities	-	57	-	57
Financial debt	-	0	-	-
Borrowings from Remaining Solvay Group / SpecialtyCo	587	-	-	587
Of which Borrowings from Remaining Solvay Group	569	-	-	569
Of which Borrowings from SpecialtyCo	19	-	-	19
Other liabilities	-	0	-	-
Non-current liabilities	**587**	**57**	-	**645**
Financial debt	-	1	-	1
Borrowings and IBA liabilities from Remaining Solvay Group / SpecialtyCo	3,688	-	-	3,688
Of which Borrowings and IBA liabilities from Remaining Solvay Group	2,379	-	-	2,379
Of which Borrowings and IBA liabilities from SpecialtyCo	1,309	-	-	1,309
Trade payables	-	2	-	2
Income tax payables	-	-3	-	-3
Dividends payables	-	1	-	1
Other liabilities	122	4	-	126
Of which Other liabilities to Remaining Solvay Group	122		-	122

Current liabilities	**3,810**	**6**	**-**	**3,815**
Total liabilities	**4,397**	**63**	**-**	**4,460**
Total equity and liabilities	**4,397**	**74**	-	**4,471**

The impact of these pro forma adjustments on the Unaudited Pro Forma Interim Income Statement for the six-month period June 30, 2023 is as follows:

(in € million)	**Note 3.1 Related party adjustment** *Unaudited*	**Note 3.2 Consolidation adjustment** *Unaudited*	**Note 3.3 Transaction costs** *Unaudited*	**Pro forma adjustments** *Unaudited*
Sales	-	58	-	58
of which revenue from non-core activities	-	46	-	46
of which net sales	-	11	-	11
Cost of goods sold	-	-58	-	-58
Gross margin	**-**	**0**	**-**	**0**
Commercial costs	-	0	-	0
Administrative costs	-	0	-	0
Research and development costs	-	0	-	0
Other operating gains and (losses)	-	1	-	1
Earnings from associates and joint ventures	-	0	-	0
Results from portfolio management and major restructuring	-	0	73	73
Results from legacy remediation and major litigations	-	-	-	-
EBIT	**-**	**0**	**73**	**73**
Cost of borrowings	-	-107	-	-107
Interest on loans and short term deposits	-	107	-	107
Other gains and (losses) on net indebtedness	-	0	-	0
Cost of discounting provisions	-	0	-	0
Result from equity investments measured at fair value	-	0	-	0
Profit/(loss) for the six-month period before income taxes	**-**	**0**	**73**	**73**
Income taxes	-	4	-	4
Profit/(loss) for the six-month period from continuing operations	**-**	**4**	**73**	**77**
Profit for the year from discontinued operations	-	**-**	-	-
Profit/(loss) for the six-month period	**-**	**4**	**73**	**77**
Of which attributable to				
Solvay share	-	4	73	77
non-controlling interests	-	-	-	-

The impact of these pro forma adjustments on the Unaudited Pro Forma Interim Income Statement for the six-month period ended June 30, 2022 is as follows:

(in € million)	**Note 3.1 Related party adjustment** *Unaudited*	**Note 3.2 Consolidation adjustment** *Unaudited*	**Note 3.3 Transaction costs** *Unaudited*	**Pro forma adjustments** *Unaudited*
Sales	-	57	-	57
of which revenue from non-core activities	-	46	-	46
of which net sales	-	11	-	11
Cost of goods sold	-	-57	-	-57
Gross margin	**-**	**0**	**-**	**0**
Commercial costs	-	0	-	0
Administrative costs	-	0	-	0
Research and development costs	-	0	-	0
Other operating gains and (losses)	-	1	-	1
Earnings from associates and joint ventures	-	-1	-	-1
Results from portfolio management and major restructuring	-	0	28	28
Results from legacy remediation and major litigations	-	-	-	-
EBIT	**-**	**-0**	**28**	**28**
Cost of borrowings	-	-33	-	-33
Interest on loans and short-term deposits	-	33	-	33
Other gains and (losses) on net indebtedness	-	0	-	0
Cost of discounting provisions	-	0	-	0
Result from equity investments measured at fair value	-	0	-	0
Profit/(loss) for the six-month period before income taxes	**-**	**0**	**28**	**28**
Income taxes	-	12	-	12
Profit/(loss) for the six-month period from continuing operations	**-**	**12**	**28**	**40**
Profit for the **six-month period** from discontinued operations	-	-	-	-
Profit/(loss) for the six-month period	**-**	**12**	**28**	**40**
Of which attributable to				
Solvay share	-	12	28	40
non-controlling interests	-	-	-	-

3.1 Pro forma adjustment: Related party adjustments

Related parties are subsidiaries of SpecialtyCo. The main transactions with related parties are described herein and the related amounts are presented in the tables below.

The amounts below are included in six-month balances of EssentialCo Unaudited Pro Forma Interim Financial Information and meant to provide more information on the significance of intercompany transactions that are included in Pro Forma Adjustments.

(in € million)	**H1 2023**	**H1 2022**
Interest charges paid to related parties [a]	-40	-8
Interest revenue from related parties [a]	67	25

[a] Presented as Cost of borrowings and Interest on loans and short term deposits on the face of the Unaudited Pro Forma Income Statements

For the periods under consideration, SpecialtyCo and EssentialCo were integrated in the cash pooling and financing system of the Solvay Group.

The financing instruments mainly comprise structured borrowings and loans as well as intercompany bank accounts that are expected to be fully settled before or upon the completion of the Transaction so that no financing relation will continue to exist between SpecialtyCo and the Remaining Solvay Group after the demerger.

The majority of the intercompany balances arising in EssentialCo from the Solvay cash pooling agreements result from cash generated by SpecialtyCo entities that is transferred to treasury entities remaining with EssentialCo.

(in € million)	**June 30, 2023**
Loans and other assets[a]	569
Other financial instruments current [b]	603
Other receivables current [c]	1,777
Financial debt non-current [d]	-19
Financial debt current [e]	-1,309
Total	**1,620**

[a] Non-current loans to related parties

[b] Current financial instruments - internal bank accounts with related parties

[c] Current loans to related parties

[d] Non-current borrowings to related parties

[e] Current borrowings to related parties and internal bank account liabilities with SpecialtyCo

Services provided by Remaining Solvay Group

The Remaining Solvay Group provided shared services to SpecialtyCo such as, but not limited to: tax, legal, accounting, IT, personnel-related services and treasury. The revenue of such services, as historically charged to the Specialty Businesses and included in the Unaudited Pro Forma Interim Income Statement based on their historical amounts, were: €200 million in H1 2023 (H1 2022: €210 million).

The personnel and activities related to these shared services will either be transferred to SpecialtyCo in the context of the Legal Reorganization or will be provided to SpecialtyCo by the Remaining Solvay Group under transitional services agreements after the Partial Demerger for a limited period of time.

Guarantees

Solvay S.A. has issued guarantees in favor of SpecialtyCo mainly in relation to third party financing, in the USA and in France, and for pensions plans, mainly in the UK.

(in € million)	**June 30, 2023**
Bonds Solvay Finance America LLC	737
Bonds Cytec Industries Inc.	150
Rhodia UK Pension fund	309
Total	**1,196**

At the end of the demerger process, it is expected that no guarantees will be provided by the Remaining Solvay Group for SpecialtyCo operations.

3.2 Pro forma adjustment: Consolidation adjustments

Transactions that were previously eliminated in the Solvay Group have been reinstated to the extent they are between EssentialCo and SpecialtyCo.

- Adjustments relate to the unwinding of netting of the deferred tax assets and liabilities as well as a recoverability reassessment of deferred tax assets for EssentialCo and SpecialtyCo after the Partial Demerger.

- Adjustments were made for changes in scope for subsidiaries previously considered as immaterial at the level of Solvay.

3.3 Pro forma adjustment: Transaction costs

The non-recurring related transaction costs of the Partial Demerger incurred by Solvay for the six-month period ended June 30, 2023 are for an amount of € 73 million (June 30, 2022: € 28 million). Under the assumption that the Partial Demerger would have taken place in 2020, these costs are reversed from the Unaudited Pro Forma Interim Income Statement for the six-month period ended June 30, 2023 and June 30, 2022.

By its nature, this adjustment is not expected to have a recurring impact on the performance of EssentialCo going forward.

Target Capital Structure

On June 16, 2023, Solvay announced the target capital structures of EssentialCo and SpecialtyCo, developed based on their respective growth trajectories, investment objectives and dividend policies. On the same date, S&P Global Ratings Europe Limited and Moody's Deutschland GmbH assigned a preliminary rating to SpecialtyCo consistent with a strong investment grade (respectively, BBB+ and Baa1) and announced the expected investment grade rating of Solvay (EssentialCo) upon completion of the partial demerger (respectively, BBB- and Baa3).

The capital structure of EssentialCo following the Partial Demerger will be significantly different from that shown in the Unaudited Pro Forma Financial Information. In addition to changes arising in the ordinary course of business, the structure of EssentialCo's financial assets and liabilities is expected to change in three significant respects prior to the Partial Demerger:

- Solvay is contemplating liability management transactions, including consent solicitations and an exchange offer, which if successful will have the effect of transferring certain financial debt of EssentialCo entities to SpecialtyCo. The aggregate amount of senior bonds to be transferred was recorded at amortized cost as of June 30, 2023 at EUR 1,094 million. The transaction will also include the transfer of EUR 500 million of hybrid bonds to SpecialtyCo. The liability management transactions will also seek the release of Solvay's guarantees from SpecialtyCo.

- New financing is expected to be used primarily for the purpose of financing the redemption of the hybrid bonds with a first call date in 2023 (EUR 800 million outstanding) and in anticipation of the refinancing of the hybrid bonds with a first call date in 2024 (EUR 500 million outstanding). Any additional cash proceeds, after transaction costs, will be transferred to SpecialtyCo. The amount of new financing is expected to be approximately EUR 1,850 million, to be allocated between EssentialCo and SpecialtyCo in the context of the Liability Management exercise. The purchase price of the hybrid bonds will depend on market conditions.

- Financial assets and liabilities between the SpecialtyCo and EssentialCo entities, mainly reflecting cash pooling and similar arrangements within the Solvay Group, will be unwound. This will be done mainly by way of transfers of receivables among entities within the Solvay Group. As of June 30, 2023, SpecialtyCo entities owed a net amount of EUR 1,620 million to EssentialCo entities.

The following table presents the hypothetical impact of the foregoing transactions on EssentialCo's capital structure (financial debt, cash and equity) as of June 30, 2023 as set forth in the Unaudited Pro Forma Financial Information, as if such transactions took place on June 30, 2023, on the assumption that the liability management transactions will be fully successful, and that new financing in the amount of EUR 1,850 million will be obtained, of which EUR 1,300 million will be used to refinance the hybrid bonds with first call dates in 2023 and 2024, with EUR 900 million transferred to SpecialtyCo.

The table is hypothetical and is presented solely for illustration. It does not represent the actual capital structure that EssentialCo would have had if it had already been separated from Solvay and these transactions had taken place on June 30, 2023. EssentialCo's capital structure after the Partial Demerger will vary, potentially significantly, from that illustrated in the table as a result of, among other things, ordinary course variations in cash inflows and outflows (including operating cash flow and capital expenditures), whether the liability management transactions are fully successful and the costs of carrying out those transactions (which are not reflected in the table), the amount of new financing (after costs) obtained by Solvay and the purchase price (after costs) of Solvay's hybrid bonds.

(*in € million*)	**As of June 30, 2023 Pro Forma Financial Information (Unaudited)**	**Adjustments (Unaudited)**	**As of June 30, 2023 Pro Forma Financial Information, as adjusted (Unaudited)**
External financial debt			
EUR Senior Notes 2027[1]	497	-497	-
EUR Senior Notes 2029[2]	597	-597	0
Other borrowings from third parties	111	-	111
Third party margin calls received by Solvay Energy[3]	93	-	93
New Financing [4]	-	1,850	1,850
Total external financial debt	**1,298**	**756**	**2,054**
Perpetual hybrid bonds[5]	**1,800**	**-1,800**	**-**
Total external underlying financial debt (external debt plus Perpetual hybrid bonds) (a)	**3,098**	**-1,044**	**2,054**
Financial assets and debts owed by or to SpecialtyCo			
Non-current loans to SpecialtyCo	-569	569	-
Current financial instruments – Internal bank accounts with SpecialtyCo	-603	603	-
Current loans to SpecialtyCo	-1,777	1,777	-
Non-current borrowings from SpecialtyCo	19	-19	-
Current borrowings and internal bank accounts liabilities with EssentialCo	1,309	-1,309	-
Net financial assets and debt owed by or to SpecialtyCo (b)	**-1,620**	**1,620**	**-**
Lease debt (c)	**328**	**-**	**328**
Other financial instruments (current and non-current) (d)	**-158**	**-**	**-158**
Cash and cash equivalents[6] **(e)**	**-1,021**	**350**	**-671**
Underlying net financial debt (f=a+b+c+d+e)	**627**	**926**	**1,554**
Total Business Equity	**4,562**	**-2,726**	**1,836**

(1) EUR 500 million principal amount of Senior Notes due December 2027 issued by Solvay, for which bondholder consent solicitation is ongoing
(2) EUR 600 million principal amount of Senior Notes due September 2029 issued by Solvay, for which bondholder consent solicitation is ongoing.
(3) Solvay Energy uses brokers for trading in futures of different commodities (e.g., CO2, power, gas, coal). These transactions are subject to margin calls. In order to cover counterparty credit risk, brokers pay a margin call to Solvay in case the instrument is in the money for Solvay. If the instrument is out of the money for Solvay, Solvay pays a margin call to the brokers. The margin calls received by Solvay as a result of the variation of the value of the underlying instruments are presented as a component of financial debt.
(4) The amount of new financing is expected to be approximately EUR 1,850 million and its allocation between EssentialCo and SpecialtyCo will be confirmed in the context of the Liability Management exercise.
(5) Includes EUR 1,300 million of perpetual hybrid bonds expected to be refinanced with proceeds from the new bank facilities, as well as EUR 500 million of perpetual hybrid bonds, callable as from December 2025, as to which consent solicitation is ongoing.
(6) The adjustment of EUR 350 includes the receipt of EUR 1,850 million of assumed proceeds from the new financing, net of EUR 1,300 million used to refinance perpetual hybrid bonds and EUR 900 million transferred to SpecialtyCo. Cash and cash equivalent is not representative of the situation at spin-off date as it does not take into account all the cash flows from June 30, 2023 till demerger.

As of June 30, 2023, Solvay was the guarantor of bonds issued in the United States by two SpecialtyCo entities, Solvay Finance America LLC (US $800 million due December 2025) and Cytec Industries Inc. (EUR 150 million due May 2025). It is contemplated that, prior to the Partial Demerger, SpecialtyCo will offer to exchange newly issued bonds for the bonds guaranteed by Solvay, and that Solvay's guarantee of the new bonds will terminate on the effective date of the Partial Demerger. The amount that will remain guaranteed by EssentialCo will depend on the success rate of the exchange offer.

On June 16, 2023, Solvay announced the target capital structures of EssentialCo and SpecialtyCo, developed based on their respective growth trajectories, investment objectives and dividend policies, as well as the names of EssentialCo, which will remain Solvay, and SpecialtyCo, which will be named Syensqo. On the same date, S&P Global Ratings Europe Limited and Moody's Deutschland GmbH assigned a preliminary rating to SpecialtyCo consistent with a strong investment grade (respectively, BBB+ and Baa1) and announced the expected investment grade rating of Solvay (EssentialCo) upon completion of the partial demerger (respectively, BBB- and Baa3).

On June 30, 2023, Solvay published an information document for EssentialCo and a registration document for SpecialtyCo, which provide additional information, including historical financial information, on each company. For additional information on EssentialCo and SpecialtyCo, please refer to the page of Solvay's website dedicated to the separation project (www.solvay.com/en/investors/creating-two-strong-industry-leaders).

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Report on the Compilation of Unaudited Pro Forma Interim Financial Information for the 6-month period ended 30 June 2023 of Solvay SA

To the Board of Directors of Solvay SA

We have completed our assurance engagement to report on the accompanying compilation of unaudited pro forma interim financial information of Solvay SA ("Solvay") as at 30 June 2023, by the Board of Directors of Solvay SA. The unaudited pro forma interim financial information consists of the unaudited pro forma balance sheet as at 30 June 2023, the unaudited pro forma income statements for the 6-month periods ended 30 June 2023 and 30 June 2022 and related notes (the "Unaudited Pro Forma Interim Financial Information"). The applicable criteria on the basis of which the Board of Directors has compiled the Unaudited Pro Forma Interim Financial Information are described in the note "Basis of Preparation" to the Unaudited Pro Forma Interim Financial Information.

The Unaudited Pro Forma Interim Financial Information has been compiled by the Board of Directors of Solvay to illustrate the impact that the Transactions might have had on the consolidated balance sheet as at 30 June 2023 and the consolidated income statements of Solvay for the 6-month period ended 30 June 2023 and 30 June 2022.

As part of this process, information about Solvay's balance sheet and income statement and Specialty Co's balance sheet and income statement as at and for the 6-month period ended 30 June 2023 has been extracted from Solvay's condensed consolidated interim financial information and Specialty Co's condensed interim combined financial statements for the 6-month period ended 30 June 2023 on which review reports have been published.

The Board of Directors' responsibility for the Unaudited Pro Forma Interim Financial Information

The Board of Directors of Solvay is responsible for compiling the Unaudited Pro Forma Interim Financial Information in accordance with note "Basis of Preparation" to the Unaudited Pro forma Interim Financial Information.

Our Independence and quality control

We have complied with relevant ethical requirements related to assurance engagements in Belgium, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

EY Réviseurs d'Entreprises SRL applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with relevant ethical requirements and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Interim Financial Information has been properly compiled by the Board of Directors of Solvay in accordance with note "Basis of Preparation" to the Unaudited Pro Forma Interim Financial Information.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in the Information Document, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of Solvay has compiled the Unaudited Pro Forma Interim Financial Information in accordance with note "Basis of Preparation" to the Unaudited Pro Forma Interim Financial Information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Interim Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Interim Financial Information, or of the Unaudited Pro Forma Interim Financial Information itself.

The purpose of Unaudited Pro Forma Interim Financial Information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at June 30, 2023 or January 1, 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Interim Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Unaudited Pro Forma Interim Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Interim Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the Unaudited Pro Forma Interim Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Interim Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- The Unaudited Pro Forma Interim Financial Information has been properly compiled on the basis stated; and
- Such basis is consistent with the accounting policies of Solvay.

Diegem, 28 August 2023

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Marie Kaisin*
Partner
*Acting on behalf of a SRL

Ref: 24MK0006

Glossary

Adjustments: Each of these adjustments made to the IFRS results is considered to be significant in nature and/or value. Excluding these items from the profit metrics provides readers with relevant additional information on the Group's underlying performance over time because it is consistent with how the business' performance is reported to the Board of Directors and the Executive Committee. These adjustments consist of:

- Results from portfolio management and major restructurings,
- Results from legacy remediation and major litigations,
- Amortization of intangible assets resulting from Purchase Price Allocation (PPA) and inventory step-up in gross margin,
- Net financial results related to changes in discount rates, coupons of hybrid bonds deducted from equity under IFRS and debt management impacts (mainly including gains/(losses)) related to the early repayment of debt,
- Adjustments of equity earnings for impairment gains or losses, unrealized foreign exchange gains or losses on debt and contribution to IFRS equity earnings of equity investments disposed of in the period,
- Results from equity instruments measured at fair value,
- Gains and losses, related to the management of the CO_2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge
- Tax effects related to the items listed above and tax expense or income of prior years
  An adjustment has also been made to reflect a corresponding adjustment made in the "Underlying" basis of reporting of SpecialtyCo. This adjustment reflects the subtraction, for EssentialCo, of a portion of the costs of certain central functions ("corporate costs") of the Solvay Group, such as the Board of Directors, Executive Leadership Team, Investor Relations and Corporate Communication, which were not reflected in the SpecialtyCo combined financial statements.

All adjustments listed above apply to both continuing and discontinuing operations, and include the impacts on non-controlling interests.

Capital expenditure (capex): Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities, excluding acquisition of assets associated with the partial demerger project. This indicator is used to manage capital employed in the Group.

CGU: Cash-generating unit

CTA: Currency Translation Adjustment

Discontinued operations: Component of the Group which the Group has disposed of or which is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

EBIT: Earnings before interest and taxes. Performance indicator that is a measure of the Group's operating profitability irrespective of the funding's structure.

EBITDA: Earnings before interest and taxes, depreciation and amortization. The Group has included EBITDA as an alternative performance indicator because management believes that the measure provides useful information to assess the Group's operating profitability as well as the Group's ability to generate operating cash flows.

Free cash flow: Cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of Voluntary Pension Contributions, as they are deleveraging in nature as a reimbursement of debt and cash flows related to internal management of portfolio such as one-off costs of internal carve-out and related taxes…), cash flows from investing activities (excluding cash flows from or related to acquisitions and disposals of subsidiaries and cash flows associated with the partial demerger project), and other investments, and excluding loans to associates and non-consolidated investments, and recognition of factored receivables), payment of lease liabilities, and increase/decrease of borrowings related to environmental remediation. Prior to the adoption of IFRS 16, operating lease payments were included within free cash flow. Following the application of IFRS 16, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense). Excluding this item in the free cash flow would result in a significant improvement of free cash flow compared to prior periods, whereas the operations themselves have not been affected by the implementation of IFRS 16.
The adjustment for corporate costs described under the "Adjustments" in the Glossary is also considered, after the related tax effect, for the Free cash flow. Free cash flow is a measure of cash generation, working capital efficiency and capital discipline of the Group.

GBU: Global business unit.

IFRS: International Financial Reporting Standards.

LTM: Last twelve months

Net financial debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and non-current) - loans and Internal bank accounts with SpecialtyCo. Underlying net debt reclassifies as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS. It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies.

Net pricing: The difference between the change in sales prices versus the change in variable costs.

Net sales: Sales of goods and value added services corresponding to Solvay's know-how and core business. Net sales exclude Revenue from non-core activities.

Net working capital: Includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

OCI: Other Comprehensive Income.

Organic growth: Growth of Net sales or underlying EBITDA excluding scope changes (related to small M&A not leading to restatements) and forex conversion effects. The calculation is made by rebasing the prior period at the business scope and forex conversion rate of the current period.

pp: Unit of percentage points, used to express the evolution of ratios.

PPA: Purchase Price Allocation (PPA) accounting impacts related to acquisitions, primarily for Rhodia and Cytec.

Research & innovation: Research & development costs recognized in the income statement and as capital expenditure before deduction of related subsidies, royalties and depreciation and amortization expense. It measures the total cash effort in research & innovation, regardless of whether the costs were expensed or capitalized.

Result from legacy remediation and major litigations: It includes:
- The remediation costs not generated by on-going production facilities (shut-down of sites, discontinued productions, previous years' pollution), and
- The impact of significant litigations

Results from portfolio management and major restructuring: It includes:
- Gains and losses on the sale of subsidiaries, joint operations, joint ventures, and associates that do not qualify as discontinued operations;
- Acquisition costs of new businesses;
- One-off operating costs related to internal management of portfolio (carve-out of major lines of businesses);
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and by major reorganization of business activities, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of Cash Generating Units (CGUs);

It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions.

Revenue from non-core activities: Revenues primarily comprising commodity and utility trading transactions and other revenue, considered to not correspond to Solvay's know-how and core business.

Underlying: Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above. They provide readers with additional information on the Group's underlying performance over time as well as the financial position and they are consistent with how the business' performance and financial position are reported to the Board of Directors and the Executive Committee.

Underlying Tax rate: Income taxes / (Result before taxes – Earnings from associates & joint ventures) – all determined on an Underlying basis. The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes. This provides an indication of the tax rate across the Group.

Voluntary pension contributions: Contributions to plan assets in excess of Mandatory Contributions to employee benefits plans. These payments are discretionary and are driven by the objective of value creation. These voluntary contributions are excluded from free cash flow as they are deleveraging in nature as a reimbursement of debt.

yoy: Year on year comparison.