Solvay SA/NV

A Belgian public limited liability company (*société anonyme* / *naamloze venootschap*)

Registered office: Rue de Ransbeek 310, 1120 Brussels, Belgium

SUPPLEMENT TO THE INFORMATION DOCUMENT DATED JUNE 29, 2023

This document supplements the information document dated June 29, 2023 (the "**Information Document**") of Solvay SA/NV, a public limited liability company (*société anonyme / naamloze venootschap*) organized under the laws of Belgium, with a share capital of EUR 1,588,146,240, registered with the Belgian legal entities register (Brussels) under enterprise number 403.091.220 ("**Solvay**" or the "**Company**"), in the context of the separation by Solvay of its Specialty businesses from the Essential Businesses by means of a partial demerger (*scission partielle* / *partiële splitsing*) of Solvay effected under Belgian Law (the "**Partial Demerger**"). This document constitutes a supplement to the Information Document (this "**Supplement**"). Throughout this Supplement, for the convenience of the reader, the term "**EssentialCo**" or "**Group**" (unless otherwise stated), refers to Solvay, together with its consolidated subsidiaries and its direct and indirect equity interests, in its expected configuration immediately following the completion of the Partial Demerger, though Solvay's name will not change. All capitalized terms not defined herein shall have the meaning ascribed to them in the Information Document. The date of this Supplement is November 20, 2023.

This Supplement has not been filed with or approved by the Financial Services and Market Authority or any other securities market or regulatory authority in any jurisdiction. It has been prepared solely for purposes of providing information in connection with the Partial Demerger, under the sole responsibility of Solvay.

TABLE OF CONTENTS

2. GENERAL INFORMATION

The numbering of the chapters, sections and sub-sections in this Supplement follows the numbering of the chapters, sections and sub-sections of the Information Document, which are updated by this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Information Document, the statement made in this Supplement shall prevail. Throughout this Supplement, a reference to a chapter, section or subsection is a reference to a chapter, section or subsection of this Supplement, unless otherwise specified.

The paragraph "*Availability of this Information Document*" of the Information Document is replaced and superseded by the following updated version:

Availability of the Information Document and this Supplement

An electronic version of the Information Document and this Supplement is available on the website of the Group (www.solvay.com). The posting of the Information Document and this Supplement on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the ordinary shares of Solvay or shares of Syensqo to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Group (including any websites accessible from hyperlinks on such website) or on another website mentioned in this Supplement does not form part of the Information Document or this Supplement, and is not incorporated by reference therein or herein.

The paragraph "*Third-party information*" of the Information Document should be read in conjunction with the below:

Third-party information

This Supplement contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of multiple sources.

Such information has been accurately reproduced and, as far as the Group is aware and able to ascertain, no facts have been omitted that would render the reproduced information provided inaccurate or misleading. The Group cannot guarantee that information from a different source or analyses conducted using different methods would lead to the same results.

5. BUSINESS OVERVIEW

5.1 General overview

Section 5.1.3, "*EssentialCo's strategy – Commitment to the environmental transition to drive value creation*," of the Information Document is replaced and superseded by the following updated version:

5.1.3 EssentialCo's strategy

- Commitment to the environmental transition to drive value creation

  Inspired by Solvay's One Planet roadmap that was established in 2020 and outlined ambitious climate, resources and better life targets, EssentialCo intends to reduce the environmental impact of its operations by making a robust environmental transition commitment. Solvay has committed to carbon neutrality on Scope 1 and 2 greenhouse gas (GHG) emissions by 2050 for the EssentialCo businesses, with a reduction in Scope 1 and 2 GHG emissions of 30% by 2030 as compared to 2021. EssentialCo also intends to achieve a reduction in upstream and downstream Scope 3 GHG emissions of 20% from its "focus five" categories by 2030[1] (a continuation of Solvay's Scope 3 targets) as compared to levels in 2021 (EssentialCo's Scope 3 GHG emissions levels from its "focus five" categories were approximately 15.8 Mt eq CO_2 in 2021). The roadmap is supported by well-defined projects based on energy efficiency and a shift to decarbonized energy sources, including a phase-out of coal where renewable alternatives exist by 2030 and process innovation.

  Building on the progress made as part of the Solvay One Planet roadmap, EssentialCo's environmental transition initiative is built around four levers:

  - *Phasing out coal from energy production for Soda Ash, where renewable alternatives exist*:

    The coal phase out program is already underway in all relevant sites, including Rheinberg, Dombasle, Green River, Torrelavega, and Devnya with the target to phase out coal use from energy production where renewable alternatives exist by 2030. A first biomass boiler in 2021 was implemented at the soda ash production site in Rheinberg, Germany, and a second biomass boiler is underway for commissioning (aiming for the fourth quarter of 2024), marking the final step to fully phase out coal from energy production at the site (both boilers use scrap waste wood chips from industrial residues and demolition). Rheinberg will be the first soda ash plant in the world powered primarily with renewable energy. Completion of the coal phase out program is expected in Green River in the fourth quarter of 2023 and Dombasle in the fourth quarter of 2024, with Torrelavega and Devnya beginning to partially substitute coal with biomass while their full coal phase out program is being designed. EssentialCo aims to use only sustainable biomass, as defined by the European Renewable Energy Directive.

  - *Satisfying new power needs from renewable energy sources*:

    This is reflected in power purchase agreements signed for Peroxides as well as a program for the installation of solar panels beginning in 2022. In addition, from 2023 onward, EssentialCo's Voikkaa hydrogen peroxides production site in Finland will operate on 100% wind-generated electricity. This is the result of a ten-year utility power purchasing

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[1] EssentialCo's "focus five" categories of Scope 3 GHG emissions are (1) purchased goods and services (Category 1), which include impacts of upstream transportation and distribution (Category 4) and waste generated in operations (Category 5), (2) fuel- and energy-related activities (Category 3), (3) processing of sold products (Category 10), (4) use of sold products (Category 11) and end-of-life treatment of sold products (Category 12). Further information on Scope 3 GHG emissions definitions and categories, and EssentialCo's calculation measurement methodology, can be found in Section 5.10.3.1, "*Greenhouse gas (GHG) emissions*."

agreement, signed with Statkraft, that will help to decarbonize the production of hydrogen peroxide at the site.

- *Process upgrades and raw materials sourcing designed to reduce emissions*:

  This includes upgrade projects in the Soda Ash business unit, such as a GHG abatement project at the Green River facility (with operations expected to start in the fourth quarter of 2024), as well as the longer-term implementation of the new soda ash process innovation described in Section 5.3.1.1(d), "*Soda Ash and Derivatives – Production processes and facilities*" of the Information Document ("**e.Solvay**"). In Green River, thanks to the GHG abatement project and coal phase out, Scope 1 and 2 GHG emissions are expected to decline on a net basis by approximately 20% despite the capacity expansion which will come on stream by the end of 2024 (as compared to 2021). In addition, the longer term implementation of the e.Solvay process may lead to a 50% reduction in CO_2 emissions as compared to the current process. In Peroxides the focus will be on the reduction of steam consumption and energy excellence, including the use of decarbonized hydrogen (as launched in the Rosignano plant). The Silica business unit is implementing a pilot program to produce silica based on rice husk ashes in its Livorno plant, and it is also investing in replacing a heavy-fuel using furnace with an electric furnace (producing silicate) in its Collonges facility.

- *Improving the quality of life of its employees and communities*:

  EssentialCo will continue to improve the quality of life of its employees and communities by:

  - Implementing a code of business integrity, including a yearly training and sign-off for all employees, and Speak Up, a compliance speak-up hotline (also for suppliers).
  - Improving the quality of life of its employees and communities by working towards an occupational safety goal of zero accidents and zero RIIR (Reportable Injury & Illness Rate, per 200,000 work hours) by 2030.
  - Building on Solvay's social program, Solvay Cares, to guarantee all EssentialCo employees globally minimum social benefits, including 16 weeks of parental leave for all parents (available to any co-parent regardless of country, employment type and sexual orientation which went into effect at the start of 2021 while also covering parents who adopt), health insurance, and disability and life insurance.
  - Continuing to share growth and enhance employee belonging through an employee share plan, following the plan launched by Solvay in 2022 in the 22 countries in which local regulations permitted them to offer it.
  - Continuing its commitment to diversity, equity and inclusion by building on the progress that began with Solvay's One Dignity program launched in 2021. This includes carrying over steps taken to foster gender equality, including equitable pay, fair hiring and equal career development. EssentialCo aims to conduct a yearly employee survey to analyze the inclusive employee experience, and to use Speak Up to allow employees to highlight any non-inclusive behaviours. EssentialCo also intends to follow through on efforts to aim for a target of gender parity in mid and senior management in the next ten years.
  - Building on Solvay's labor rights commitments under the Global Framework Agreement with IndustriALL, signed on March 31, 2022, including safety, diversity, equity and inclusion, remote work rights and workers' rights to health and safety.
  - Continuing its advancement of the ten principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption, reporting annually on its progress.

- Reducing inequalities by committing to pay a living wage to all of EssentialCo's employees by 2026 (as defined by the Global Living Wage Coalition) in accordance with the United Nations Global Compact Forward Faster "Living Wage" initiative.
- Ensuring that sustainability remains a significant part of EssentialCo's long-term share incentive and short-term cash incentive plans.

5.10 Environmental, Social and Governance

Section 5.10, "*Environmental, Social and Governance*," of the Information Document is replaced and superseded by the following updated version:

5.10.1 Overview

EssentialCo is committed to society, driving the energy transition and process innovation to reach a zero carbon footprint as it makes progress on its environmental, social and corporate governance ("**ESG**") goals. Its targets include climate-related initiatives, social initiatives including the health, welfare and career of EssentialCo's employees, and governance goals, including ensuring the integration of EssentialCo's ESG commitments into its business and reporting. A robust framework entailing suitable processes, competencies and oversight is expected to be put in place to ensure such goals are embedded into its business and reporting.

Solvay has committed to carbon neutrality on Scope 1 and 2 GHG emissions by 2050 for the EssentialCo businesses, with a reduction in Scope 1 and 2 GHG emissions of 30% by 2030, and a reduction in upstream and downstream Scope 3 GHG emissions of 20% in its "focus five" categories by 2030, each as compared to 2021. It also aims to phase out its use of coal for energy production where renewable alternatives exist by 2030.

5.10.2 Selected historical ESG information

The following tables set forth certain historical ESG information for the businesses that will be part of EssentialCo, derived from the similar information established by Solvay. Certain terms used in these tables are defined in Section 5.10.3, "*Definitions and perimeter.*"

	2022	**2021**	**2020**	**2019**	**2018**
GHG Scope 1-2 (Mt eq CO_2)(1) (2)	8.5	9.0	8.0	9.3	9.0
Solid fuels (PJ)(2)	28.3	27.2	26.9	30.8	32.2
% of women in senior and middle management(2)	28.5	28	26.1	25.4	24.8
Occupational safety - RIIR (per 200,000 hours) (2)(3)	0.29	0.4	n/a	n/a	n/a
Occupational safety - MTAR (per million work hours)(4)	*n/a*	*n/a*	*0.51*	*0.44*	*0.47*

(1) For 2022, internal transfers of energy within Solvay that will be accounted for as transfers from SpecialtyCo to EssentialCo (external transfers) following the Legal Reorganization and the Partial Demerger represented 0.04 Mt eq CO_2 of Scope 1 GHG emissions. EssentialCo's Scope 1 GHG emissions will be decreased, and its Scope 2 GHG emissions will be increased, by this amount.

(2) This performance indicator is the subject of an independent assurance report by Deloitte, as set forth in Annex II to this Supplement (the "**Deloitte Limited Assurance Report**") for the financial years ended December 31, 2018-2021, when applicable, and an independent assurance report by EY, as set forth in Annex III to this Supplement (the "**EY Limited Assurance Report**") for the financial year ended December 31, 2022.

(3) In 2020, EssentialCo began using the Reportable Injury & Illness Rate (RIIR): number of reportable injury or illness per 200,000 work hours.

(4) Prior to 2020, EssentialCo was using the Medical Treatment Accident Rate (MTAR): number of work accidents leading to medical treatment other than first aid per million working hours. The MTAR has been included here for historical illustration, but as the definition for a reportable accident used for calculating the MTAR differs significantly from that used in calculating the RIIR, it cannot be used for comparative purposes with the RIIR.

5.10.3 Definitions and perimeter

This section provides definitions of certain terms used in the tables presented in Section 5.10.2, "*Selected historical ESG information*," and/or referred to in Section 5.1.3, "*EssentialCo's strategy – Commitment to the environmental transition to drive value creation*" and the perimeter description. These definitions are derived from the same definitions historically used by Solvay, and may be subject to change as EssentialCo determines its future objectives.

In preparing the information presented in Section 5.10.2, "*Selected historical ESG information*," EssentialCo has estimated the allocation of historical ESG information for EssentialCo based on current plans for the implementation of the Legal Reorganization and the Partial Demerger. As a general principle, the historical ESG information of the Essential Businesses (including Soda Ash and Derivatives, Peroxides, Silica, Special Chem and Coatis) were allocated 100% to EssentialCo and the historical ESG information of the Specialty businesses were allocated 100% to SpecialtyCo.

5.10.3.1 *Greenhouse gas (GHG) emissions*

EssentialCo uses the following references to address GHG emissions:

- the Guidance for Accounting and Reporting Corporate Greenhouse Gas Emissions (GHG) in the Chemical Sector Value Chain published by the World Business Council for Sustainable Development; and
- the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

EssentialCo's GHG emissions include carbon dioxide, methane, nitrous oxide and certain fluorinated gasses (such as hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride).

To better reflect its sustainability policy, EssentialCo uses the market-based method to calculate CO_2 emissions associated with purchased electricity (Scope 2). To comply with Global Reporting Initiative requirements, EssentialCo applies the following criteria (in decreasing order of priority) when selecting the CO_2 emission factor of each electricity supply contract:

- Energy attribute certificates: emission factors resulting from specific instruments such as green energy certificates;
- Contract based: the emission factor obtained from contract agreements on specific sources for which there is no emission of specific attributes;
- Supplier or utility emission rates: the emission factor disclosed as a result of the supplier's retail mix;
- Residual mix: if a residual mix is unavailable, grid average emission factors are used as a proxy; and
- Location based: if none of the above factors are available, EssentialCo uses the national emission factor published by national authorities or the International Energy Agency. Based on a World Resources Institute (WRI) recommendation, Emissions and Generation Resource Integrated Database (eGRID) emission factors published by EPA are used for the US, instead of the state emission factor. Similarly, grid emission factors published by the Ministry of Ecology and Environment are used for China, instead of the state emission factors.

For Scope 1 and 2 GHG emissions, figures for 2018 to 2022 have not been restated. In particular, figures from 2018 to 2022 have not been restated to account for internal transfers of energy within Solvay that will be accounted for as transfers from SpecialtyCo to EssentialCo (external transfers) following the Legal Reorganization and the Partial Demerger.

For Scope 3 GHG emissions, emissions are categorized according to the Greenhouse Gas Protocol corporate value chain (Scope 3) accounting and reporting standard and the GRI-305 Sustainability Reporting Standard. Scope 3 GHG sources include emissions upstream and downstream of EssentialCo's activities. Categories include (1) purchased goods and services, (2) capital goods (3) fuel- and energy-related activities not included in Scope 1 or Scope 2 GHG emissions, (4) upstream transportation and distribution, (5) waste generated in operations, (6) business travel, (7) employee commuting, (8) upstream leased assets, (9) downstream transportation and distribution, (10) processing of sold products, (11) use of sold products, (12) end-of-life treatment of sold products, (13) downstream leased assets, (14) franchises and (15) investments.

The Scope 3 GHG emission levels for 2021 identified in Section 5.1.3, "*EssentialCo's strategy – Commitment to the environmental transition to drive value creation*" only encompass EssentialCo's "focus five" categories of Scope 3 GHG emissions, which includes Categories 1, 3, 10, 11 and 12. Scope 3 GHG emissions have been measured with Solvay's historical methodology, whereby impacts of Categories 4 and 5 are included in Category 1. This methodology is currently under review for specific sub-sections of Categories 1, 10, 11 and 12. If the methodology is amended, this could lead to quantitative changes in the amount of EssentialCo's Scope 3 GHG emissions levels from its "focus five" categories. Any such impact of these changes in the year of implementation will be retroactively applied to EssentialCo's 2021 Scope 3 GHG emissions. The restated 2021 Scope 3 GHG emissions would serve as the baseline emissions level for EssentialCo's 2030 reduction ambition identified in Section 5.1.3, "*EssentialCo's strategy – Commitment to the environmental transition to drive value creation*."

Further, EssentialCo applied the following assumption in preparing the Scope 3 GHG emissions information and estimating Scope 3 GHG emissions from its "focus five" categories upstream and downstream in Section 5.1.3, "*EssentialCo's strategy – Commitment to the environmental transition to drive value creation*": for categories (i) purchased goods and services (Category 1 which include impacts of upstream transportation and distribution (Category 4) and waste generated in operations (Category 5)) and (ii) fuel- and energy-related activities (Category 3) not included in Scope 1 or Scope 2 GHG emissions, internal transfers within Solvay that will be accounted for as transfers between SpecialtyCo and EssentialCo following the Legal Reorganization and Partial Demerger have been accounted for as external transfers. In addition, Scope 3 GHG emissions levels have been restated to reflect the exit of the Onsan plant in Korea at the end of February 2022.

5.10.3.2 *Energy*

Solid fuels are various forms of material used in energy production, such as coal and petcoke. Coke, anthracite or fuels used in other processes, *e.g.*, as raw material in the soda ash production process, are not included.

5.10.3.3 *Employee health and safety*

Employee health and safety management encompasses occupational safety, industrial hygiene and occupational health. Occupational safety is about preventing work related injuries. Accidents are mostly linked to falls at the same level, human energy, such as pushing, pulling or striking an object, and exposure while opening a line or system. Industrial hygiene management encompasses the assessment, monitoring and management of workers' potential exposures to ergonomic, chemical and physical hazards. Occupational health includes all the preventive actions undertaken in order to protect and promote physical and psychological health at work, both collectively and for each individual EssentialCo employee.

In mid-2020, EssentialCo began using the U.S. Occupational Safety and Health Act definitions of occupational accidents in order to comply with GRI Sustainability Reporting Standards and enable comparisons outside EssentialCo. These are as follows:

- Occupational accident: a work related unexpected and undesirable event resulting in damage or harm, namely injury or illness. Accidents on the way to or from home are not considered as work related unless the worker was traveling for EssentialCo at the time of the accident.
- Reportable Injury and Illness rate (RIIR): the number of reportable injury or illness per 200,000 work hours.

In preparing the occupational safety information presented in Section 5.10.2, "*Selected historical ESG information*," EssentialCo applied the following assumptions:

- Approximately 40% of the Solvay R&I, Functions, and Corporate employees were allocated to EssentialCo, although such allocation is provisional.
- Employees of Solvay Business Services, Digital Technology and Digital and Information Technology, who provide services to be covered in the TSA, were allocated to EssentialCo.

5.10.3.4 *Percentage of women in senior and middle management*

The percentage of women in middle and senior management is calculated by dividing the total of employees having identified as woman and with a grade of S19 or above, according to the Solvay grading system based on Hay classes, by the total of all employees with a grade of S19 or above. Grades S19 to S22 reflect middle leadership roles—with positions across businesses and functions with generalist and specialist mandates—and grades S23+ reflect senior leadership roles. The GRI 405 standard is used as reference.

EssentialCo applied the following assumptions:

- Employees assigned in the HR IT system to Coatis, Silica, Peroxides, Soda Ash & Derivatives and Special Chem were all allocated to EssentialCo.
- Employees assigned to Aroma, Materials, Novecare and Oil & Gas were not allocated to EssentialCo.
- Employees assigned to Digital Technologies and Solvay Business Services were allocated to EssentialCo.

6. LEGAL REORGANIZATION AND PARTIAL DEMERGER

Chapter 6, "*Legal Reorganization and Partial Demerger*" of the Information Document is amended by this Supplement as follows:

- Section 6.4, "*The Partial Demerger*" of the Information Document is replaced and superseded by the following updated versions;
- the introduction to Section 6.5, "*Agreements between Solvay and Syensqo relating to the Partial Demerger*," Section 6.5.1, "*Separation Agreement*," Section 6.5.2, "*Transition Services Agreement*," and Section 6.5.3, "*U.S. Tax Matters Agreement*" of the Information Document are replaced and superseded by the following updated versions; and
- such Chapter 6 should also be read in conjunction with the new Section 6.6, "*Liability management transactions*" below.

6.4 The Partial Demerger

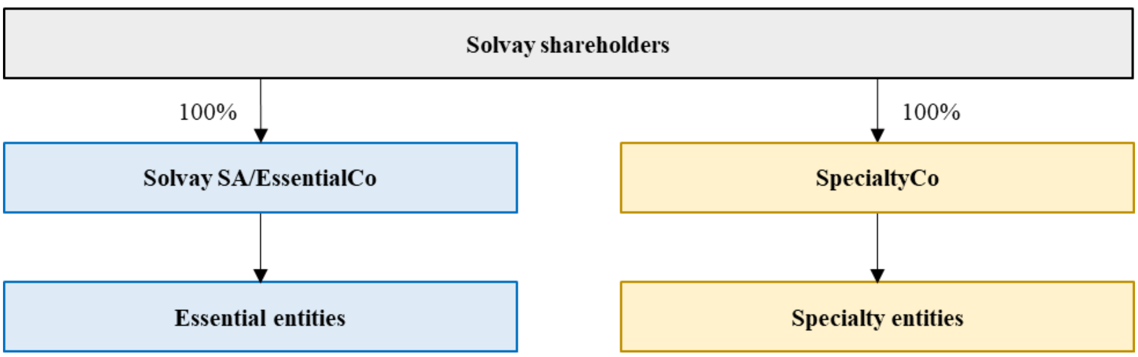
6.4.1 Description

Pursuant to the Partial Demerger, the Other Solvay Group Businesses will be separated from Solvay.

As part of the Partial Demerger, Solvay will contribute the shares and other interests held by Solvay in the legal entities operating the Other Solvay Group Businesses, its rights and obligations under the agreements entered into with those legal entities, as well as certain other assets and liabilities, under a universal succession regime (*transmission à titre universel*/*overgang onder algemene titel*) to Syensqo by way of partial demerger (*scission partielle*/*partiële splitsing*) of Solvay in accordance with Article 12:8, 1° of the Belgian *Code des sociétés et des associations* ("**BCCA**"), with the Essential Businesses remaining in EssentialCo. In return, the share capital of Syensqo will be increased and new shares of Syensqo will be issued and allocated directly to Solvay's shareholders upon completion of the Partial Demerger ("**Solvay's Existing Shareholders**").

A detailed list of the shares and other interests in legal entities, agreements, assets and liabilities to be contributed by Solvay to Syensqo pursuant to the Partial Demerger is included in the Partial Demerger Proposal, which is available on Solvay's website (www.solvay.com).

The simplified structure of the Group and SpecialtyCo immediately after the Partial Demerger is expected to be as follows:



6.4.2 Procedure

In preparation of the Partial Demerger, the boards of directors of Solvay and Syensqo have approved a joint partial demerger proposal, respectively on October 17, 2023 and October 20, 2023, which is available on Solvay's website (www.solvay.com) (the "**Partial Demerger Proposal**"). In accordance with Belgian law, the Partial Demerger Proposal has been filed with the clerk's office of the Enterprise Court of Brussels six (6) weeks prior to the date of the extraordinary general meetings of Solvay and Syensqo to be convened to vote on the Partial Demerger Proposal (the "**EGMs**").

The Partial Demerger Proposal will then be presented to the EGMs, which will be held on December 8, 2023.

The Partial Demerger will become effective if the Partial Demerger Proposal is approved, during the EGMs, by shareholders representing 75% of the votes validly cast and provided at least 50% of the share capital is present or represented. If the 50% quorum is not reached at Solvay's EGM, a new EGM of Solvay will be convened on December 29, 2023 at which the 50% quorum requirement will not apply. The special majority requirement of 75%, however, would remain applicable at such second EGM.

6.4.3 Exchange ratio

In consideration for the contribution by Solvay of the shares and other interests in legal entities, agreements, assets and liabilities set out in the Partial Demerger Proposal to Syensqo, Solvay's Existing Shareholders will receive new shares of Syensqo on the basis of their respective shareholding in Solvay and the 1:1 exchange ratio determined in the Partial Demerger Proposal. As a result, Solvay's Existing Shareholders will receive one (1) share in Syensqo for each Share they own as at the Effective Time.

The consideration for the contribution of the Other Solvay Group Businesses will solely consist of new shares of Syensqo. Solvay's Existing Shareholders will not receive any additional cash amount (premium).

By way of exception, no shares of Syensqo will be issued or allocated to Solvay, Syensqo or any persons acting in their own name but on behalf of Solvay or Syensqo, to the extent they would own any Shares as at the Effective Time, in accordance with Article 12:71, §2 of the BCCA.

6.4.4 Conditions for the EGMs to be held

In accordance with the Partial Demerger Proposal, the EGMs will be held once the following approvals have been obtained:

- the approvals required from the FSMA with regard to Syensqo's prospectus related to the admission to trading of Syensqo's shares on the regulated markets of Euronext Brussels and Euronext Paris (which comprises Syensqo's registration document, registration document supplement, a securities note and a summary of the prospectus in accordance with Articles 6 and 10 of the Prospectus Regulation) (the "**Syensqo Prospectus**"), which have been obtained on November 15, 2023. In addition, at the request of Syensqo, the FSMA will also notify the Syensqo Prospectus to the French *Autorité des marchés financiers* and the European Securities and Markets Authority pursuant to Article 25 of the Prospectus Regulation, such notification being expected to occur before the EGMs.

- the approval by Euronext Brussels SA/NV and Euronext Paris S.A. of the admission to trading of Syensqo's shares on the regulated markets of Euronext Brussels and Euronext Paris, respectively, which are expected to be received before the EGMs.

6.4.5 Effective Time and accounting and tax retroactivity

If the Partial Demerger is approved by Solvay's EGM and Syensqo's EGM, the Partial Demerger will be effective at 00:00 a.m. CET on the first calendar day after the date on which the last EGM approving the Partial Demerger is held (the "**Effective Time**").

As a result of the Partial Demerger, the share capital of the Company will be reduced by an amount of EUR 1,351,562,792.82. Upon completion of the Partial Demerger, the share capital of the Company will be EUR 236,583,447.18.

Subject to Belgian law, the Partial Demerger will be deemed to enter into effect retroactively as from July 1, 2023, but solely for Belgian accounting and tax purposes (the "**BE GAAP Accounting and Tax Effective Date**"), so that, for such purposes, (i) Syensqo will be deemed to have had the use of all the assets of Solvay contributed to Syensqo as part of the Partial Demerger as from the BE GAAP Accounting and Tax Effective Date; (ii) all transactions of Solvay relating to the shares and other interests in legal entities, agreements, assets and liabilities contributed to Syensqo as part of the Partial Demerger will be treated as being those of Syensqo as from the BE GAAP Accounting and Tax Effective Date; and (iii) all of the profits and losses derived from such transactions for the period starting as from the BE GAAP Accounting and Tax Effective Date will be deemed realized by Syensqo. The accounting and financial information regarding the shares and others interests in legal entities, agreements, assets and liabilities contributed to Syensqo as part of the Partial Demerger and included in Solvay's statutory financial statements prepared in accordance with Belgian GAAP will be reflected in the statutory financial statements of Syensqo prepared in accordance with Belgian GAAP.

6.4.6 Indicative timetable

Subject to acceleration or extension of the timetable for, or withdrawal of, the Partial Demerger, the timetable below lists certain key milestones relating to the Partial Demerger and the admission to trading of Syensqo's shares on Euronext Brussels and Euronext Paris. This timetable remains subject to decisions of the Board of Directors of Solvay and of the board of directors of Syensqo, decisions of the extraordinary shareholders' meetings of Solvay and Syensqo, and general market conditions.

Event	**Time (CET) and date**
Publication of the Supplement	November 15, 2023
Approval of the Syensqo Prospectus by the FSMA	November 15, 2023
Euronext notice announcing the Partial Demerger (including an indicative timetable)	November 27, 2023 (at the latest)
Euronext Brussels SA/NV notice announcing the admission of Syensqo's shares to trading on Euronext Brussels	November 27, 2023 (at the latest)
Euronext Paris S.A. notice announcing the admission of Syensqo's shares to trading on Euronext Paris	November 27, 2023 (at the latest)
Extraordinary shareholders' meeting of Solvay approving the Partial Demerger	December 8, 2023 at 10:30 a.m.*
Extraordinary shareholders' meeting of Syensqo approving the Partial Demerger	December 8, 2023 (following the extraordinary shareholders' meeting of Solvay held on the same day)
Euronext notice relating to the technical reference price of the Syensqo's shares	December 8, 2023 (after market close)
Partial Demerger becoming effective (Effective Time)	December 9, 2023 at 00:00 a.m.
Date of the determination of the holders of registered Shares entitled to receive shares of Syensqo issued pursuant to the Partial Demerger (record date)	December 9, 2023 at 00:00 a.m.
Commencement of trading of the Syensqo's shares under the ticker symbol "SYENS" on an "if-and-when delivered" (conditional upon delivery) basis	December 11, 2023 at 09:00 a.m.
Date of the determination of the holders of dematerialized Shares entitled to receive shares of Syensqo issued pursuant to the Partial Demerger (record date), taking into account the orders executed during the day on December 8, 2023 (inclusive)	December 12, 2023
Settlement-delivery of the Syensqo shares issued pursuant to the Partial Demerger	December 13, 2023

**If the attendance quorum is not reached at Solvay's EGM to be held on December 8, 2023, a second EGM will be convened with the same agenda on December 29, 2023 at 10.30 a.m. (CET) and the above timetable will be updated accordingly.*

Solvay and Syensqo may adjust the dates, times and periods provided in this timetable. If Solvay and Syensqo decide to adjust any date, time or period, Solvay and Syensqo will make this adjustment public through a press release, which will also be posted on Solvay's website (www.solvay.com).

6.4.7 Belgian tax ruling

Under Belgian tax law, the Partial Demerger qualifies for tax-neutral treatment for Belgian income tax purposes, in accordance with Articles 183*bis* and 211 of the Belgian *Code des impôts sur les revenus 1992*, provided that two conditions are fulfilled: (i) the company to which a contribution is made pursuant to the partial demerger must be a resident of Belgium or another EU Member State, and (ii) the partial demerger must not have as its main or one of its main objectives tax evasion or tax avoidance. The Office for Advance Tax Rulings (*Service des Décisions Anticipées en matière fiscale/Dienst Voorafgaande Beslissingen in fiscale zaken*) of the Belgian tax administration (the "**Belgian SDA**") has confirmed in a tax ruling dated September 26, 2023 that these conditions are fulfilled and that the Partial Demerger will be carried out in a tax neutral way. Furthermore, the Belgian SDA has confirmed that the Partial Demerger will not give rise to any deemed dividend distribution for Solvay's existing shareholders. Consequently, no withholding tax will be due as a result of the Partial Demerger. As part of the Partial Demerger, the shares and other interests held by Solvay in the legal entities operating the Specialty businesses, the rights and obligations of Solvay under the agreements entered into with those legal entities, as well as certain other assets and liabilities (as those shares, interests, agreements, assets and liabilities are set out in the Partial Demerger Proposal) will be transferred to Syensqo at historical tax value in the hands of Solvay (no "step up in basis"). Also, Solvay's deferred tax assets and tax components of its equity will be divided between Solvay and Syensqo after the Partial Demerger, pro rata the fiscal net value of their assets.

6.4.8 U.S. tax ruling and related restrictions on EssentialCo

The rules for determining whether a distribution such as the Partial Demerger and the U.S. Spin-Off qualify for tax-free treatment for U.S. federal income tax purposes are complex and depend on all the relevant facts and circumstances. Solvay intends for the Partial Demerger and the U.S. Spin-Off to each qualify as a tax-free reorganization under Sections 368(a)(1)(D) and 355 of the U.S. Internal Revenue Code of 1986, as amended (the "**U.S. IRC**"). Solvay has received a private letter ruling from the U.S. Internal Revenue Service (the "**IRS**") confirming such qualification (the "**U.S. Tax Ruling**") except with respect to certain requirements under Section 355 of the U.S. IRC on which the IRS does not rule. In addition, Solvay expects to receive a tax opinion from Cleary Gottlieb Steen & Hamilton LLP substantially to the effect that the U.S. Spin-Off and Partial Demerger should qualify under Sections 368(a)(1)(D) and 355 of the U.S. IRC (the "**U.S. Tax Opinion**"), but the receipt of such U.S. Tax Opinion is not a condition to the Partial Demerger or the U.S. Spin-Off. The U.S. Tax Opinion will address those matters upon which the IRS will not rule, as discussed above, and will rely on the U.S. Tax Ruling as to matters covered by the U.S. Tax Ruling.

The U.S. Tax Ruling and the U.S. Tax Opinion are based on certain facts and assumptions, and certain representations and undertakings by EssentialCo and SpecialtyCo. If any of the facts, representations, assumptions or undertakings stated in the ruling request or the U.S. Tax Opinion is not correct or has been violated, the U.S. Tax Ruling could be revoked retroactively or modified by the IRS and/or the U.S. Tax Opinion may not be relied upon. Moreover, an opinion of counsel represents counsel's best legal judgment, is not binding on the IRS or the courts, and the IRS or the courts may not agree with the conclusions set forth in the U.S. Tax Opinion. Therefore, no assurances can be given that the U.S. Spin-Off or Partial Demerger (or certain associated transactions) will qualify for their intended U.S. tax treatment.

If the Partial Demerger and the U.S. Spin-Off do not qualify for tax-free treatment for U.S. federal income tax purposes, then, in general, SpecialtyCo's U.S. subsidiaries would be subject to material U.S. federal (and potentially state and local) income taxes as if they had sold to EssentialCo the U.S. businesses that will remain with EssentialCo following the Partial Demerger or the U.S. Spin-Off for their fair market value. In addition, the U.S. shareholders of Solvay at the time of the Partial Demerger who are U.S. taxpayers would generally be subject to tax as if they had received a dividend equal to the fair market value (at the time of the Partial Demerger) of the Syensqo shares that were distributed to them.

Even if the Partial Demerger and the U.S. Spin-Off each qualify as a tax-free transaction for U.S. federal income tax purposes, certain subsequent actions could cause the Partial Demerger and/or the U.S. Spin-

Off to be taxable. This could include, for instance, the disposition of certain businesses by EssentialCo or SpecialtyCo as part of a plan that includes the Partial Demerger or the U.S. Spin-Off. Similarly, if one or more persons acquire a 50% or greater interest (measured by vote or value) in the stock of EssentialCo or SpecialtyCo directly or indirectly (including through acquisitions of stock after the completion of the Partial Demerger), as part of a plan or series of related transactions that includes the Partial Demerger or the U.S. Spin-Off, then the U.S. Spin-Off may be taxable to SpecialtyCo, potentially subjecting Solvay to an indemnification obligation as discussed in Section 6.5.3, "*U.S. Tax Matters Agreement*." For this purpose, any direct or indirect acquisition of stock of EssentialCo or SpecialtyCo within two years before or after the Partial Demerger is presumed to be part of a plan that includes the Partial Demerger, although EssentialCo or SpecialtyCo may be able to rebut that presumption based on either applicable facts and circumstances or a "safe harbor" described in the U.S. tax regulations. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual in nature, and subject to a comprehensive analysis of the facts and circumstances of the particular case.

On October 31, 2023, Solvay and Syensqo entered into a U.S. tax matters agreement intended to (among other things) preserve the tax-free treatment of the Partial Demerger and U.S. Spin-Off for U.S. federal income tax purposes (the "**U.S. Tax Matters Agreement**"). See Section 6.5.3, "*U.S. Tax Matters Agreement*."

6.5 Agreements between Solvay and Syensqo relating to the Partial Demerger

Following completion of the Partial Demerger, Solvay and Syensqo will operate separately, each as an independent public company. On or prior to the completion of the Partial Demerger, Solvay and Syensqo intend to enter into several agreements, which are described below.

6.5.1 Separation Agreement

Solvay and Syensqo will enter into a separation agreement on or prior to Effective Time (the "**Separation Agreement**") to govern certain practical aspects of the separation of the two companies, as well as the allocation of certain liabilities, including environmental liabilities. The Separation Agreement will be effective until the thirtieth anniversary of the Effective Time (except with respect to claims relating to environmental liabilities, which can be made until twelve (12) months after the relevant statute of limitations expires, as described below). The Separation Agreement may not be terminated early without the written consent of each party.

6.5.1.1 *Separation and related matters*

The Separation Agreement will govern certain aspects of the separation of SpecialtyCo from the Group, including, among other arrangements, those relating to (i) the settlement and termination of certain intercompany balances and arrangements, (ii) the substitution, removal or release of legal entities that are part of the Group or SpecialtyCo, as applicable, in respect of certain third-party credit or other support obligations, as well as the provision of counter-guarantees (as described further below), (iii) the allocation of certain fees, costs and expenses incurred in connection with the Partial Demerger, (iv) the obtention and provision of insurance coverage, including a five-year run-off insurance policy for directors, officers and other individuals involved in the Partial Demerger, (v) undertakings relating to the implementation of the Legal Reorganization with respect to certain legal entities that are part of the Group or SpecialtyCo, (vi) the transfer to the other party of any assets (identified within 24 months of the Effective Time) allocated erroneously to the Essential Businesses or the Other Solvay Group Businesses, (vii) outstanding third-party consents under any contracts, permits, licenses or other authorizations, and (viii) standards of conduct in respect of contracts, permits, licenses and other authorizations that relate to, or are used in connection with, both businesses and which are unable to be divided, partially assigned, modified or otherwise replaced.

The Separation Agreement will also govern, among other matters, (i) certain employment matters, including mutual non-solicitation undertakings in respect of key employees and other personnel for a transitional period following completion of the Partial Demerger, and the transfer of all rights and obligations to Syensqo in relation to certain transferred employees' supplementary pension schemes in

Belgium, (ii) certain intellectual property matters, including payment and indemnification obligations in connection with employee inventions, the transfer, treatment and use of, and access to, know-how, relevant data and databases (including as may be co-owned by the parties) and the ownership and use of certain trademarks, (iii) certain accounting and reporting matters, including the preparation of the Solvay and Syensqo's financial statements and other reporting for a transitional period following completion of the Partial Demerger, (iv) certain tax matters, including the preparation of tax returns, the control over tax audits, the provision of a tax indemnification and the allocation of tax refunds or other credits (excluding U.S. tax matters, which are governed by the U.S. Tax Matters Agreement described in Section 6.5.3, "*U.S. Tax Matters Agreement*"), and (v) confidentiality obligations and rights to access archives, books and records of the other party subject to certain conditions.

6.5.1.2 *Environmental liabilities*

The Separation Agreement contains provisions to allocate to Solvay or Syensqo environmental liabilities for certain operating, closed or divested sites, including sites for which provisions have been established in Solvay's consolidated financial statements, and cross-indemnity obligations applicable where a party incurs claims, liabilities or expenses for sites allocated to the other party in the Separation Agreement.

Under the cross-indemnity provisions, each of Solvay, on the one hand, and Syensqo, on the other hand, will agree to indemnify the other party for certain environmental liabilities allocated to the other party. Such environmental liabilities may include, among other things, losses due to the presence of, releases of, or exposure to hazardous materials, as well as violations of, or noncompliance with, environmental laws, permits or orders, in each case which resulted from conduct or circumstances that occurred or existed prior to the Effective Time. The Separation Agreement includes provisions regarding the management of environmental claims, remediation obligations and related actions. The Separation Agreement will also provide that claims will be deemed to have been made, automatically, under the cross-indemnity provisions for specifically allocated environmental liabilities that are the subject of existing provisions as set forth in the consolidated financial statements of Solvay as of and for the six-month period ended June 30, 2023. For all other environmental liabilities that are subject to the cross-indemnity provisions, claims may be submitted for up to 12 months following the expiry of the relevant statute of limitations. The Separation Agreement also contains customary provisions aimed at avoiding double recoveries.

If either Solvay or Syensqo is subject to a change of control event, a merger or consolidation or a transfer of all or substantially all of its assets (including by means of a universal transmission or succession regime (*transmission à titre universel*)), in each case after the Effective Time, the other party may terminate this indemnity with respect to any new claims. For this purpose, a "change of control event" means an event by which a party, acting alone or in concert, reaches or crosses upwards an ownership threshold of 25% of the voting securities of Solvay or Syensqo (as the case may be), whether through the acquisition of voting securities or otherwise. However, a "change of control event" will not occur as a result of Solvac SA crossing such threshold downwards and subsequently crossing the same threshold upwards (acting alone), or as a result of a third party crossing the threshold due to declaring a concert relationship with Solvac SA, unless such third party would have crossed that threshold after disregarding the voting securities held by Solvac SA.

An indemnified party's indemnification rights under cross-indemnity provisions for environmental liabilities are non-transferable. If one of the parties transfers a site that is subject to a specific allocation of environmental liabilities, such party may provide a back-to-back undertaking to provide the acquiror with the practical economic benefits of the indemnification obligation, but the acquiror will not have the right to make any indemnification claims directly, and any back-to-back undertaking will be subject to the acquiror agreeing to be bound by undertakings substantially similar to the provisions of the Separation Agreement governing the management of environmental claims and remediation.

6.5.1.3 *Relationship matters*

The Separation Agreement will provide for the establishment of the Solvay-Syensqo Relationship Forum, a committee composed of members of senior management of both companies, to assist with the implementation of the Separation Agreement and the Partial Demerger and to act as a forum for the resolution of any disputes that may arise after the effective date of the Partial Demerger. The committee may establish subcommittees, which will include steering committees to address intellectual property- and environmental-related matters.

The parties to the Separation Agreement will also be subject to a mutual standstill relating to the shares of the other party that may be held by a party or one of its subsidiaries, which, upon the Effective Time, are expected to include only shares held by Solvay Stock Option Management SRL and Syensqo Stock Option Management SA. The Group and SpecialtyCo will also be restricted from transferring their shares in the other party to competitors active in the Chemical Industry or to known activist investors (or presenting themselves as such). The foregoing undertakings will apply for so long as any party or one of its subsidiaries holds shares in the other party.

6.5.1.4 *Indemnification and Counter-guarantees*

(a) Indemnification

Solvay, on the one hand, and Syensqo, on the other hand, will indemnify the other party and certain of their affiliated persons from and against any and all losses relating to, arising out of or resulting from any breach by the indemnifying party of the Separation Agreement. Other than for claims in respect of environmental liabilities, tax matters or counter-guarantees, the amount of an individual claim must exceed EUR 50,000, and neither party will be required to indemnify the other party for aggregate losses in excess of EUR 750 million.

(b) Counter-guarantees

To the extent that Solvay (or its subsidiaries), on the one hand, or Syensqo (or its subsidiaries), on the other hand, is unable to obtain the substitution, release or removal of members of their respective groups in respect of certain third-party credit or other support obligations, Solvay (or its relevant subsidiary), on the one hand, or Syensqo (or its relevant subsidiary), on the other hand, will be deemed to have granted a counter-guarantee to the other with respect to such third-party credit or other support obligation. In respect of each counter-guarantee, the relevant obligor will indemnify the other party and certain of their affiliated persons from and against any and all losses that may arise from or relate to the obligations that are subject to the counter-guarantee.

6.5.2 Transition Services Agreement

Solvay and Syensqo will enter into a transition services agreement on or prior to Effective Time (the "**TSA**"), effective as of the Effective Time for a non-renewable term of 24 months from such time, whereby Solvay and Syensqo (or their respective subsidiaries) will, to the extent that certain business functions and corporate functions have not been separated prior to the Effective Time, each provide to the other (or the other's respective subsidiaries) various services and support on an interim transitional basis. In particular, given that SpecialtyCo will not have certain internal corporate functions fully in place at the Effective Time (such as finance, legal, tax, human resources and payroll, IT and other support services), Solvay (or any of its subsidiaries) will provide support with such matters under the terms of the TSA. For instance, SpecialtyCo will initially rely on services provided by Solvay (or any of its subsidiaries) for a significant portion of its internal control function, as well as for IT support services (including sharing of IT systems and infrastructure and cyber operations and security). The services will generally commence as of the Effective Time and terminate on or before the second anniversary thereof. Services will generally be provided with the same level of care, skill and diligence (including with respect to dedicated resources, security and timing) provided during the course of a twelve (12)-month reference period (that ended June 30, 2023, prior to completion of the Partial Demerger). Upon termination of the TSA, the receiving party will bear wind-down charges covering certain restructuring costs incurred by the provider. Subject to certain exceptions (including losses arising as a result of the provider's fraud, willful misconduct or gross negligence), the liability of each party, in their capacity as a service provider under the TSA (directly or indirectly through its subsidiaries) will generally be limited to a multiple of the aggregate amount of fees payable for the provision of the service that gave rise to a contractual claim, as measured over the period of time for which such service was provided (subject to a maximum duration of twelve (12) months). The fees payable by Syensqo to Solvay have been determined internally within the Group using a limited mark-up, in line with Solvay's practice for internal servicing, and have not been the subject of independent bids. Following the split of the personnel and activities of the Group in the Legal Reorganization and the Partial Demerger, it is expected that, based on the assumed scope of services and related underlying cost structure, the annual aggregate fees for the services provided by Solvay (or any of its subsidiaries) under the TSA will amount to between EUR 150 million and EUR 200 million, while the annual aggregate fees for the services provided by Syensqo (or any of its subsidiaries) under the TSA will amount to between EUR 10 million and EUR 30 million.

6.5.3 U.S. Tax Matters Agreement

Consistent with the practice for similar transactions, Solvay and Syensqo entered into the U.S. Tax Matters Agreement in connection with the U.S. Spin-Off and Partial Demerger. The U.S. Tax Matters Agreement will govern Solvay and Syensqo's respective rights, responsibilities and obligations with respect to all U.S. tax matters, including with respect to U.S. tax liabilities (including, generally, responsibility and potential indemnification obligations for U.S. taxes attributable to each company's business and taxes and losses arising, under certain circumstances, in connection with the U.S. Spin-Off and the Partial Demerger), U.S. tax attributes, U.S. tax contests and U.S. tax returns.

With respect to certain U.S. taxes (and related losses) incurred in connection with the U.S. tax treatment of the U.S. Spin-Off and the Partial Demerger (and certain associated transactions), each company will generally be required to indemnify the other for any U.S. taxes (and certain related losses) resulting from (or relating to) the failure of the U.S. Spin-Off and the Partial Demerger (and certain associated transactions) to qualify for their intended U.S. tax treatment, where such taxes (or losses) are attributable to: (1) untrue representations and breaches of covenants made or agreed to in connection with the U.S. Spin-Off and the Partial Demerger (including representations and covenants made in connection with the U.S. Tax Ruling and U.S. Tax Opinion (as discussed in Section 6.4.8, "*U.S. tax ruling and related restrictions on EssentialCo*"), and covenants in the U.S. Tax Matters Agreement (e.g., covenants relating to the restrictions described further below that are designed to preserve the U.S. tax-free nature of the U.S. Spin-Off and the Partial Demerger)), (2) the application of certain provisions of U.S. federal income tax law to the U.S. Spin-Off or the Partial Demerger (for example, in connection with a change of control of either company (as discussed in Section 6.4.8, "*U.S. tax ruling and related restrictions on EssentialCo*")), or (3) any other actions or omissions within the party's control which give rise to U.S. taxes (or related losses) in connection with the U.S. Spin-Off or Partial Demerger.

Under the U.S. Tax Matters Agreement, Solvay and SpecialtyCo will be prohibited from taking actions that could reasonably be expected to cause the Partial Demerger or the U.S. Spin-Off (or certain associated transactions) to fail to qualify for their intended U.S. tax treatment, or that could jeopardize the conclusions of, or that are inconsistent with, the U.S. Tax Ruling or the U.S. Tax Opinion discussed in Section 6.4.8, "*U.S. tax ruling and related restrictions on EssentialCo*." Additionally, Solvay and Syensqo will agree (on behalf of themselves and their affiliates) to specifically refrain (subject to limited exceptions), for the two-year period following completion of the Partial Demerger, from engaging in acquisition, merger, liquidation, sale and redemption transactions with respect to its stock and assets that could jeopardize the tax-free status of the Partial Demerger or the U.S. Spin-Off for U.S. federal income tax purposes. For example, these restrictions could apply to: (i) issuing equity securities to satisfy financing needs; (ii) acquiring businesses or assets with equity securities; or (iii) engaging in mergers or asset transfers (including disposing of certain businesses) that could, in each case, be deemed part of a plan that includes the Partial Demerger or the U.S. Spin-Off and thus jeopardize the tax-free status of the Partial Demerger or U.S. Spin-Off for U.S. federal income tax purposes.

The U.S. Tax Matters Agreement will provide that Solvay and Syensqo will be permitted to take any of the restricted actions described above if they obtain the other party's consent, or if they obtain an IRS private letter ruling or a tax opinion that is reasonably acceptable to the other party to the effect that the action will not affect the U.S. tax-free status of the Partial Demerger and the U.S. Spin-Off. However, each of Solvay and Syensqo will be required to indemnify the other party against U.S. taxes (and certain related losses) that may arise if Solvay or Syensqo (or their respective affiliates), as applicable, takes any such restricted action and the receipt of any such consent, opinion or ruling will not relieve the party seeking to take such action from their indemnification obligations under the U.S. Tax Matters Agreement.

In addition, Solvay may be required to indemnify Syensqo (and vice versa) for certain adverse U.S. tax consequences that may result from the acquisition of a 50% or greater interest (measured by vote or value) in the stock of EssentialCo (as discussed in Section 6.4.8, "*U.S. tax ruling and related restrictions on EssentialCo*") or certain acquisitions of EssentialCo's assets, even if Solvay does not participate in or otherwise facilitate the acquisition. Finally, there are circumstances under which the parties have agreed to share liability for U.S. taxes (and certain related loses) relating to adverse U.S. tax consequences resulting from the failure of the U.S. Spin-Off or Partial Demerger (and certain associated transactions) to qualify for their intended U.S. tax treatment, where such failure does not relate to the specific actions or breaches (or the acquisition of stock or assets) of either party.

Neither Solvay's nor Syensqo's obligations under the U.S. Tax Matters Agreement will be limited in amount or subject to any cap.

6.6 Liability management transactions

Prior to the Partial Demerger, Solvay undertook various liability management exercises in respect of certain of its outstanding debt securities. The purpose of the liability management exercises was to repurchase or redeem certain debt securities, and to transfer liability for the remaining relevant debt securities or related guarantees to SpecialtyCo upon the Partial Demerger becoming effective. The liability management exercises were also intended to amend certain contractual provisions in certain of the debt securities to facilitate the implementation of the Partial Demerger as planned.

For a description of the pro forma target capital structure of EssentialCo as of June 30, 2023, taking into account the liability management transactions and the unwinding of certain receivables and payables within the Group following the Partial Demerger, *see* Section 8.14, "*Target capital structure*."

On September 4 and 5, 2023, Solvay announced the results of liability management transactions relating to certain senior and hybrid bonds denominated in euros. The transactions included:

- a request for consent of bondholders to the substitution, effective upon completion of the Partial Demerger, of Syensqo for Solvay as issuer of (i) the EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with first call date on December 2, 2025 (ISIN: BE6324000858) (the "**2025 Hybrid Bonds**"), (ii) the EUR 500,000,000 2.750% Fixed Rate Bonds due December 2, 2027 (ISIN: BE6282460615) (the "**2027 Bonds**"), and (iii) EUR 600,000,000 0.500% Fixed Rate Bonds due September 6, 2029 (ISIN: BE6315847804) (the "**2029 Bonds**"); and

- a tender offer relating to the EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Bonds with first optional redemption date of June 3, 2024 (ISIN: XS1323897725) (the "**2024 Hybrid Bonds**") issued by Solvay Finance S.A. and irrevocably guaranteed on a subordinated basis by Solvay (the "**Tender Offer**").

6.6.1 <u>The 2029 Bonds</u>

As a result of a trade between third parties on the last day of the consent solicitation in respect of the 2029 Bonds (resulting in concerns that votes cast in favor of the consent may not have been validly exercised), the meeting of the holders thereof scheduled for September 5, 2023 at the offices of Solvay did not take place, and Solvay subsequently exercised its issuer make-whole call under the 2029 Bonds terms and conditions. The redemption of the 2029 Bonds was funded with proceeds drawn from a new bridge facility entered into by Solvay in October 2023. The additional funding cost for the anticipated long-term refinancing of the 2029 Bonds is estimated at approximately EUR 20 million per year (after tax). The redemption notice was delivered on September 7, 2023, announcing the redemption date of October 9, 2023, in accordance with the terms and conditions of the 2029 Bonds. As a result, Solvay decided to terminate the consent solicitation in respect of the 2029 Bonds.

Given that the 2029 Bonds were redeemed with proceeds drawn from Solvay's bridge facility (as described above), the obligations under the bridge facility corresponding to the amount used for the redemption will be transferred to Syensqo upon completion of the Partial Demerger, as shown in Section 8.14, "*Target capital structure*" of this Supplement (instead of Syensqo's assumption of the 2029 Bonds presented in Section 8.8, "*Target Capital Structure*" of the Information Document).

Solvay announced on September 4, 2023 that it was investigating internally the circumstances of a trade between third parties on the 2029 Bonds. This internal investigation is now closed, and revealed that this trade was an isolated incident. In light of the conclusions of the investigation, Solvay is confident that it took the appropriate decisions upon and after becoming aware of the trade. The investigation has not identified any legal violations that might be attributed to Solvay.

6.6.2 The 2025 Hybrid Bonds, the 2027 Bonds and the 2024 Hybrid Bonds

At the meeting in respect of the 2025 Hybrid Bonds, the necessary quorum was achieved, the relevant extraordinary resolution was passed and the relevant condition was satisfied. As a result, Syensqo will be substituted for Solvay as issuer of the 2025 Hybrid Bonds, effective upon the completion of the Partial Demerger, and subject to the satisfaction or waiver of certain conditions set out in the consent solicitation notice.

At the meeting of the holders of the 2027 Bonds, the necessary quorum was achieved, the relevant extraordinary resolution was passed and the relevant condition was satisfied. As a result, Syensqo will be substituted for Solvay as issuer of the 2027 Bonds, effective upon the completion of the Partial Demerger, and subject to the satisfaction or waiver of certain conditions set out in the consent solicitation notice.

On September 8, 2023, Solvay Finance S.A. accepted all validly tendered 2024 Hybrid Bonds pursuant to the Tender Offer for purchase in cash in an aggregate principal amount of EUR 452,613,000 (representing approximately 90.52% in aggregate nominal amount of the outstanding 2024 Hybrid Bonds). Because it has purchased more than 90% of the initial aggregate principal amount of the 2024 Hybrid Bonds, Solvay Finance S.A. had the option, pursuant to the terms and conditions of the 2024 Hybrid Bonds, at any time, to redeem all of the remaining outstanding 2024 Hybrid Bonds that were not validly tendered for purchase pursuant to the Tender Offer at their principal amount together with any accrued and unpaid interest (including any deferred interest) up to the redemption date. Solvay Finance S.A. exercised this option on September 6, 2023, and redeemed the relevant 2024 Hybrid Bonds on September 13, 2023. The purchase of the 2024 Hybrid Bonds was financed with proceeds drawn under Solvay's bridge facility; the corresponding obligations will remain at Solvay and not be transferred to Syensqo at the time of the Partial Demerger.

Section 8.14, "*Target capital structure*" reflects the substitution of Syensqo as the issuer of the 2025 Hybrid Bonds and the 2027 Bonds, effective upon completion of the Partial Demerger.

6.6.3 The US Dollar Bonds

On September 27, 2023, Solvay announced that it intends to exercise its issuer make-whole call option under the terms of the indenture governing the 4.450% Senior Notes due 2025 issued by Solvay Finance (America), LLC for an amount outstanding of USD 800,000,000 and guaranteed by Solvay (CUSIP: 834423 AB1 / U8344P AB5) (the "**USD 2025 Bonds**"). Solvay Finance (America), LLC will be wholly-owned by a subsidiary of Syensqo after the Partial Demerger, and the USD 2025 Bonds are included as financial debt of SpecialtyCo in the combined financial statements. Solvay determined that the redemption of the USD 2025 Bonds offers the most value-creating outcome for holders of the USD 2025 Bonds. The redemption will take place on November 15, 2023 and will be funded with drawdowns on Solvay's bridge facility. Solvay's obligations in respect of the amounts drawn to redeem the USD 2025

Bonds will be transferred to Syensqo upon completion of the Partial Demerger, as shown and described in Section 8.14, "*Target capital structure*."

The 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) (the "**Cytec 2025 Bonds**") will remain outstanding for an amount of USD 163,495,000, as currently. Cytec Industries Inc. will be a SpecialtyCo subsidiary after the Partial Demerger, and the Cytec 2025 Bonds are included as financial debt of SpecialtyCo in the combined financial statements. Solvay will remain the guarantor of the Cytec 2025 Bonds and, effective upon completion of the contemplated Partial Demerger, Syensqo will provide a counter-guarantee to Solvay for any payments to be made under the Cytec 2025 Bonds.

6.6.4 2023 Hybrid Bonds

On October 5, 2023, Solvay announced that its subsidiary Solvay Finance S.A. would exercise its issuer call option pursuant to the terms and conditions of the EUR 500 million Undated Deeply Subordinated Fixed to Reset Rate Perp-NC10 Bonds (ISIN: XS0992293901) (the "**EUR 500 Million 2023 Hybrid Bonds**") irrevocably guaranteed on a subordinated basis by Solvay on the first call date (being November 12, 2023). As November 12, 2023 falls on a non-business day, repayment occurred, in accordance with the terms and conditions of the EUR 500 Million 2023 Hybrid Bonds, on November 13, 2023.

On October 20, 2023, Solvay announced the exercise of its issuer make-whole call option pursuant to the terms and conditions of the EUR 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds (ISIN: BE6309987400) (the "**EUR 300 Million 2023 Hybrid Bonds**," and together with the EUR 500 Million 2023 Hybrid Bonds, the "**2023 Hybrid Bonds**"). Repayment will occur on December 4, 2023.

The redemption of the EUR 500 Million 2023 Hybrid Bonds has been, and the redemption of the EUR 300 Million 2023 Hybrid Bonds is expected to be, financed with proceeds drawn under Solvay's bridge facility, and Solvay's obligations in respect of the amount of such drawings will not be transferred to SpecialtyCo at the time of the Partial Demerger, as described under Section 8.14, "*Target capital structure*."

7. OPERATING AND FINANCIAL REVIEW

Chapter 7, "*Operating and Financial Review*," of the Information Document should be read in conjunction with the following discussion and analysis of EssentialCo's results of operations for the first half of 2023:

The following discussion and analysis should be read in conjunction with (i) EssentialCo's Information Document dated June 30, 2023, in particular Chapters 7 and 8 of such Information Document, which contains definitions of certain Alternative Performance Measures used in this Business Review, and (ii) EssentialCo's unaudited pro forma interim financial information as of and for the six-month period ended June 30, 2023 (the "**EssentialCo H1 Financial Information**" or the "**Unaudited Pro Forma Interim Financial Information**"), including the basis of preparation note set forth in the Unaudited Pro Forma Interim Financial Information. The compilation of the Unaudited Pro Forma Interim Financial Information has been subject to a reasonable assurance engagement by EY, which has provided a reasonable assurance report on the Unaudited Pro Forma Interim Financial Information prepared in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Interim Financial Information has been prepared solely for purposes of illustration and does not necessarily reflect the actual results of operations and financial condition that EssentialCo would have had if the Partial Demerger had taken place on the dates set forth in the basis of preparation note set forth therein.

7.8 Selected pro forma financial information and alternative performance measures

The following table presents pro forma interim information from the Unaudited Pro Forma income statement for the six-month period ended June 30, 2023 and 2022. The table should be read in conjunction with the Unaudited Pro Forma Interim Financial Information presented herein, which presents the underlying information derived from the consolidated financial statements of Solvay, the combined financial statements of SpecialtyCo and the relevant adjustments, as well as notes that explain such adjustments.

Pro Forma	**Six months ended June 30,**	
(in EUR million)	**2023**	**2022**
Sales (incl. revenues from non-core activities)	3,326	3,867
of which revenues from non-core activities[2]	689	1,172
of which Net sales	2,637	2,695
Cost of goods sold	(2,519)	(3,197)
Gross margin	**807**	**670**
Commercial costs	(52)	(47)
Administrative costs	(221)	(235)
Research and development costs	(20)	(26)
Other operating gains and (losses)	2	348
Earnings from associates and joint ventures	18	19
Results from portfolio management and major restructuring	(39)	(21)
Results from legacy remediation and major litigations	(24)	(38)
EBIT	**471**	**671**
Cost of borrowings	(63)	(35)
Interest on loans and short term deposits	88	30
Other gains and (losses) on net indebtedness	1	9
Cost of discounting provisions	(21)	(7)
Result from equity investments measured at fair value	1	0
Profit/(loss) for the year before income taxes	**477**	**669**
Income taxes	(85)	(159)
Profit for the year from continuing operations	**392**	**510**

2 EssentialCo has an energy business consisting primarily of sales of excess energy from facilities it operates to serve its global business units, with revenue recorded as sales from non-core activities, and excluded from net sales.

Pro Forma (in EUR million)	Six months ended June 30, 2023	2022
Profit for the year from discontinued operations	0	1
Profit/(loss) for the year	**392**	**510**
Of which attributable to		
Solvay share	388	499
non-controlling interests	4	11

Solvay uses (and EssentialCo is expected to use) certain alternative performance measures in addition to the line items presented in the table above, as discussed in Section 7.3 of the Information Document, "*Alternative Performance Measures*." The following table sets forth certain alternative performance measures for EssentialCo presented on a pro forma basis.

Pro Forma (in EUR million)	Six months ended June 30, 2023	2022
Underlying EBITDA	723	582
Underlying EBITDA Margin	*27.4%*	*21.6%*
Underlying EBIT	565	426

7.9 Results of operations – six-month period ended June 30, 2023 compared with the six-month period ended June 30, 2022

7.9.1 Overview of results

Pro forma net sales decreased from EUR 2,695 million in the first half of 2022 to EUR 2,637 million in the first half of 2023, or 2.1% on a reported basis and 3.2% on an organic basis, driven by lower volumes in a weaker macroeconomic environment, which were partly offset by higher prices. The lower year-over-year volumes were broad-based across various end markets, including the construction, automotive and electronic industries.

Pro forma Underlying EBITDA was EUR 723 million in the first half of 2023, compared to EUR 582 million in the first half of 2022, representing an increase of 24.3% on a reported basis and by 24.1% on an organic basis. The year-on-year increase is due to positive net pricing offsetting lower volumes, as well as fixed cost discipline. Pro forma Underlying EBITDA margin (calculated as a percentage of net sales) of 27.4% in the first half of 2023 is 5.8 percentage points higher than in the first half of 2022, mainly as a result of net pricing despite lower volumes in a highly competitive environment.

Pro Forma Underlying EBIT was EUR 565 million in the first half of 2023 compared to EUR 426 million in the first half of 2022, representing an increase of 32.6%. Pro forma EBIT was EUR 471 million in the first half of 2023, compared to EUR 671 million in the first half of 2022, representing a decline of 29.8%. The difference reflects primarily significantly lower gains from CO_2 hedging transactions in the first half of 2023 compared to the first half of 2022, as well as restructuring charges in the first half of 2023 related to the separation project.

Pro forma profit for the period was EUR 392 million for the first half of 2023, compared to EUR 510 million for the first half of 2022.

7.9.2 Economic and market context

In the first half of 2023, the global economy softened, while inflation began to decline slowly. Services showed resilience despite slower demand, while manufacturing struggled. Growth slowed gradually in the United States and more rapidly in Europe and China.

Global manufacturing slowed towards the end of the first half of 2023. A weak demand environment finally weighed on factory output in June, which had improved in the prior four months on the back of improving supply chains as new orders fell continually over the past year. Gross output in the automotive industry increased 15% in the first half of 2023. The aerospace industry was up 18% in the first half of 2023. Gross output declined in the chemical industry by 1%; consumer goods by 2%, electronics by 8% and oil & gas by 16%. It improved in industrial applications by 2%, agro & feed by 6%, mining by 5% and building by 11%. (Source: Oxford Economics Industry Gross Output EUR based on OE Exchange Rate).

7.9.3 Key figures

Pro Forma (in EUR million except percentages)	**Six months ended June 30,** 2023	2022	**Change** H1 2023/H1 2022
Net sales	2,637	2,695	(2.1)%
Underlying EBITDA	723	582	24.3%
Underlying EBITDA margin	*27.4%*	*21.6%*	*5.8pp*
EBITDA	638	834	(23.5)%
Underlying EBIT	565	426	32.6%
Underlying EBIT margin	*21.4%*	*15.8%*	*5.6pp*
EBIT	471	671	(29.8)%
Profit (loss) for the year	392	510	(23.1)%
Capital expenditures	147	112	31.3%

7.9.4 Group performance

7.9.4.1 *Sales and net sales*

Pro forma sales totaled EUR 3,326 million in the first half of 2023, compared to EUR 3,867 million in the first half of 2022, including EUR 689 million in pro forma revenues from non-core activities in the first half of 2023, compared to EUR 1,172 million in the comparable period in 2022. The decline in revenues from non-core activities reflected primarily the impact of reduced prices in the energy business.

Pro forma net sales of EUR 2,637 million in the first half of 2023 represented a decline of 2.1% compared to the first half of 2022 (3.2% on an organic basis), due to lower volumes partly offset by increased pricing and a 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 compared to record sales in the first half of 2022.

The following table presents the main drivers of the changes in EssentialCo's pro forma net sales from the first half of 2022 to the first half of 2023.

H1 2022	Scope	Foreign Exchange Conversion	Volume & mix	Price	**H1 2023**
		(pro forma, in EUR million)			
2,695	28	1	(397)	310	**2,637**

Pro forma net sales decreased in all GBUs except Soda Ash & Derivatives. The following table sets forth a breakdown of EssentialCo's pro forma net sales by GBU in the first half of 2023 and the first half of 2022.

Net sales by GBU

Pro Forma (in EUR million except percentages)	Six months ended June 30, 2023	2022	H1 2023/H1 2022 Reported	Organic
Soda Ash & Derivatives	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)%*
CBS	7	2	*n.m.*	*n.m.*
Total	**2,637**	**2,695**	***(2.1)%***	***(3.2)%***

In Soda Ash & Derivatives, pro forma net sales improved 9.4% (7.9% organically) versus the first half of 2022. Volumes were lower due mainly to lower demand for flat glass used in construction, detergent, sodium bicarbonate (particularly in the US) and animal feed, as well as competition in the seaborne market. This was more than offset by sustained higher pricing.

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

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

Coatis pro forma net sales were down 23.1% (26.9% organically) in comparison to a very strong first half of 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 pro forma net sales decreased 3.5% (2.4% organically) due to weak demand in electronics, partially offset by higher prices.

Pro forma net sales declined in all geographical regions except Europe, in line with the general macroeconomic trends (as well as the normalization of the Coatis business, which is concentrated in Latin America). The following table shows the variation in pro forma net sales by region in the first half of 2023 and the first half of 2022.

Net sales by region

Pro Forma (in EUR million except percentages)	Six months ended June 30, 2023	2022	Change H1 2023/H1 2022
Asia and the rest of the world	711	774	(8.1)%
North America	453	462	(1.9)%
Europe	966	888	8.8%
Latin America	507	571	(11.2)%
Total Net Sales – EssentialCo	**2,637**	**2,695**	**(2.1)%**

Net sales declined in all end markets except agro, feed and food, reflecting the broad-based decline in volumes. The following table shows the variation in net sales by end market in the first half of 2023 and the first half of 2022.

Net Sales by end market

(in EUR million except percentages)	Six months ended June 30, 2023	2022	Change H1 2023/H1 2022
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%

7.9.4.2 *Gross margin, cost of goods sold and other expenses*

Pro forma gross margin was EUR 807 million in the first half of 2023, an increase of 20.4% compared to EUR 670 million in the first half of 2022. Gross margin as a percentage of net sales was 24.9% in the first half of 2022, and increased to 30.6% in the first half of 2023. Pro forma cost of goods sold declined from EUR 3,197 million in the first half of 2022 to EUR 2,519 million in the first half of 2023, a significant decline of 21.2% that reflected primarily lower energy prices.

With respect to other operating expenses, in the first half of 2023, EssentialCo recorded a slight increase in commercial costs, a decrease in administrative costs and research and development expenses and a significant decline in net other operating gains (reflecting the significant gain from CO_2 hedging transactions realized in the first half of 2022). See Section 7.10, "*Reconciliation of alternative performance measures for the six-month period ended June 30, 2023 and June 30, 2022*" for a description of the results from portfolio management and major restructuring.

7.9.4.3 *EBITDA and Underlying EBITDA*

The following table presents EssentialCo's pro forma EBITDA, EBITDA margin, Underlying EBITDA and Underlying EBITDA margin in the first half of 2023 and 2022 and the variation on a reported and organic basis.

Pro Forma (in EUR million)	Six months ended June 30, 2023	2022	H1 2023/H1 2022 Reported	Organic
Underlying EBITDA	**723**	**582**	**24.3%**	**24.1%**
Underlying EBITDA margin (calculated as a percentage of net sales)	***27.4%***	***21.6%***	***5.8pp***	
EBITDA	638	834	(23.5)%	
EBITDA margin (calculated as a percentage of net sales)	*24.2%*	*30.9%*	*(6.8)pp*	

The main differences between pro forma EBITDA and Underlying EBITDA are discussed in Section 7.10, "*Reconciliation of alternative performance measures for the six-month period ended June 30, 2023 and June 30, 2022*" below.

The following table provides the breakdown in the drivers of the changes in pro forma Underlying EBITDA between the first half of 2022 and the first half of 2023.

H1 2022	Scope	Foreign Exchange Conversion	Volume & mix	Net Pricing	Fixed Costs	Other	**H1 2023**
			(pro forma, in EUR million)				
582	2	(1)	(107)	273	(9)	(17)	**723**

Pro Forma Underlying EBITDA of EUR 723 million in the first half of 2023 increased by 24.3% (24.1% on an organic basis) compared to the first half of 2022, 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. This reflects the continuous focus of cost competitiveness across all the businesses. Overall, pro forma Underlying EBITDA margin thus improved by 5.8 percentage points year on year, to 27.4%.

Corporate and Business Services Underlying EBITDA improved from negative EUR 49 million in the first half of 2022 to negative EUR 13 million in the first half of 2023, mostly driven by the stabilization of the energy business. Excluding Corporate and Business Services, Underlying 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 (excluding Corporate and Business Services) of 28.0% in the first half of 2023, up 4.6 percentage points compared to the first half of 2022.

7.9.4.4 *Pro forma EBIT and Underlying EBIT*

Pro forma EBIT totaled EUR 471 million in the first half of 2023, compared to EUR 671 million in the first half of 2022. Pro forma Underlying EBIT totaled EUR 565 million in the first half of 2023 compared to EUR 426 million in the first half of 2022.

The following table presents pro forma EBIT and Underlying EBIT in the first half of 2023 and the first half of 2022 and the variation on a reported basis.

	Six months ended June 30,		**Change H1**
(in EUR million except percentages)	**2023**	**2022**	**2023/H1 2022**
Underlying EBIT	**565**	**426**	**32.6%**
Underlying EBIT margin	***21.4%***	***15.8%***	***5.6pp***
EBIT	471	671	(29.8)%
EBIT margin	*17.9%*	*24.9%*	*(7)pp*

7.9.4.5 *Profit (loss)*

Pro forma profit was EUR 392 million for the first half of 2023, compared to EUR 510 million for the first half of 2022. The decline in pro forma profit reflects the change in pro forma EBIT as well as increased cost of borrowings and interest on loans and short-term deposits (mainly from higher interest rates on intragroup balances with the Remaining Solvay Group), offset by lower income tax charges.

7.10 Reconciliation of alternative performance measures for the six-month period ended June 30, 2023 and June 30, 2022

The following table presents a reconciliation of pro forma Underlying EBIT and Underlying EBITDA to EBIT for the first half of 2023 and the first half of 2022. Certain terms are defined under "*Alternative performance measures – definitions*" below.

Pro Forma **(in EUR million)**	**Six months ended June 30,**	
	2023	**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 transactions	(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**

In the context of the plan to separate into two independent publicly traded companies, new restructuring initiatives were launched in the first half of 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 EUR 33 million was recognized in the first half of 2023 and is included in the results from portfolio management and major restructuring.

Gains and losses from CO_2 hedge transactions represented a gain of EUR 347 million in the first half of 2022 and a gain of EUR 10 million in the first half of 2023.

8. CAPITAL RESOURCES

Chapter 8, "*Capital Resources*," of the Information Document should be read in conjunction with the following discussion and analysis of EssentialCo's liquidity and capital resources as of and for the six-month period ended June 30, 2023:

8.9 Overview

EssentialCo's principal cash needs have historically consisted of cash used for working capital needs and capital expenditures. EssentialCo has historically met these needs principally from a combination of cash flows from operations and borrowings.

This section presents certain cash flow indicators, such as pro forma industrial working capital and capital expenditures. A pro forma cash flow statement has not been prepared. Therefore, the information on pro forma cash flows for EssentialCo is limited. See the consolidated financial statements of Solvay for more information about cash flows over the period.

8.10 Net working capital

EssentialCo analyzes pro forma net working capital which is calculated as inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities. The following table presents pro forma net working capital as of June 30, 2023 and December 31, 2022.

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

(1) The overall decrease in other current receivables and other current liabilities is largely driven by the fair value adjustments of energy-related financial assets and liabilities due to price decreases in gas and electricity in the first half 2023. As the fair value adjustments are on sale and purchase contracts of energy, they impact both assets and liabilities.

8.11 Capital expenditures

The following table presents EssentialCo's pro forma capital expenditures for the first half 2023 and the first half of 2022, broken down by segment.

Pro Forma	**For the six months ended June 30,**	
(in EUR million)	**2023**	**2022**
Total capital expenditures	147	112
Total capital expenditures as a percentage of net sales	*5.6%*	*4.2%*

In the first half of 2023, capital expenditures related mainly to maintenance and Health, Safety & Environment ("**HSE**") improvements of industrial sites. Some capacity expansion projects also progressed in the first half of 2023, including (i) the project to increase the production of naturally-manufactured sodium carbonate in the Green River facility in the United States and (ii) the project to expand the capacity of the HPPO unit in Antwerp, Belgium. Other capital expenditures related to leases (railcars, buildings), IT and research.

8.12 Financial debt

Pro forma net financial debt includes significant balances of cash pooling arrangements and loans within the Solvay Group to or from entities that will be transferred to SpecialtyCo. These arrangements will be eliminated prior to the Partial Demerger. *See* "*Target Capital Structure*." They are referred to in the unaudited pro forma statement of financial position as transactions with the "remaining Solvay group / SpecialtyCo."

EssentialCo's pro forma financial debt as of June 30, 2023 included long-term financial debt of EUR 1,385 million, current financial debt of EUR 242 million, long-term borrowings from SpecialtyCo of EUR 19 million and short-term borrowings and internal bank account liabilities from SpecialtyCo of EUR 1,309 million.

Pro forma cash and cash equivalents totaled EUR 1,022 million as of June 30, 2023, while "Other financial instruments" were EUR 158 million.

Long-term loans to SpecialtyCo were EUR 569 million, short-term loans to SpecialtyCo were EUR 1,777 million and internal bank account receivables with SpecialtyCo were EUR 603 million.

8.13 Provisions

As of June 30, 2023, provisions totaled EUR 1,497 million, composed of EUR 742 million with respect to employee benefits, EUR 106 million with respect to restructuring, EUR 441 million with respect to environmental remediation, EUR 69 million with respect to litigation and EUR 140 million in other provisions.

8.14 Target capital structure

The following discussion sets forth the target capital structure as of June 30, 2023, taking into account the results of the liability management transactions completed in September 2023. It should be read in conjunction with Section 6.6 "*Liability management transactions*" of this Supplement. Certain terms defined in Section 6.6 are used in the discussion below, including in particular the terms 2025 Hybrid Bonds, 2027 Bonds, 2029 Bonds, 2023 Hybrid Bonds, 2024 Hybrid Bonds, USD 2025 Bonds and Cytec 2025 Bonds.

The capital structure of EssentialCo following the Partial Demerger will be different from that shown in the Unaudited Interim 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, which will not impact EssentialCo's credit strength or cash generation capacity:

- The capital structure of EssentialCo shown in the Unaudited Interim Pro Forma Financial Information will be impacted by (i) the redemption in full of the USD 2025 Bonds (approximately EUR 736 million as of June 30, 2023) (given the transfer of the obligations used to finance such redemption to Syensqo upon completion of the Partial Demerger, as described below), (ii) the substitution of Syensqo for Solvay as issuer of the 2025 Hybrid Bonds (EUR 500 million) and the 2027 Bonds (EUR 497 million) following the consents granted by holders of those bonds, (iii) the purchase of all of the 2024 Hybrid Bonds pursuant to the Tender Offer and subsequent "clean-up" redemption, and (iv) the redemption in full of the 2029 Bonds.

- Solvay has entered into bridge facility agreements, as described below, pursuant to which it has drawn, or expects to draw, funds primarily for the purpose of financing the purchase of the 2024 Hybrid Bonds pursuant to the Tender Offer (EUR 500 million), the redemption of the 2023 Hybrid Bonds (EUR 800 million outstanding in aggregate), the redemption of the 2029 Bonds (EUR 600 million) and the redemption of the USD 2025 Bonds (approximately EUR 736 million as of June 30, 2023). The aggregate amount drawn by Solvay under the bridge facility agreements is expected to be approximately EUR 2,836 million (EUR 1,500 million for Solvay and EUR 1,336 million for Syensqo) and the remainder under other bank facilities for an amount of up to EUR 350 million. The amount drawn down under the bridge facility agreement that will be transferred to Syensqo upon completion of the Partial Demerger (EUR 1,336 million) corresponds to the amounts needed to refinance the 2029 Bonds and the USD 2025 Bonds and are not included in the table below. The amounts corresponding to the purchase of the 2024 Hybrid Bonds and the 2023 Hybrid Bonds will remain at Solvay are included in the table below. Any excess cash proceeds, after transaction costs and after taking into account liquidity requirements, will be transferred to Syensqo.

- 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 Interim Pro Forma Financial Information, as if such transactions took place on June 30, 2023, on the assumption that the bank facilities are drawn in the aggregate amount of approximately EUR 3,186 million by Solvay (as explained above), of which EUR 2,636 million will be used to refinance the 2023 Hybrid Bonds, the 2024 Hybrid Bonds, the 2029 Bonds and the USD 2025 Bonds, and that EUR 1,040 million of cash (including EUR 550 million of proceeds from the new financing) and EUR 1,336 million of bridge financing obligations will be transferred to Syensqo. The bridge facilities (one for Solvay and one for Syensqo) have been fully underwritten as of the date of this Supplement. The EssentialCo bridge facility provides for an initial term of twelve (12) months, with options for two six-month extensions at the borrower's option. Interest with respect to EUR amounts in the EssentialCo bridge facility accrues at the rate of one (1) month Euribor plus 55 basis points, subject to periodic step ups, as well as in the event of downgrades in the Company's credit rating below investment grade. The bridge facility is also subject to mandatory prepayment with proceeds from asset disposals exceeding a certain threshold or from new financing obtained after the funding of the bridge financing.

The table is hypothetical and is presented solely for illustration. It does not represent the actual capital structure that EssentialCo would have had if SpecialtyCo 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), and the costs of carrying out those transactions (which are not reflected in the table), and the amount of new financing (after costs) drawn down by Solvay.

Investors should read this table together with the Unaudited Interim Pro Forma Financial Information.

(in EUR 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			
2027 Bonds[1]	497	(497)	-
2029 Bonds[2]	597	(597)	-
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**

(in EUR 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)
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)**	**490**	**(531)**
Underlying net financial debt (f=a+b+c+d+e)......	**627**	**1,067**	**1,694**
Total business equity	**4,562**	**(2,867)**	**1,695**

(1) EUR 500 million principal amount (EUR 497 million carrying value) of Senior Notes due December 2027 issued by Solvay, to be transferred to Syensqo upon completion of the Partial Demerger.

(2) EUR 600 million principal amount (EUR 597 million carrying value) of Senior Notes due September 2029 issued by Solvay, which Solvay redeemed on October 9, 2023 pursuant to its call option.

(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 assumed to be approximately EUR 3,186 million, with EUR 1,336 million of new financing obligations transferred to Syensqo upon completion of the Partial Demerger, leaving new financing obligations of EUR 1,850 million for EssentialCo.

(5) Includes:
- the refinancing with proceeds from new bank facilities of
  - o the redemption of the 2023 Hybrid Bonds; and
  - o the repurchase of the 2024 Hybrid Bonds pursuant to the Tender Offer; and
- the transfer of the 2025 Hybrid Bonds to Syensqo upon completion of the Partial Demerger.

(6) The adjustment of a EUR 490 million net reduction of cash and cash equivalents includes the receipt of EUR 3,186 million of assumed proceeds from new financing, net of EUR 2,636 million used to refinance the 2023 Hybrid Bonds, the 2024 Hybrid Bonds, the 2029 Bonds and the 2025 USD Bonds, and EUR 1,040 million in cash transferred to Syensqo. Cash and cash equivalents are not representative of the situation at the date of the Partial Demerger as it does not take into account all the cash flows from June 30, 2023 until the Partial Demerger.

As of June 30, 2023, Solvay was the guarantor of the Cytec 2025 Bonds and the 2025 USD Bonds. The USD 2025 Bonds will be redeemed on November 15, 2023. Cytec Industries Inc. will be a SpecialtyCo subsidiary after the Partial Demerger. Solvay will remain the guarantor of the Cytec 2025 Bonds and, effective upon completion of the Partial Demerger, Syensqo will provide a counter-guarantee to Solvay under which Syensqo will agree to reimburse Solvay for any payments to be made under its guarantee of the Cytec 2025 Bonds.

10. TREND INFORMATION

Section 10.1, "*Trend Information*," of the Information Document should be read in conjunction with the following discussion:

10.1 Financial performance – Three months ended September 30, 2023

The trends observed in third quarter of 2023 reflect the continuing weak economic environment, as discussed in Section 7.9 of the Supplement, "*Results of Operations—Six-months-period ended June 30, 2023 compared with six-month period ended June 30, 2022*."

In the third quarter of 2023, EssentialCo recorded declining Underlying EBITDA compared to the third quarter of 2022, on both a reported and organic basis, driven mainly by lower volumes, partly offset by positive net pricing (in a context of lower variable costs) and lower fixed costs. Lower variable and fixed costs, however, offset in part the lower prices, resulting in a substantially stable Underlying EBITDA margin.

Soda Ash & Derivatives experienced reduced demand across most markets including construction, flat glass, and flue gas treatment. Prices were also lower as a result of lower energy costs. Peroxides' sales declined driven by continued weak demand in some markets such as textiles, electronics and the pulp & paper market. Prices decreased following the normalization of energy prices compared to high levels last year. Silica sales decreased mainly from lower volumes in the tire market while margins were sustained. Coatis sales declined, due mainly to weak demand in Brazil, Europe and the United States, as well as competitive price pressure. Special Chem sales decreased due to lower volumes in electronics, partly offset by automotive, while prices were slightly positive year-on-year. Results from Corporate & Business Services were lower, compared to the positive third party energy supply in the prior year.

10.2 Business developments since June 30, 2023

10.2.1 Solvay and Vancouver Bulk Terminal to build world-class soda ash shipping facility in the United States

On October 11, 2023, Solvay and Vancouver Bulk Terminal, a bulk commodity shipping and logistics expert, announced a strategic partnership to collaborate on the redevelopment of Terminal 2, Berth 7 at the Port of Vancouver USA, in Washington state.

Reconstruction is set to begin in 2024 and expected to be completed by early 2026. The facility is poised to become a key global outlet for the export of soda ash from North America emphasizing design, efficiency, and sustainability through the combined expertise and capabilities of Vancouver Bulk Terminal (VBT), the Port of Vancouver USA, and Solvay.

The newly designed terminal will have the capability to annually process more than 2.5 million tons of soda ash. The expanded capacity will support the previously announced expansion of Solvay's Green River, Wyoming soda ash operations. The terminal will also add crucial export capacity to the North American soda ash industry, which is recognized as the world's fastest-growing soda ash producing region.

Both companies and the port are enthusiastic about the partnership's potential impact on the soda ash sector and the broader economy.

10.2.2 Solvay to reduce CO_2 Emissions by 20% at Collonges, France Site

On October 2, 2023, Solvay announced its plans to construct a new electric furnace at its Silica Plant in Collonges, France with operations scheduled to start in 2025. This strategic shift towards clean energy sources anticipates a 20% reduction in CO_2 emissions related to Silica production activities.

This initiative marks one of the milestones in the plant's roadmap to shift away from fossil fuels towards more environmentally sustainable and economically competitive energy sources. It aligns with Solvay One Planet's overarching objective of achieving carbon neutrality by 2050.

This facility located near Lyon, France, produces silica for market applications such as green tires, battery separators, oral care and animal feed.

The project has received support from ADEME as part of the France 2030 Recovery Plan. This initiative adds to the 59 energy transition projects confirmed since 2019 across the Group, which altogether represent a reduction of 3.4 Mt of CO_2 emissions per year, equivalent to taking nearly two million cars off the road.

10.2.3 Launch of SCS Certified Rhodianyl Polymer with 100% Recycled Content

On July 11, 2023, Solvay announced the introduction of a new, specialized grade of Rhodianyl, made of 100% pre-consumer recycled polyamide, which is produced at its Santo Andre plant in Brazil. The product achieved SCS Recycled Content Certification, reaffirming Solvay's commitment to a circular economy.

The internationally recognized third-party certification body SCS Global Services performed a rigorous audit to verify the traceability of the Group´s entire manufacturing process, including scrap management and the cutting-edge depolymerization reaction, which generates the final 100% recycled polymer.

Rhodianyl can be applied in engineering plastics for the automotive, small appliances and textile markets. It complements Solvay's wide range of innovative and sustainable polymers for today's highest-quality textiles and fibers for the consumer goods industry.

This launch was also part of Solvay's ambition to reduce the environmental impact of its polyamide supply chain in Brazil. Several pioneering initiatives have been implemented in recent years, such as achieving a 95% reduction in CO_2 emissions at the Paulínia factory, obtaining the Gold Certification from the Wildlife Habitat Council for biodiversity preservation in its industrial areas, and launching a pioneering program for recycling polyamide uniforms, among other initiatives.

10.3 Financial outlook

EssentialCo believes it is well positioned to maximize cash generation and returns, with its leading positions and well-balanced geographical footprint across products benefiting from long-term growth trends, as well as its low-cost structure, developed over decades through its focus on markets with demand for essential products and intermediate chemicals. EssentialCo intends to harness its broad portfolio of technologies, products and expertise to consolidate its leading market position and sustain its cash generation and EBITDA growth, placing a significant focus on improving productivity and rationalization, undertaking strategic growth opportunities and pursuing distinct sustainability goals.

10.3.1 Assumptions

As part of the implementation of its strategy, EssentialCo has set a number of financial objectives and targets, which are presented below. These objectives and targets are based on data, assumptions and estimates considered reasonable by EssentialCo at the date of this Information Document Supplement, based on its expectations of future economic conditions and the anticipated impact of the successful implementation of EssentialCo's strategy. These data, assumptions and estimates on which EssentialCo has based its objectives and targets are likely to change or be modified during the period in question due to uncertainties related, in particular, to the economic, financial, competitive, tax or regulatory environment, market developments or other factors of which EssentialCo is not aware at the date of this document. The occurrence of one or more of the risks described in Section 1, "*Risk Factors*," of the Information Document could affect EssentialCo's business, commercial situation, financial situation, results or prospects and therefore affect its ability to achieve the objectives and targets presented below. Moreover, any financial objective expressed as an average over the 2024 to 2028 period (such as an average growth rate), or as a financial objective that is aimed to be achieved by 2028, should not be considered to be an objective or expectation with respect to any specific financial year (or any reporting period) prior to 2028. In particular, the Underlying EBITDA growth rate for any specific financial year in the 2024 to 2028 period could differ substantially from the average Underlying EBITDA growth rate that is targeted, even if such target is achieved.

EssentialCo's financial objectives are based on a number of assumptions concerning the evolution of the market and the economic environment. The main assumptions used by EssentialCo to establish its medium-term objectives and 2023 Underlying EBITDA target are as follows:

- Medium-term objectives:
  - sustained growth in demand for EssentialCo's main chemical products and intermediates, with average annual growth rates between 2022 and 2028 (i) aligned with GDP growth with respect to 75% of its product portfolio, and (ii) 25% of the product portfolio outpacing GDP growth for the following end markets, including average market annual growth between 20% and 25% in each of electronic-grade hydrogen peroxide and bio-sourced highly dispersible silica, between 15% and 20% in each of soda ash for lithium batteries, green solvents, hydrogen peroxide for battery recycling and urban mining, and between 9% and 11% in each of bicar for flue gas treatment and rare earth for permanent magnets for wind power and electric vehicles;
  - moderate growth in GDP, in line with forecasts available during the second half of 2023;
  - continuation of the megatrends driving each business units' main end-markets, as described in Section 5, "*Business Overview*" of the Information Document
  - the absence of any major change in the foreign exchange rates of the main countries outside the Eurozone in which EssentialCo generates its revenue compared with those observed during the nine months ended September 30, 2023;
  - the absence of any significant changes in raw material and energy prices compared to those observed in the second half of 2023, as well as developments in such prices consistent with available forecasts as of the date of this Supplement;
  - an average annual euro/dollar exchange rate in line with that of the nine months ended September 30, 2023 (with respect to the financial objectives); and
  - the absence of a significant change in the regulatory and tax environment existing as of the date of this Supplement.
- 2023 Underlying EBITDA target:
  - average annual exchange rate of USD 1.05 for EUR 1.00 (excluding hedging effects);
  - continuation of a challenging macroeconomic environment and corresponding weakness in demand, as described in Chapter 10, "*Trend Information*," resulting in reduced product volumes compared to 2022;
  - inflation rates of 5.9% globally, including 5.3% in the Eurozone for 2023, impacting EssentialCo's expenses, particularly its variable costs such as commodities (particularly energy) and logistics;

- successful continued implementation of EssentialCo's cost saving measures in 2023, mainly to generate operational efficiencies and other cost reduction measures to partially offset expected increases in fixed costs (which represent all operating costs, other than variable costs) as a result of anticipated inflation (as described further above);

- no or limited impact in 2023 from the dyssynergies expected to result from the Partial Demerger (as described further below);

- the absence of significant changes to the scope of consolidation or basis of preparation as compared to those used in the preparation of the Unaudited Pro Forma Financial Information and the Unaudited Pro Forma Interim Financial Information; and

- the absence of a significant change in the regulatory and tax environment existing as of the date of this Supplement. Medium-term financial objectives.

EssentialCo believes that the Partial Demerger will enable it to strengthen its market leading industry positions by enabling it to simplify its operations through optimization and standardization across its businesses. EssentialCo believes that in doing so, the Partial Demerger will offer it the ability to achieve further cost savings and to deliver attractive shareholder returns, while also pursuing several value creation opportunities in the medium term to further its objective of maximizing cash generation.

Based on the drivers and assumptions described above, EssentialCo's principal financial targets for the period from 2024 to 2028 are the following (based on organic growth, without regard to possible merger and acquisition or divestiture transactions):

- *Operating Costs*. EssentialCo is targeting a reduction in operating costs of approximately EUR 300 million by 2028 (excluding the effect of any inflationary increases). It expects to deliver approximately 60% of such savings from a reduction in fixed costs, with the balance of savings reflecting a reduction in variable costs. EssentialCo expects to deliver its cost savings in areas such as procurement and supply chain management, as well as across manufacturing, selling, general and administrative functions. The reduction in operating costs is expected to reflect the continuation of existing cost savings programs, as described in Section 5, "*Business Overview*" of the Information Document, including its digital transformation program.

- *Underlying EBITDA*.[3] EssentialCo has set an objective of a mid-single-digit average growth in Underlying EBITDA over the five-year period. It will seek to increase its Underlying EBITDA margin to the mid- to high-twenties by 2028. EssentialCo expects to deliver its growth and margin improvements through its cost savings programs described above, as well as the expected growth in demand for EssentialCo's main chemical products and intermediates and by investing in strategic growth opportunities, as described in Section 5, "*Business Overview*" of the Information Document.

- *Free Cash Flow Conversion, Capital Expenditures and Value Creation*. EssentialCo believes it has the potential to generate free cash flow conversion[4] to exceed the mid-thirties by 2028.

[3] The indicator "Underlying EBITDA" is defined in Section 7.3, "*Alternative Performance Measures*" of the Information Document.

[4] The indicator "free cash flow conversion" is calculated as the ratio between free cash flow to EssentialCo shareholders, plus dividends to non-controlling interests, to Underlying EBITDA. Free cash flow to EssentialCo shareholders is equal to free cash flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests. Free cash flow is equal to cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries, cash outflows of voluntary pension contributions, 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

EssentialCo anticipates allocating its levered pre-capital expenditures cash flow as follows: approximately one-third to essential capital expenditures, comprising sustaining capital expenditures and investments in climate-related initiatives, approximately one-third to further value creation opportunities (with a target of an excess of EUR 1 billion) and approximately one-third to the payment of dividends. EssentialCo is aiming to adopt a progressive dividend policy by 2028 (compared to its current stable dividend policy).

- *ROCE (ROCE)*.[5] EssentialCo's objective is to achieve a return on capital employed (ROCE) in the low twenties by 2028 (compared to ROCE of 16% in 2019, and expected ROCE of around 20% in 2023). The key drivers are expected to be growth in product volumes, cost savings, value-creation investments and improved efficiency in the use of existing assets.

- *Credit rating*. EssentialCo plans to pursue a financial policy designed to maintain an investment grade credit rating, which is expected to be supported by deleveraging through its cash generation efforts.

In addition to the financial objectives set out above, EssentialCo has set a number of environmental, social and corporate governance objectives, which are described in Section 5.1.3, "*EssentialCo's Strategy – Commitment to the environmental transition to drive value creation*" of the Information Document.

10.3.2 Underlying EBITDA for the financial year ended December 31, 2023

The targeted financial data presented in this section is based on the Unaudited Pro Forma Interim Financial Information, the condensed interim consolidated financial statements of Solvay as of and for the nine months ended September 30, 2023 and recent monthly management accounts of Solvay.

On the basis of the assumptions described above, EssentialCo estimates it will achieve Underlying EBITDA in the range of EUR 1.25 billion to EUR 1.30 billion for the year ended December 31, 2023, compared to EUR 1.26 billion for the same period in 2022.

EssentialCo does not expect the targeted 2023 financial data to be significantly negatively affected by any dyssynergies that are anticipated to result from the Partial Demerger. Instead, EssentialCo expects such dyssynergies to affect its financial results for 2024 by means of an increase in costs in the range of EUR 25 million to EUR 30 million. Such increased costs are expected to result from the need to reorganize certain corporate and governance functions required for the operation of a standalone entity reflecting the separation of the Specialty businesses. Moreover, EssentialCo's targeted 2023 financial data does not reflect an expected negative impact of between approximately EUR 90 million and EUR 100 million related to the phasing out of its thermal insulation activities, which were previously part of Special Chem, as well as the phasing out of its third-party energy supply activities, which were previously part of CBS.

The targeted financial data set forth above represents the best estimate as of November 15, 2023.

The foregoing objectives and targeted financial data are forward-looking statements that by definition are subject to substantial uncertainty and may change depending on market conditions and other factors. They are based on the Company's management's current beliefs, expectations, assumptions and the business plan of the Company and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from what is provided in this

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remediation. The indicator "Underlying EBITDA" is defined in Section 7.3, "*Alternative Performance Measures*" of the Information Document.

[5] The indicator "ROCE" is calculated as the ratio between Underlying EBIT (before adjustment for the amortization of Purchase Price Allocation) and capital employed. Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates and joint ventures and other investments, and is taken as the average of the situation at the beginning and at the end of each period. The indicator "Underlying EBIT" is defined in Section 7.3, "*Alternative Performance Measures*" of the Information Document.

section. Therefore, the Company makes no undertaking and gives no guarantee that what is described in this section will occur, continue or be achieved. These forward-looking statements involve assessments about matters that are inherently uncertain and actual results may materially differ for a variety of reasons including those described in Chapter 1, "Risk Factors," and "Forward-looking statements," in Section 2, "General Information" of the Information Document. No assurance can be given that actual results will track those described in the forward-looking statements set out above. The objectives and targets set out above are based on data, assumptions and estimates considered reasonable by the Company as at the date of this Supplement. These data and assumptions may change or be modified due to the uncertainties related in particular to the economic, financial, accounting, competitive, regulatory and tax environment or to other factors that the Company may not be aware of as at the date of this Supplement. Furthermore, the occurrence of one or more risks described in Chapter 1, "Risk Factors," of the Information Document could have an impact on EssentialCo's business, financial condition, results or outlook and could therefore adversely affect these objectives and targets. The Company does not undertake any obligation to update any of its objectives or targeted financial data except as required by law.

11. EMPLOYEES

Section 11.2, "*Description of arrangements involving employees in the capital of EssentialCo*" of the Information Document is replaced and superseded by the following updated version:

In December 2021, Solvay announced a global employee shareholding initiative, the Employee Share Purchase Program ("**ESPP**"), in coordination with the Solvay Global Forum, a global employee representative body created in 2015 to meet with Solvay's top management on a quarterly basis to comment on and discuss the quarterly results of Solvay and to keep everyone informed of the main new projects. The ESPP was set-up to increase the Solvay Group employees' understanding of Solvay's performance and enhance their sense of belonging and ownership in Solvay.

The first employee share purchase plan under the ESPP was launched in September 2022 (the "**2022 ESPP**"). By participating in the 2022 ESPP, employees had the opportunity to purchase Shares on preferential terms. 27.7% of employees subscribed to the 2022 ESPP. Pursuant to the 2022 ESPP plan rules, participants are entitled to receive one (1) free Share for joining the plan as well as one (1) matching Share for every two (2) Shares purchased. The 2022 ESPP is an equity-settled share-based plan vesting on September 30, 2024, following which the free and matching Shares will be delivered to the beneficiaries, if vesting conditions are met.

As part of the Partial Demerger, Solvay will contribute to Syensqo its rights and obligations under the 2022 ESPP, if and to the extent the beneficiaries of the 2022 ESPP will be employed by Syensqo or one of its affiliates. The 2022 ESPP transferred to Syensqo will reflect the amendments determined by the board of directors of Solvay to reflect the impact of the Partial Demerger, in accordance with the terms and conditions of the 2022 ESPP. In particular, for each Share purchased by a relevant beneficiary pursuant to the 2022 ESPP that he/she holds as at the Effective Time, such beneficiary will receive one (1) Syensqo share, in accordance with the exchange ratio applicable to the Partial Demerger (*see* Section 6.4.3, "*Exchange Ratio*"). The rights of the beneficiaries of the 2022 ESPP to free and/or matching Shares under the 2022 ESPP will be adjusted to provide that beneficiaries employed by Solvay or one of its affiliates following completion of the Partial Demerger will be entitled to receive, upon vesting, one or more free and/or matching Shares (but no Syensqo shares). The number of free and/or matching Shares to which Shares purchased by beneficiaries employed by Solvay or one of its affiliates following the completion of the Partial Demerger will give right, in accordance with the 2022 ESPP, will be determined after the completion of the Partial Demerger, based on the 30-day average closing price of the Syensqo share following the completion of the Partial Demerger relative to the combined 30-day average closing prices of the Syensqo share and the Share following the completion of the Partial Demerger. The foregoing description of the 2022 ESPP (including any adjustment decided by the board of directors of Solvay to the terms and conditions of the 2022 ESPP) may be different for certain jurisdictions, as may be required under applicable laws and regulations or for tax purposes.

It is expected that Solvay will continue implementing this program following completion of the Partial Demerger.

14. FINANCIAL INFORMATION CONCERNING ESSENTIALCO'S ASSETS AND LIABILITIES, FINANCIAL POSITION, PROFITS AND LOSSES

14.1 Unaudited interim pro forma financial information

Section 14.1, "*Unaudited pro forma financial information*" should be read in conjunction with the following:

EssentialCo's Unaudited Pro Forma Interim Financial Information has been derived from Solvay's 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.

EssentialCo's Unaudited Pro Forma Interim Financial Information has been prepared to comply with the Prospectus Delegated Regulation, and for no other purposes. Subject to the foregoing, the Unaudited Pro Forma Financial Information has been prepared in accordance with the principles described in the Prospectus Delegated Regulation and the related guidance issued by ESMA. The Unaudited Pro Forma Financial Information has not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or practices generally accepted in the U.S. It is included in this Information Document as Annex I.

14.2 Assurance on the compilation of the unaudited interim pro forma financial information

Section 14.2, "*Assurance on the compilation of the unaudited pro forma financial information*" should be read in conjunction with the following:

The reasonable assurance report of EY on the compilation of the Unaudited Pro Forma Interim Financial Information prepared in accordance with the International Standard on Assurance Engagements 3420 is attached to such Unaudited Pro Forma Interim Financial Information included in this Supplement as Annex I.

15. DOCUMENTS AVAILABLE

An electronic version of this Supplement is available on the website of Solvay (www.solvay.com).

16. GLOSSARY

Section 16, "*Glossary*" of the Information Document should be read in conjunction with the following additional defined terms:

"2022 ESPP"..	The first plan launched under the Employee Share Purchase Program, in September 2022.
"2023 Hybrid Bonds"	EUR 500 Million 2023 Hybrid Bonds and EUR 300 Million 2023 Hybrid Bonds.
"2024 Hybrid Bonds"	EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Bonds with first optional redemption date of June 3, 2024 (ISIN: XS1323897725).
"2025 Hybrid Bonds"	EUR 500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with first call date on December 2, 2025 (ISIN: BE6324000858).
"CET"..	Central European Time.
"Cytec 2025 Bonds"................................	.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6).
"Deloitte Limited Assurance Report"	Independent assurance report by Deloitte, as set forth in Annex II to this Supplement.
"e.Solvay"	New soda ash process innovation described in Section 5.3.1.1(d), "*Soda Ash and Derivatives – Production processes and facilities*" of the Information Document.
"ESG"..	Environmental, social and corporate governance.
"EssentialCo H1 Financial Information" or the **"Unaudited Pro Forma Interim Financial Information"**..	EssentialCo's unaudited pro forma interim financial information as of and for the six-month period ended June 30, 2023 as described in Section 14.1, and presented in Annex I to this Supplement.
"ESPP"..	Employee Share Purchase Program.
"EUR 300 Million 2023 Hybrid Bonds"..	EUR 300,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.25 Bonds (ISIN: BE6309987400).
"EUR 500 Million 2023 Hybrid Bonds"..	EUR 500 million Undated Deeply Subordinated Fixed to Reset Rate Perp-NC10 Bonds (ISIN: XS0992293901).
"EY Limited Assurance Report"	Independent assurance report by EY, as set forth in Annex III to this Supplement.
"HSE"..	Health, safety and environment.
"Partial Demerger Proposal"	The joint partial demerger proposal adopted by the boards of directors of Syensqo and Solvay, respectively on October 20, 2023 and October 17, 2023, in preparation of the Partial Demerger, which is available on the Company's website (www.solvay.com).

"Supplement" .... This document, a supplement to the information document dated June 29, 2023 of Solvay.

"Syensqo" .... Syensqo, a public limited liability company (*société anonyme / naamloze venootschap*) organized under the laws of Belgium, with a share capital of EUR 61,500, registered with the Belgian legal entities register (Brussels) under enterprise number 0798.896.453.

"Syensqo Prospectus" .... Syensqo's prospectus related to the admission to trading of Syensqo's shares on the regulated markets of Euronext Brussels and Euronext Paris (which comprises Syensqo's registration document, registration document supplement, a securities note and a summary of the prospectus in accordance with Articles 6 and 10 of the Prospectus Regulation).

"Tender Offer" .... A tender offer relating to the 2024 Hybrid Bonds issued by Solvay Finance S.A. and irrevocably guaranteed on a subordinated basis by Solvay.

"USD 2025 Bonds" .... 4.450% Senior Notes due 2025 issued by Solvay Finance (America), LLC for an amount outstanding of USD 800,000,000 and guaranteed by Solvay (CUSIP: 834423 AB1 / U8344P AB5).

Further, the following defined terms in Section 16, "Glossary" of the Information Document should be replaced and superseded as follows:

"Effective Time" .... 00:00 a.m. Central European Time on the first calendar day after the date on which the last EGM approving the Partial Demerger is held.

"Partial Demerger" .... The separation by Solvay of its Specialty businesses from the Essential Businesses by means of a partial demerger (*scission partielle* / *partiële splitsing*) of Solvay effected under Belgian Law.

"Solvay's Existing Shareholders" .... Solvay's shareholders upon completion of the Partial Demerger.

"U.S. IRC" .... The U.S. Internal Revenue Code of 1986, as amended.

"U.S. Tax Matters Agreement" .... The agreement to be entered into between Solvay and Syensqo and certain of their U.S. subsidiaries intended to (among other things) preserve the tax-free treatment of the Partial Demerger and U.S. Spin-Off for U.S. federal income tax purposes.

"U.S. Tax Ruling" .... The ruling issued by the IRS relating to the qualification as tax-free reorganization of the Partial Demerger and the U.S. Spin-Off for U.S. federal income tax purposes, in accordance with Sections 368(a)(1)(D) and 355 of the U.S. IRC.

ANNEX I
FINANCIAL INFORMATION

1. Unaudited Pro Forma Interim Financial Information of EssentialCo, as of and for the Six-Month Period Ended June 30, 2023.

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

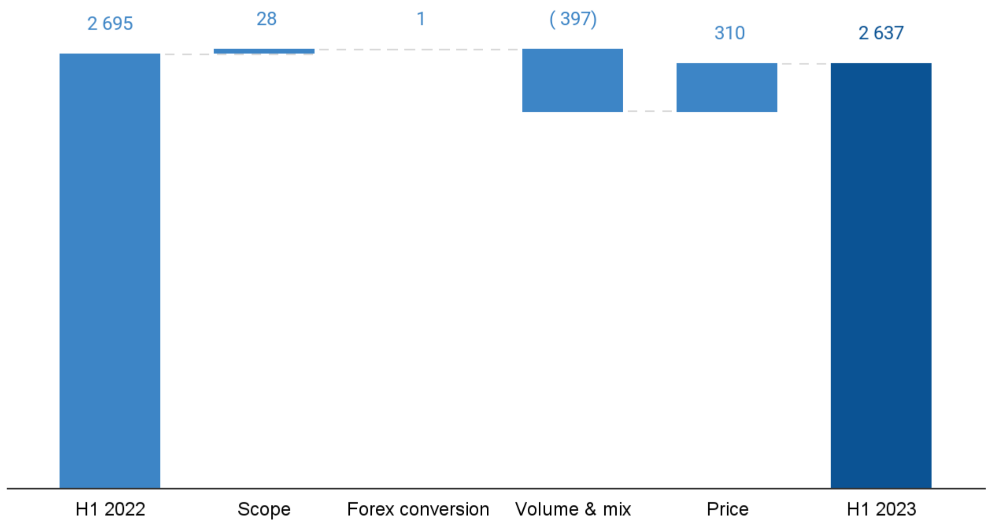
Underlying, (in € million)	**H1 2023**	**H1 2022**	% yoy	% organic
Net sales	2,637	2,695	-2.1%	-3.2%
EBITDA	723	582	24.3%	24.1%
EBITDA margin	27.4%	21.6%	5.8pp	-
Free Cash Flow	406	372	9.1%	-

[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

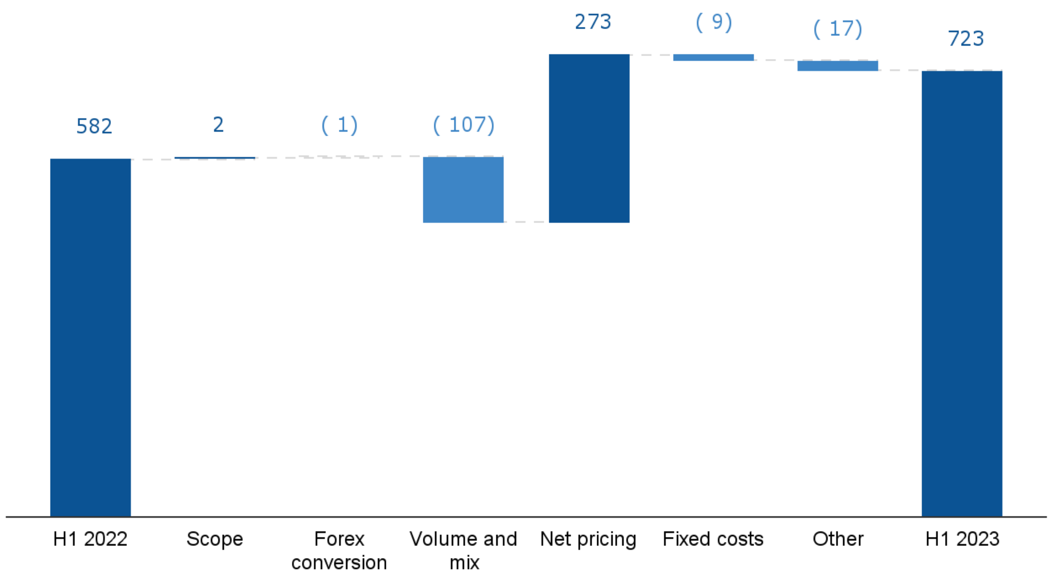
Net sales of €2,637 million in H1 2023 was lower by -2.1% versus H1 2022 (-3.2% organically) due to lower volumes partly offset by increased pricing actions and modest positive scope effect. Lower volumes were due to softer demand across several end markets, impacting all EssentialCo businesses. For 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)

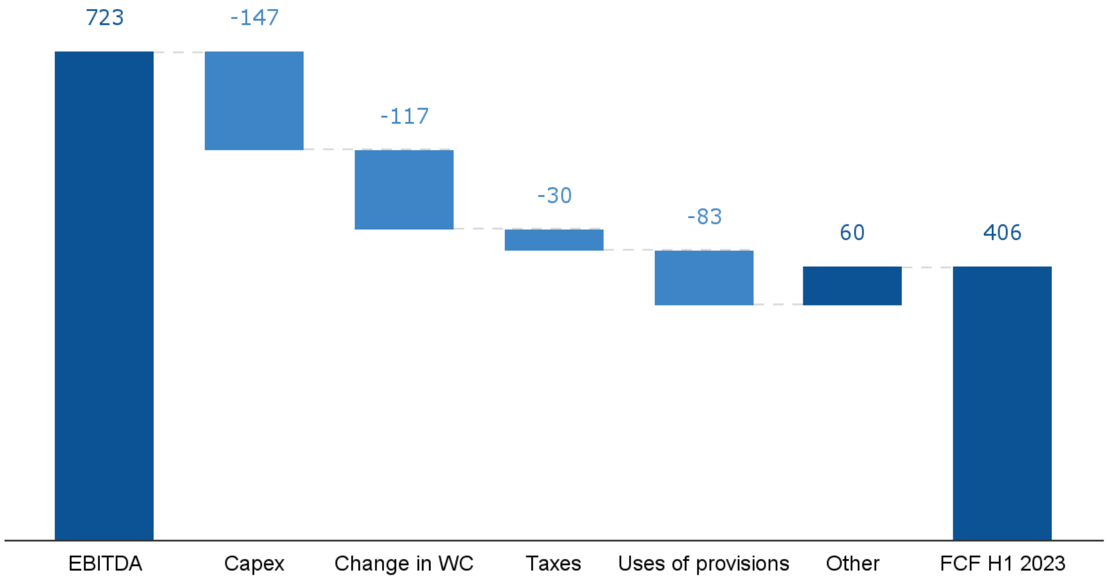


Underlying EBITDA of €723 million in H1 2023 was higher +24.3% (+24.1% organically) with the impact of lower volumes being more than offset by the positive Net pricing, and the stabilization of the variable costs. Fixed costs were essentially flat reflecting continued cost discipline that helped to mitigate 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	% yoy	% organic
		Underlying		
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

	Solvay historical consolidated	SpecialtyCo historical combined	Pro forma adjustments	Pro forma financial information
	Unaudited	*Unaudited*	*Unaudited*	*Unaudited*
(in € million)	**Note 1**	**Note 1**	**Note 3**	
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.

ANNEX II
DELOITTE LIMITED ASSURANCE REPORT

Deloitte.

Solvay SA

Independent assurance report on selected environmental, social and governance performance indicators published in the supplement to the Information Document of Solvay SA

Independent assurance report on selected environmental, social and governance performance indicators published in the supplement to the Information Document of Solvay SA

To the board of directors,

We have been engaged by Solvay SA ("the Company") to conduct a limited assurance engagement on selected environmental, social and governance performance indicators ("Selected Information") published in the supplement to the Information Document of the Company for the years ending 31 December 2021, 31 December 2020, 31 December 2019 and 31 December 2018. In preparing the Selected Information, Solvay SA applied the Applicable Criteria set out in notes "5.10.2 Selected Historical ESG Information" and "5.10.3 Definitions" in the section "Environmental, Social and Governance" of the supplement to the Information Document of the Company. The Selected Information needs to be read and understood together with the Applicable Criteria.

The Selected Information in scope of our engagement is listed in the table below.

Selected Information			Applicable Criteria	
Category	Indicator	Description	Standard	Years
Climate	GHG Scope 1-2	Greenhouse gas scope 1-2 (Mt eq CO2)	GHG Protocol	2018,2019, 2020, 2021
Climate	Solid Fuels	Solid fuels (PJ)	GRI	2018,2019, 2020, 2021
Better Life	Diversity	% of women in senior and middle management	GRI	2018,2019, 2020, 2021
Better Life	RIIR	Occupational safety – RIIR (per 200.000 hours)	GRI	2021

Based on our work done as described in this report, nothing has come to our attention that causes us to believe that the abovementioned Selected Information as published in the supplement to the Information Document of the Company, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Responsibility of the board of directors

The board of directors of Solvay SA is responsible for the preparation of the Selected Information and the references made to it presented in the supplement to the Information Document of the Company as well as for the declaration that its reporting meets the requirements of the Applicable Criteria.

The board of directors is also responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that it is free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information does not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by Solvay SA as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information and not all information included in the supplement to the Information Document of the Company. The limited assurance on the Selected Information was only performed on the Selected Information covering the years ending 31 December 2021, 31 December 2020, 31 December 2019 and 31 December 2018.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Performed analytical review procedures and considered the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Performed procedures over the activities of significant third parties that perform key controls relevant to the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formula used in manual calculations and assessment whether the data has been appropriately consolidated.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

We apply International Standard on Quality Management 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

This report is made solely to the board of directors of Solvay SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the board of directors those matters we have agreed to state to them in this report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Solvay SA and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Signed at Zaventem

Digitally signed by
Corine Magnin
DocuSign
Signed By: Corine Magnin (Signature)
Signing Time: 15-nov.-2023 | 15:51 CET
C: BE
Issuer: Citizen CA
D90828BD6B0D4A328626526F740E2870

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Corine Magnin

Digitally signed by
Tom Renders
DocuSign
Signé par : Tom Renders (Signature)
Heure de signature : 15-nov.-2023 | 16:00 CET
C: BE
Émetteur : Citizen CA
139F82D6E8CB49F48BC52F3B5846D9D1

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Tom Renders

ANNEX III
EY LIMITED ASSURANCE REPORT

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
De Kleetlaan 2
B - 1831 Diegem

Tel: +32 (0) 2 774 91 11
ey.com

Independent assurance report on selected environmental and social performance indicators published in the supplement to the Information Document of Solvay SA

Scope

We have been engaged by Solvay SA (the "Company") to perform a limited assurance engagement in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised"), thereafter referred to as the "Engagement", on selected environmental and social performance indicators , listed in Appendix 1, (the "Subject Matter") published in the "Supplement to the Information Document dated 29 June 2023" of Solvay SA (the "Report") for the year ended 31 December 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining sustainability indicators included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Solvay SA

In preparing the Subject Matter, Solvay SA applied the following reporting frameworks, (i) the Guidance for Accounting and Reporting Corporate Greenhouse Gas Emissions ("GHG's") in the Chemical Sector Value Chain published by the World Business Council for Sustainable Development, (ii) the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, (iii) the United States Occupational Safety and Health Act ("OSHA"), and the (iv) the Global Reporting Initiative Reporting standards, as disclosed in the Report in notes "5.10.2 Selected Historical ESG Information" and "5.10.3 Definitions" in the section "Environmental, Social and Governance" of the supplement to the Registration Document of Solvay SA (individual and together all these guidance references are referred to the "Criteria"). The Selected Information needs to be read and understood together with the Applicable Criteria.

Solvay SA's responsibilities

Solvay's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter, based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement undertaken in accordance with ISAE 3000 revised involves assessing the suitability of Solvay SA's use of the Criteria as the basis for the preparation of the Subject Matter, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures. A higher level of assurance, i.e. reasonable assurance, would have required more extensive procedures.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies the International Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

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

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Our procedures included amongst other:

- Obtaining an understanding of the reporting processes for the Subject Matter;
- Evaluating the consistent application of the Criteria and the perimeter;
- Interviewing relevant staff responsible for reporting the Subject Matter to the relevant staff at the corporate level;
- Interviewing management and relevant staff at the corporate level responsible for consolidating and carrying out internal control procedures on the Subject Matter;
- Interviewing relevant staff responsible for reporting the Subject Matter in the Report;
- Obtaining internal and external documentation that reconciles with the Subject Matter;
- Determining the nature and extent of the review procedures for each of the locations contributing to the sustainability indicators listed in Appendix 1. The sites selected were visited to validate the data and evaluate the design and implementation of data collection and calculation processes as well as validation procedures related to the Subject Matter. For the remaining locations contributing to the sustainability indicators listed in Appendix 1, procedures were carried out centrally to review the reasonableness of the data collection, data calculation, and data validation procedures;
- Obtaining information that the Subject Matter reconciles with underlying records of the Company;
- Evaluating, on a limited test basis, relevant internal and external documentation;
- Performing an analytical review of the data and trends in the Subject Matter at the consolidated level as well, when deemed appropriate in the circumstances, at a disaggregated level;
- Performing recalculations on the data to ensure the mathematical accuracy of the indicators;
- Performing limited tests of details and tracing the input information to supporting invoices or other evidence;
- Evaluating the overall presentation of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our review, nothing has come to our attention that makes us to believe that the Subject matter was not prepared, in all material respects, in accordance with the Criteria.

Diegem, 14 November 2023

EY Réviseurs d'Entreprises SRL
Represented by

Marie Kaisin*
Partner
* Acting on behalf of a SRL

24MK0014

Appendix 1

Domain	KPI
Climate	GHG Scope 1-2 (Mt eq CO2)
	Solid fuels (PJ)
Better Life	Occupational safety - RIIR (per 200,000 hours)
	% women in senior and middle management