



Syensqo SA/NV

A Belgian public limited liability company (*société anonyme / naamloze vennootschap*)
Registered office: Rue de la Fusée 98, 1130 Brussels, Belgium

SUPPLEMENT TO THE REGISTRATION DOCUMENT DATED JUNE 29, 2023

This document supplements the registration document dated June 29, 2023 (the “**Registration Document**”) of Syensqo SA/NV, a public limited liability company (*société anonyme / naamloze vennootschap*) 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 (the “**Company**” or “**SpecialtyCo**”). This document constitutes a supplement to the Registration Document (the “**Supplement**”) within the meaning of Article 10(1) of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). All capitalized terms not defined herein shall have the meaning ascribed to them in the Registration Document. The date of this Supplement is November 15, 2023.

This Supplement has been approved by the Belgian Financial Services and Market Authority (the “**FSMA**”) as competent authority under the Prospectus Regulation. The FSMA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval by the FSMA should not be considered as an endorsement of the Company.

This Supplement and the Registration Document form part of, and must be read in conjunction with, the other documents forming the prospectus related to the admission to trading of all of the Company’s ordinary shares (the “**Shares**”) on the regulated markets of Euronext in Brussels (“**Euronext Brussels**”) and Paris (“**Euronext Paris**”) (the “**Prospectus**”). The Prospectus is dated November 15, 2023 and comprises the Registration Document and this Supplement, a securities note and a summary of the Prospectus in accordance with Articles 6 and 10 of the Prospectus Regulation. The Prospectus is valid for a period of twelve (12) months from its date of approval (until November 15, 2024). The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

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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 Registration 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 Registration Document, the statement made in this Supplement shall prevail. For the ease of reference and convenience of the reader, this Supplement includes a cross-reference table in Chapter 25 setting out the chapters, sections and sub-sections of the Registration Document which are updated by this Supplement. 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.

Errata:

- The numbers “31.2%” and “16.6%” as they appear in Section 1.1.2, “*SpecialtyCo’s business may be impacted by one-time events affecting its markets*” of the Registration Document are hereby deleted and replaced by “30%” and “8.5%,” respectively.
- The number “195.3%” as it appears in the column showing organic change 2021/2020 in the table for “*Net Sales by Segment and GBU*” in Section 9.5.3.1, “*Sales*” of the Registration Document is hereby deleted and replaced by “45%.”

Section 2.7, “Availability of this Registration Document” of the Registration Document is replaced and superseded by the following updated version:

2.7 Availability of the Registration Document and this Supplement

To obtain a copy of the Registration Document and/or this Supplement free of charge, please contact:

Syensqo SA/NV
Investor Relations
Rue de la Fusée 98
1130 Brussels
Belgium

Pursuant to Article 21 of the Prospectus Regulation, electronic versions of the Registration Document and this Supplement are also available on the website of the Company (www.syensqo.com/en/investors/spinoff). The posting of the Registration Document or this Supplement on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares directed 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 referenced in this Supplement does not form part of the Registration Document or this Supplement, is not incorporated by reference therein or herein, and has not been scrutinized or approved by the FSMA.

Finally, in accordance with Article 21(5) of the Prospectus Regulation, the FSMA published the approved version of the Registration Document, and will publish the approved version of this Supplement, on its website (www.fsma.be).

3. IMPORTANT INFORMATION

3.1 Person responsible for the Supplement

The Company, represented by its board of directors (the “**Board of Directors**”), assumes responsibility for the information contained in this Supplement.

The contents of this Supplement should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Shares.

3.2 Responsibility statement

The Company, represented by its Board of Directors, declares that, to the best of its knowledge, the information contained in this Supplement is in accordance with the facts, and that the Supplement makes no omission likely to affect its import.

3.3 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. INFORMATION ON SPECIALTYCO AND THE GROUP

Section 5.1, “Company name” and Section 5.4, “Additional information of SpecialtyCo” of the Registration Document are replaced and superseded by the following updated versions:

5.1 Company name

As of the date of this Supplement, the legal name of the Company is Syensqo.

5.4 Additional information of SpecialtyCo

The Company’s headquarters are located at its registered office at Rue de la Fusée 98, 1130 Brussels, Belgium. The Company’s phone number is +32 2 264 19 00 and its website is www.syensqo.com. Information on the Company’s website (including any websites accessible from hyperlinks on such website) does not form part of the Registration Document or this Supplement.

The legal form of the Company is a limited liability company (*société anonyme / naamloze vennootschap*), governed by Belgian Law.

6. BUSINESS OVERVIEW

Section 6.1.3, “SpecialtyCo’s strategy – Commitment to sustainability,” of the Registration Document is replaced and superseded by the following updated version:

6.1.3 SpecialtyCo’s strategy

- Commitment to sustainability

SpecialtyCo intends to pursue distinct sustainability goals, rooted in and inspired by Solvay’s One Planet roadmap that was established in 2020 and outlined ambitious climate, resources and better life targets. SpecialtyCo aims to drive progress across three key pillars: sustainable growth, climate & nature, and social. Among other things, SpecialtyCo is committed to increasing circular economy sales, lowering greenhouse gas (“GHG”) emissions and achieving carbon neutrality on Scope 1 and 2 emissions by 2040 for all of its businesses.

SpecialtyCo’s commitment to sustainability will continue to be adapted to its unique business model and needs. Building on the progress made as part of the Solvay One Planet roadmap, its targets include:

- **Sustainable growth:** Ensuring that top line growth is supported by sustainable solutions by increasing the percentage of SpecialtyCo’s circular economy sales to 18% of total sales in 2030 (from 12% in 2021).
- **Climate & nature:**
 - Reaching carbon neutrality on Scope 1 and 2 GHG emissions by 2040, with a reduction in Scope 1 and 2 GHG emissions by 40% by 2030, as compared to 2021.¹
 - Reducing Scope 3 GHG emissions from its “focus five” categories upstream and downstream in the value chain, by 23% by 2030, as compared to levels in 2021 (SpecialtyCo’s Scope 3 GHG emissions levels from its “focus five” categories were approximately 6.7 Mt eq CO₂ in 2021).²
- **Social:**
 - 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 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 SpecialtyCo 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.

¹ The carbon neutrality goal by 2040 combines an ambition to reduce Scope 1 and 2 GHG emissions by 80% (of the 2021 baseline) or more, and to mitigate net residual emissions with high-integrity carbon credits in accordance with the recommendations of the United Nations’ High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities.

² SpecialtyCo’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 (5) end-of-life treatment of sold products (Category 12). Further information on Scope 3 GHG emissions definitions and categories, and SpecialtyCo’s calculation measurement methodology, can be found in Section 6.11.3.1, “Greenhouse gas (GHG) emissions.”

- 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. SpecialtyCo 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. SpecialtyCo also intends to follow through on efforts to aim for gender parity in mid and senior management in the next 10 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, with a similar agreement expected to be signed between IndustriALL and SpecialtyCo.
- 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 SpecialtyCo’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 is a significant part of SpecialtyCo’s long-term share incentive and short-term cash incentive plans.

SpecialtyCo believes that its commitment to sustainability and being a responsible partner within its communities and across its value chains will be a key success factor for its future as an independent organization.

6.11 Environmental, Social and Governance

Section 6.11, “Environmental, Social and Governance,” of the Registration Document is replaced and superseded by the following updated version:

6.11.1 Overview

SpecialtyCo intends to pursue distinct sustainability goals, rooted in a commitment to sustainable solutions. It aims to drive progress across three key pillars: sustainable growth, climate & nature, and social. In this regard, SpecialtyCo has developed a full suite of environmental, social and corporate governance (“ESG”) objectives. See Section 6.1.3, “SpecialtyCo’s strategy – Commitment to sustainability.”

6.11.2 Selected historical ESG information

The following tables set forth certain historical ESG information for the businesses that will be transferred to SpecialtyCo, derived from the similar information established by Solvay. Certain terms used in these tables are defined in Section 6.11.3, “Definitions and perimeter.”

	2022	2021	2020	2019	2018
GHG Scope 1-2 (Mt eq CO ₂) ⁽¹⁾⁽²⁾	1.8	2.0	2.1	2.7	3.3
Circular economy sales as a % of sales ⁽²⁾	12%	12%	6%	n/a	n/a
% of women in senior and middle management ⁽²⁾	25.4%	24.4%	23.7%	23.4%	22.9%
Occupational safety - RIIR (per 200,000 hours) ⁽³⁾⁽²⁾	0.38	0.44	n/a	n/a	n/a

<i>Occupational safety - MTAR (per million work hours)⁽⁴⁾</i>	<i>n/a</i>	<i>n/a</i>	<i>0.38</i>	<i>0.45</i>	<i>0.70</i>
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- (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 CO₂ of Scope 1 GHG emissions. The 0.04 Mt eq CO₂ amount is not included in the 1.8 Mt eq CO₂ figure for 2022, and figures for 2018 to 2022 have not been restated to reflect external transfers.
- (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, SpecialtyCo began using the Reportable Injury & Illness Rate (RIIR): number of reportable injury or illness per 200,000 work hours.
- (4) Prior to 2020, SpecialtyCo 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.

6.11.3 Definitions and perimeter

This section provides definitions of certain terms used in the tables presented in Section 6.11.2, “*Selected historical ESG information,*” and/or referred to in Section 6.1.3, “*SpecialtyCo’s strategy – Commitment to sustainability*” and the perimeter description. These definitions are derived from the same definitions historically used by Solvay and may be subject to change as SpecialtyCo determines its future objectives.

In preparing the information presented in Section 6.11.2, “*Selected historical ESG information,*” SpecialtyCo has estimated the allocation of historical ESG information for SpecialtyCo based on current plans for the separation of the Specialty Businesses from the Solvay Group following the Legal Reorganization and Partial Demerger. As a general principle, the historical ESG information of the Specialty Businesses (including the Composite Materials, Specialty Polymers, Novacare, Technology Solutions, Aroma Performance and Oil & Gas Solutions businesses) were allocated 100% to SpecialtyCo and the historical ESG information of the Other Solvay Group businesses were allocated 100% to EssentialCo.

6.11.3.1 *Greenhouse gas (GHG) emissions*

SpecialtyCo 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.

SpecialtyCo’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, SpecialtyCo uses the market-based method to calculate CO₂ emissions associated with purchased electricity (Scope 2). To comply with Global Reporting Initiative requirements, SpecialtyCo applies the following criteria (in decreasing order of priority) when selecting the CO₂ 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, SpecialtyCo 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 U.S., 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 SpecialtyCo’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 6.1.3, “*SpecialtyCo’s strategy – Commitment to sustainability*” only encompass SpecialtyCo’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 SpecialtyCo’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 SpecialtyCo’s 2021 Scope 3 GHG emissions. The restated 2021 Scope 3 GHG emissions would serve as the baseline emissions level for SpecialtyCo’s 2030 reduction ambition identified in Section 6.1.3, “*SpecialtyCo’s strategy – Commitment to sustainability*.”

Further, SpecialtyCo 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 6.1.3, “*SpecialtyCo’s strategy – Commitment to sustainability*”: 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 (and included in the Scope 3 GHG emissions of SpecialtyCo).

6.11.3.2 *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 SpecialtyCo employee.

In mid-2020, SpecialtyCo began using the OSHA definitions of occupational accidents in order to comply with GRI Sustainability Reporting Standards and enable comparisons outside SpecialtyCo. 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 SpecialtyCo 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 6.11.2, “*Selected historical ESG information*,” SpecialtyCo applied the following assumptions:

- Approximately 60% of the Solvay R&I, Functions, and Corporate employees were allocated to SpecialtyCo, 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 not allocated to SpecialtyCo.

6.11.3.3 *Circular economy sales as a percentage of sales*

The indicator “circular economy sales” refers to: (i) sales of products increasing durability in the use phase downstream in the value chain; (ii) sales based on recycled or renewable materials and renewable energy (based on costs weighted as described below); and (iii) sales of products enabling recycling at the end of life downstream in the value chain. Potential double counting is avoided by considering the above-mentioned order of priority. For this purpose:

- Products enabling increased durability: products designed to increase the longevity and durability of other products further down in the value chain in such a way that encourages longer use than the industry standard and at scale, without compromising circularity at the end of the product’s functional life.
- Renewable resources: materials that are continually replenished at a rate equal to or greater than the rate of depletion. This includes plant-based materials from cultivation and animal-based materials from breeding. To fit in a circular economy, the material should be produced from food waste or using regenerative production practices.
- Renewable energy: energy produced from renewable resources, namely solar, wind, hydroelectric power, biomass or geothermal. Energy provided by technological waste, such as solid recovered fuels, is not considered. Sales of energy to third parties are not included.
- Products enabling recycling: products designed to increase the recycling yield, with regard to quality and quantity.

The measurement of products based on recycled or renewable materials and renewable energy is weighted by applying a factor of 85% to renewable materials and 15% to renewable energy, according to the average manufacturing cost weight. A similar approach has been defined at the research and innovation level to monitor the contribution of innovation projects to SpecialtyCo’s circularity ambition.

6.11.3.4 *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.

SpecialtyCo applied the following assumptions:

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

7. LEGAL REORGANIZATION AND PARTIAL DEMERGER

Chapter 7, “Legal Reorganization and Partial Demerger,” of the Registration Document is amended by this Supplement as follows:

- Section 7.4, “The Partial Demerger” of the Registration Document is replaced and superseded by the following updated version;
- the introduction to Section 7.5, “Agreements between SpecialtyCo and Solvay SA relating to the Partial Demerger,” Section 7.5.1, “Separation Agreement,” Section 7.5.2, “Transition Services Agreement,” and Section 7.5.3, “U.S. Tax Matters Agreement” of the Registration Document are replaced and superseded by the following updated versions; and
- such Chapter 7 should also be read in conjunction with the new Section 7.6, “Liability management transactions” below.

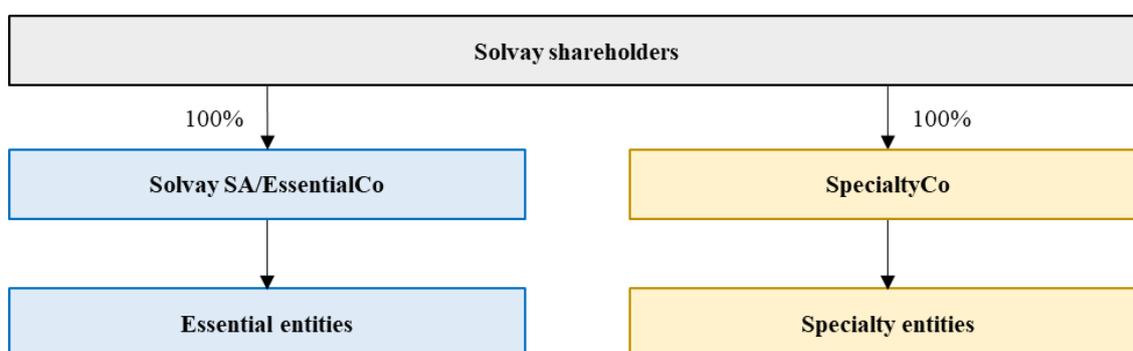
7.4 The Partial Demerger

7.4.1 Description

The separation of SpecialtyCo from Solvay SA will be effected pursuant to the Partial Demerger.

As part of the Partial Demerger, Solvay SA will contribute the shares and other interests it holds in the legal entities operating the Specialty 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 the Company by way of partial demerger (*scission partielle / partiële splitsing*) of Solvay SA in accordance with Article 12:8, 1° of the Belgian *Code des sociétés et des associations* (“**BCCA**”). In return, the share capital of the Company will be increased and new Shares of the Company (the “**New Shares**”) will be issued and allocated directly to Solvay SA’s shareholders upon completion of the Partial Demerger (“**Solvay SA’s Existing Shareholders**”). A detailed list of the shares and other interests in legal entities, agreements, assets and liabilities to be contributed to the Company pursuant to the Partial Demerger is included in the Partial Demerger Proposal, which is available on the Company’s website (www.syensqo.com/en/investors/spinoff).

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



7.4.2 Procedure

In preparation of the Partial Demerger, the boards of directors of Solvay SA and the Company have approved a joint partial demerger proposal, respectively on October 17, 2023 and October 20, 2023, which is available on the Company’s website (www.syensqo.com/en/investors/spinoff) (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 SA and the Company 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 SA's EGM, a new EGM of Solvay SA 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.

7.4.3 Exchange ratio

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

The consideration for the contribution will solely consist of Shares. Solvay SA's Existing Shareholders will not receive any additional cash amount (premium).

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

7.4.4 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 the Prospectus, which have been obtained on November 15, 2023. In addition, at the request of the Company, the FSMA will also notify the 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 the Shares on the regulated markets of Euronext Brussels and Euronext Paris, respectively, which are expected to be received before the EGMs.

7.4.5 Effective Time and accounting and tax retroactivity

If the Partial Demerger is approved by Solvay SA's EGM and the Company'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**").

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) the Company will be deemed to have had the use of all the assets of Solvay SA contributed to the Company as part of the Partial Demerger as from the BE GAAP Accounting and Tax Effective Date; (ii) all transactions of Solvay SA relating to the shares and other interests in legal entities, agreements, assets and liabilities contributed to the Company as part of the Partial Demerger will be treated as being those of the Company 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 the Company. The accounting and financial information regarding the shares and others interests in legal entities, agreements, assets and liabilities contributed to the Company as part of the Partial

Demerger and included in Solvay SA’s statutory financial statements prepared in accordance with Belgian GAAP will be reflected in the statutory financial statements of the Company prepared in accordance with Belgian GAAP.

7.4.6 Form of the shares

The New Shares are expected to be subject to all of the provisions of the Articles of Association. All Shares will be of the same class, fully paid-up and freely transferable, and carry the same rights, including as to voting and dividend rights, and will be profit sharing as from any distribution in respect of which the relevant record date or due date falls on or after the date of their issuance. Please refer to the Securities Note for additional information on the rights attached to the Shares.

7.4.7 Trading and listing on Euronext Brussels and Paris

The Company has applied for the admission of all of the Shares to trading on Euronext Brussels and Euronext Paris, on which the shares of Solvay SA are currently listed. The admission to trading on Euronext Brussels and Euronext Paris is expected to occur prior to the Partial Demerger, while the first day of trading on Euronext Brussels and Euronext Paris is expected to be on the first business day following the Effective Time, subject to the approval by Euronext Brussels SA/NV and Euronext Paris S.A. Please refer to the Securities Note for additional information on the admission of the Shares to trading on Euronext Brussels and Euronext Paris.

7.4.8 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. This timetable remains subject to decisions of the Board of Directors and of the board of directors of Solvay SA, decisions of the extraordinary shareholders’ meetings of the Company and of Solvay SA, and general market conditions.

Event	Time (CET) and date
Approval of the Prospectus (including this Supplement) 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 the Shares to trading on Euronext Brussels	November 27, 2023 (at the latest)
Euronext Paris S.A. notice announcing the admission of the Shares to trading on Euronext Paris	November 27, 2023 (at the latest)
Extraordinary shareholders’ meeting of Solvay SA approving the Partial Demerger	December 8, 2023 at 10:30 a.m.*
Extraordinary shareholders’ meeting of the Company approving the Partial Demerger	December 8, 2023 (following the extraordinary shareholders’ meeting of Solvay SA held on the same day)
Euronext notice relating to the technical reference price of the 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 Solvay SA shares entitled to receive Shares issued pursuant to the Partial Demerger (record date)	December 9, 2023 at 00:00 a.m.
Commencement of trading of the 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 Solvay SA shares entitled to receive Shares issued pursuant to the Partial	December 12, 2023

Event	Time (CET) and date
Demerger (record date), taking into account the orders executed during the day on December 8, 2023 (inclusive)	
Settlement-delivery of the Shares issued pursuant to the Partial Demerger	December 13, 2023

* *If the attendance quorum is not reached at Solvay SA'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.*

The Company and Solvay SA may adjust the dates, times and periods provided in this timetable. If the Company and Solvay SA decide to adjust any date, time or period, the Company and Solvay SA will make this adjustment public through a press release, which will also be posted on the Company's website (www.syensqo.com/en/investors/spinoff), and, to the extent required under the Prospectus Regulation, through a supplement to the Registration Document.

7.4.9 Belgian tax ruling

Under Belgian tax law, the Partial Demerger qualifies for tax-neutral treatment for Belgian income tax purposes, in accordance with Articles 183bis 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 SA'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 SA in the legal entities operating the Specialty Businesses, the rights and obligations of Solvay SA 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 the Company at historical tax value in the hands of Solvay SA (no "step up in basis"). Also, Solvay SA's deferred tax assets and tax components of its equity will be divided between Solvay SA and the Company after the Partial Demerger, pro rata the fiscal net value of their assets.

7.4.10 U.S. tax ruling and related restrictions on SpecialtyCo

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 SA 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 SA 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 SA 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 SpecialtyCo 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 SpecialtyCo or EssentialCo, 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. For this purpose, any direct or indirect acquisition of stock of SpecialtyCo or EssentialCo within two years before or after the Partial Demerger is presumed to be part of a plan that includes the Partial Demerger, although SpecialtyCo or EssentialCo 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, SpecialtyCo and EssentialCo 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 7.5.3, "*U.S. Tax Matters Agreement*."

7.5 Agreements between the Company and Solvay SA relating to the Partial Demerger

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

7.5.1 Separation Agreement

The Company and Solvay SA 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.

7.5.1.1 *Separation and related matters*

The Separation Agreement will govern certain aspects of the separation of SpecialtyCo from the Solvay 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 the Solvay Group, 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 the Solvay Group, (vi) the transfer to the other party of any assets (identified within 24 months of the Effective Time) allocated erroneously to the Specialty 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 the Company 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 Company and Solvay SA'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 7.5.3, "*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.

7.5.1.2 *Environmental liabilities*

The Separation Agreement contains provisions to allocate to the Company or Solvay SA environmental liabilities for certain operating, closed or divested sites, including sites for which provisions have been established in Solvay SA'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 the Company, on the one hand, and Solvay SA, 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 the Company or Solvay SA 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 the Company or Solvay SA (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.

7.5.1.3 *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 completion of the Partial Demerger, are expected to include only shares held by Solvay Stock Option Management SRL and Syensqo Stock Option Management SA (*see* Section 18, “*Major Shareholders*”). The Group and the Solvay Group 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.

7.5.1.4 *Indemnification and Counter-guarantees*

(a) *Indemnification*

The Company, on the one hand, and Solvay SA, 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 the Company (or its subsidiaries), on the one hand, or Solvay SA (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, the Company (or its relevant subsidiary), on the one hand, or Solvay SA (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.

7.5.2 Transition Services Agreement

The Company and Solvay SA 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 the Company and Solvay SA (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 SA (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 SA (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). Following the expiration of the TSA, SpecialtyCo will either have internal functions to address the matters covered by the TSA, or alternatively rely on third-party service providers. 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 SpecialtyCo to Solvay SA have been determined internally within the Solvay 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 Solvay 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 SA (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 the Company (or any of its subsidiaries) under the TSA will amount to between EUR 10 million and EUR 30 million.

7.5.3 U.S. Tax Matters Agreement

Consistent with the practice for similar transactions, Solvay SA and the Company 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 SA’s and the Company’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 7.4.10, “*U.S. tax ruling and related restrictions on SpecialtyCo*”), 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 7.4.10, “*U.S. tax ruling and related restrictions on SpecialtyCo*”), 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, the Company and Solvay SA 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 7.4.10, “*U.S. tax ruling and related restrictions on SpecialtyCo*.” Additionally, the Company and Solvay SA 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 the Company and Solvay SA 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 the Company and Solvay SA will be required to indemnify the other party against U.S. taxes (and certain related losses) that may arise if the Company or Solvay SA (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, the Company may be required to indemnify Solvay SA (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 the Company (as discussed in Section 7.4.10, “*U.S. tax ruling and related restrictions on SpecialtyCo*”) or certain acquisitions of the Company’s assets, even if the Company 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 losses) 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 SA’s nor the Company’s obligations under the U.S. Tax Matters Agreement will be limited in amount or subject to any cap.

7.6 Liability management transactions

Prior to the Partial Demerger, Solvay SA 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 the SpecialtyCo group 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 SpecialtyCo as of June 30, 2023, taking into account the liability management transactions and the unwinding of certain receivables and payables within the Solvay Group following the Partial Demerger, *see* Section 10.21 “*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 the Company for Solvay SA 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 SA (the “**Tender Offer**”).

7.6.1 The 2029 Bonds

On September 4, 2023, Solvay announced that it had become aware that votes cast in favor of the consent representing less than 3% of the total nominal amount of the 2029 Bonds may not have been validly exercised. Solvay was not in a position to confirm that the required 75% majority had been reached in respect of the consent solicitation for the 2029 Bonds. Solvay investigated internally the circumstances of a trade between third parties on such 2029 Bonds. In this context, the meeting of the holders of the 2029 Bonds scheduled for September 5, 2023 at the offices of Solvay did not take place.

Solvay SA has 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.

The 2029 Bonds were not included in the Combined Financial Statements or the Unaudited Interim Combined Financial Statements. However, the attempted consent solicitation for the 2029 Bonds was intended to result in the assumption of the 2029 Bonds by SpecialtyCo, as presented in Section 10.11, “*Target capital structure*” of the Registration Document. The consent solicitation was not completed and the 2029 Bonds were instead redeemed on October 9, 2023 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 of the 2029 Bonds will be transferred to SpecialtyCo upon completion of the Partial Demerger, as shown and described in Section 10.21, “*Target capital structure.*”

7.6.2 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, the Company will be substituted for Solvay SA 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, the Company will be substituted for Solvay SA 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 SpecialtyCo at the time of the Partial Demerger.

None of the 2025 Hybrid Bonds, 2027 Bonds or 2024 Hybrid Bonds were included in the Combined Financial Statements or the Unaudited Interim Combined Financial Statements. However, Section 10.21, "*Target capital structure*" reflects the substitution of the Company as the issuer of the 2025 Hybrid Bonds and the 2027 Bonds, effective upon completion of the Partial Demerger. Neither the 2024 Hybrid Bonds nor the proceeds drawn under Solvay's bridge facility to repay the 2024 Hybrid Bonds are included in the table shown in Section 10.21, "*Target capital structure*" given that they will not be transferred to SpecialtyCo at the time of the Partial Demerger.

7.6.3 The U.S. Dollar Bonds

On September 27, 2023, Solvay SA 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 SA (CUSIP: 834423 AB1 / U8344P AB5) (the "**USD 2025 Bonds**"). Solvay Finance (America), LLC will be wholly owned by a subsidiary of the Company after the Partial Demerger, and the USD 2025 Bonds are included as financial debt of the SpecialtyCo group 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. As the USD 2025 Bonds were included as financial debt in the Combined Financial Statements and the Unaudited Interim Combined Financial Statements, Solvay's obligations in respect of the amounts drawn to redeem the USD 2025 Bonds will be transferred to the Company upon completion of the Partial Demerger, as shown and described in Section 10.21, "*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 subsidiary of the Company after the Partial Demerger, and the Cytec 2025 Bonds are included as financial debt of the SpecialtyCo group in the Combined Financial Statements and the Unaudited Interim Combined Financial Statements. Solvay SA will remain the guarantor of the Cytec 2025 Bonds and, effective upon completion of the contemplated Partial Demerger, the Company will provide a counter-guarantee to Solvay SA for any payments to be made under the Cytec 2025 Bonds, as shown and described in Section 10.21, "*Target capital structure.*"

7.6.4 2023 Hybrid Bonds

On October 5, 2023, Solvay SA 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 SA 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 SA 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**,” 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 10.21, “*Target capital structure*.”

The 2023 Hybrid Bonds were not included in the Combined Financial Statements or the Unaudited Interim Combined Financial Statements. Neither the 2023 Hybrid Bonds, nor the proceeds expected to be drawn under Solvay’s bridge facility to repay the 2023 Hybrid Bonds are included in the table shown in Section 10.21, “*Target capital structure*” given that they will not be transferred to SpecialtyCo at the time of the Partial Demerger.

9. OPERATING AND FINANCIAL REVIEW

Chapter 9, “Operating and Financial Review,” of the Registration Document should be read in conjunction with the following discussion and analysis of SpecialtyCo’s results of operations for the first half of 2023:

9.6 Overview for the six-month period ended June 30, 2023

SpecialtyCo’s net sales decreased from EUR 3,848 million in the first half of 2022 to EUR 3,628 million in the first half of 2023, or by 5.7% on a reported basis and by 4.3% on an organic basis compared, driven by lower volumes in a weaker macroeconomic environment, partly offset by higher prices. The lower year-over-year volumes were broad-based across various end markets, including batteries, agro, construction, and consumer-facing industries. The Company is focused on adapting the posture of all of its businesses as it continues to face a particularly challenging macroeconomic environment, with persistent demand weakness that is expected to continue to weigh on volume recovery across most markets.

Underlying EBITDA was EUR 906 million in the first half of 2023 compared to EUR 926 million in the same period in 2022, a decline of 2.2% on a reported basis and 1.1% on an organic basis. The year-on-year decline is due to the drop in volumes, partly offset by sustained net pricing, cost discipline and positive portfolio mix effects. The Underlying EBITDA margin (meaning underlying EBITDA as a percentage of net sales) of 25.0% in the first half of 2023 is 0.9 percentage points higher than in the first half of 2022, mainly as a result of pricing despite lower volumes in a highly competitive environment.

Underlying EBIT was EUR 706 million in the first half of 2022 and EUR 677 million in the first half of 2023, representing a decline of 4.1%. EBIT was EUR 395 million in the first half of 2023, compared to EUR 630 million in the first half of 2022, with the difference between EBIT and Underlying EBIT reflecting mainly provisions relating to the PFAS settlement reached with the New Jersey Department of Environmental Protection, and restructuring charges relating to the separation project.

Net profit was EUR 302 million for the first half of 2023, compared to EUR 515 million for the first half of 2022.

ROCE as of June 30, 2023, calculated on the basis of Underlying EBIT for the twelve months ended on that date, was 13.1%. ROCE as of June 30, 2022, on the basis of Underlying EBIT for the twelve months ended on that date, has not been presented because the necessary data points for are not available. In particular, the calculation of the numerator and denominator of ROCE as of June 30, 2021 requires information with respect to either the first or second half of 2021, for which combined financial statements have not been prepared. It is therefore impracticable to present ROCE as of June 30, 2022.

9.7 Results of operations—Six months ended June 30, 2023 compared with six months ended June 30, 2022

9.7.1 Economic and market context

In the first half of 2023, the global economy softened, while inflation appeared 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).

9.7.2 Key figures

(in EUR million except percentages)	Six months ended June 30,		Change
	2023	2022	H1 2023/H1 2022
Net sales	3,628	3,848	(5.7)%
Underlying EBITDA.....	906	926	(2.2)%
Underlying EBITDA margin	25.0%	24.1%	0.9pp
EBITDA.....	692	918	(24.6)%
Underlying EBIT.....	677	706	(4.1)%
Underlying EBIT margin	18.66%	18.4%	0.3pp
EBIT.....	395	630	(37.3)%
Profit (loss) for the year.....	302	515	(41.4)%
Capital expenditures.....	305	219	39.3%
Free Cash Flow.....	329	174	89.1%

9.7.3 Group performance

9.7.3.1 *Sales and net sales*

Sales totaled EUR 3,791 million in the first half of 2023, compared to EUR 3,944 million in the first half of 2022, including respectively EUR 163 million and EUR 96 million in revenues from non-core activities.

Net sales of EUR 3,628 million in the first half of 2023 represented a decline of 5.7% (4.3% on an organic basis) compared to the first half of 2022, due to continued pricing actions that were more than offset by lower volumes, and modestly negative currency effects (mainly related to sales in CNY and JPY) and scope impact. Lower volumes were due to softer demand across several end markets including batteries/automotive, construction, agro and consumer-driven industries.

The following table presents the main drivers of the changes in SpecialtyCo's 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
(in EUR million)					
3,848	(22)	(35)	(419)	255	3,628

Net sales increased in the Materials segment in the first half of 2023, driven by increased pricing in Specialty Polymers and growth in both prices and volumes in Composite Materials. Consumer & Resources net sales fell, as volumes declined most notably in the Novocare and Aroma Performance Global Business Units, consistent with a pronounced market wide decline in demand in several end-markets, particularly in the consumer sector.

The following table sets forth a breakdown of SpecialtyCo's net sales by segment and GBU in the first half of 2023 and the first half of 2022.

Net sales by segment and GBU

(in EUR million except percentages)	Six months ended June 30,		H1 2023/H1 2022	
	2023	2022	Reported	Organic
Materials.....	2,117	1,927	9.9%	11.3%

(in EUR million except percentages)	Six months ended June 30,		H1 2023/H1 2022	
	2023	2022	Reported	Organic
<i>of which Specialty Polymers</i>	1,597	1,481	7.8%	9.7%
<i>of which Composite Materials</i>	520	446	16.7%	16.6%
Consumer & Resources	1,508	1,919	(21.4)%	(20.1)%
<i>of which Novicare</i>	724	958	(24.5)%	(22.3)%
<i>of which Technology Solutions</i>	357	362	(1.2)%	(1.7)%
<i>of which Aroma Performance</i>	188	308	(39.1)%	(38.9)%
<i>of which Oil & Gas</i>	238	290	(17.9)%	(16.1)%
Corporate & Business Services	3	3	24.6%	30.4%
Total Net Sales - Specialty Co	3,628	3,848	(5.7)%	(4.3)%

From a geographical perspective, net sales increased in Europe, declined modestly in North America and fell more significantly in Asia, driven by a decline in net sales in China. The following table shows the variation in net sales by region and selected countries in the first half of 2023 and the first half of 2022.

Net sales by region

(in EUR million except percentages)	Six months ended June 30,		Change
	2023	2022	H1 2023/H1 2022
Asia and the rest of the world	1,204	1,413	(14.8)%
<i>of which China</i>	464	614	(24.4)%
<i>of which Japan</i>	185	166	11.4%
<i>of which South Korea</i>	122	125	(2.4)%
North America	1,191	1,228	(3.0)%
<i>of which United States</i>	1,138	1,166	(2.4)%
Europe	948	899	5.5%
<i>of which Germany</i>	254	240	5.8%
<i>of which Italy</i>	139	143	(2.8)%
<i>of which France</i>	124	124	0.0%
<i>of which other European Union</i>	277	234	18.4%
<i>of which other Europe (including UK)</i>	154	158	(2.5)%
Latin America	286	308	(7.1)%
Total Net Sales – Specialty Co	3,628	3,848	(5.7)%

With respect to end markets, growth in net sales was recorded in aerospace, resources & environment and electronics, while sales in other end markets declined. 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,		Change H1
	2023	2022	2023/H1 2022
Automotive & Aerospace.....	1,092	1,061	2.9%
<i>of which Aerospace</i>	513	427	20.1%
<i>of which Automotive</i>	579	634	(8.7)%
Resources & Environment.....	601	543	10.7%
Industrial Applications & Chemical Industry.....	514	636	(19.2)%
Consumer Goods, Healthcare & HPC.....	502	544	(7.7)%
Agro, Feed & Food.....	347	477	(27.3)%
Electronics.....	326	294	10.9%
Building.....	207	277	(25.3)%
Other.....	39	16	n.m.
Total Net Sales	3,628	3,848	(5.7)%

9.7.3.2 Gross margin, cost of goods sold and other expenses

Gross margin was EUR 1,298 million in the first half of 2023, an increase of 0.9% compared to EUR 1,287 million in the first half of 2022. Gross margin as a percentage of net sales was 33.4% in the first half of 2022, and increased to 35.8% in the first half of 2023. Cost of goods sold declined somewhat more than net sales, from EUR 2,657 million in the first half of 2022 to EUR 2,493 million in the first half of 2023, reflecting a decrease of 6.2%.

With respect to other operating expenses, in the first half of 2023, SpecialtyCo recorded an increase in commercial costs, a decrease in administrative costs and growth in research and development expenses. See Section 9.7.5, “Reconciliation of alternative performance measures for the six months ended June 30, 2023 and June 30, 2022” for a description of the results from portfolio management & major restructuring and the results from legacy remediation and major litigation which also impacted operating expenses in the first half of 2023.

9.7.3.3 EBITDA and Underlying EBITDA

SpecialtyCo’s Underlying EBITDA margin increased in the first half of 2023 compared to the same period in 2022, driven by continued growth in net pricing. However, the decline in volume and (to a lesser extent) increased fixed costs impacted the absolute amount of Underlying EBITDA, which declined modestly in the first half of 2023. The following table presents SpecialtyCo’s EBITDA, EBITDA margin (calculated as a percentage of net sales), Underlying EBITDA and Underlying EBITDA margin in the first half of 2023 and 2022 and the variation on a reported and, for Underlying EBITDA, organic basis.

(in EUR million)	Six months ended June 30,		H1 2023/H1 2022	
	2023	2022	Reported	Organic
Underlying EBITDA	906	926	(2.2)%	(1.1)%
Underlying EBITDA margin	25.0%	24.1%	0.9pp	
EBITDA.....	692	918	(24.6)%	
EBITDA margin.....	19.1%	23.9%	4.8 pp	

The main differences between EBITDA and Underlying EBITDA are discussed in Section 9.7.5, “Reconciliation of alternative performance measures for the six months ended June 30, 2023 and June 30, 2022” below.

The following table provides the breakdown in the drivers of the changes in 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
926	(2)	(8)	(171)	230	(60)	(9)	906
(in EUR million)							

9.7.3.4 EBIT and Underlying EBIT

Underlying EBIT declined by 4.1% in the first half of 2023 compared to the first half of 2022, reflecting primarily the drop in Underlying EBITDA. EBIT declined more significantly in large part due to provisions relating to the PFAS settlement in New Jersey. The following table presents SpecialtyCo’s EBIT and Underlying EBIT in the first half of 2023 and the first half of 2022 and the variation on a reported basis.

(in EUR million except percentages)	Six months ended June 30,		Change H1
	2023	2022	2023/H1 2022
Underlying EBIT	677	706	(4.1)%
Underlying EBIT margin (calculated as a percentage of net sales)	18.66%	18.35%	0.3pp
EBIT.....	395	630	(37.3)%
EBIT margin (calculated as a percentage of net sales).....	10.89%	16.37%	(5.5)pp

9.7.3.5 Net profit

Net profit for the period totaled EUR 302 million for the first half of 2023, compared to EUR 515 million for the first half of 2022. The decline in net profit reflects the change in EBIT as well as increased cost of borrowings (mainly from increased applicable interest rates on intragroup balances with the Remaining Solvay Group), offset by lower income tax charges.

9.7.4 Segment performance

9.7.4.1 Materials

Net sales

Materials segment net sales increased 9.9% (11.3% on an organic basis) to EUR 2,117 million in the first half of 2023, driven by higher prices (up 13%), which more than offset lower volumes (down 2%) and a negative foreign exchange rate impact that primarily reflected the decline in the value of the CNY and JPY compared to the euro.

The following table sets forth the key drivers of segment net sales growth for the Materials segment:

H1 2022	Scope	Foreign Exchange Conversion	Volume & mix	Price	H1 2023
1,927	-	(25)	(30)	245	2,117

(in EUR million)

The following table provides a breakdown of net sales by GBU for the Materials segment.

Materials segment – Net sales by GBU

(in EUR million except percentages)	Six months ended June 30,		H1 2023/H1 2022	
	2023	2022	Reported	Organic
Materials	2,117	1,927	9.9%	11.3%
<i>of which Specialty Polymers</i>	1,597	1,481	7.8%	9.7%
<i>of which Composite Materials</i>	520	446	16.7%	16.6%

Net sales in Specialty Polymers increased 7.8% (9.7% on an organic basis) in the first half of 2023 compared to the first half of 2022, driven by sustained pricing increases, which were particularly significant in the first quarter as the increase in segment prices began mainly in the second quarter of 2022. Volumes were slightly down in the first half of 2023 compared to the prior period mainly due to customer destocking of batteries for the automotive sector, while polymers in markets such as semiconductors grew.

Net sales in Composite Materials were up 16.7% (16.6% on an organic basis) compared to the first half of 2022, supported by both higher volumes and prices as the aerospace market recovery continues. Volume growth was driven by increased build rates of commercial aircraft as well as growth in aerospace & defense.

All end markets recorded increases in net sales, except automotive (as a result of destocking of batteries) and construction (impacted by increased interest rates). The following table provides a breakdown of Materials segment net sales by end market.

(in EUR million except percentages)	Six months ended June 30,		Change H1 2023/H1 2022
	2023	2022	
Automotive & Aerospace.....	1,039	1,004	3.5%
<i>of which Aerospace</i>	513	427	20.1%
<i>of which Automotive</i>	526	577	(8.8)%
Electronics.....	314	272	15.4%
Consumer Goods, Healthcare & HPC.....	275	237	16.0%
Industrial Applications & Chemical Industry	191	159	20.1%
Resources & Environmental.....	152	95	60.0%
Agro, Feed & Food.....	67	67	0.0%
Building.....	73	95	(23.2)%
Other.....	7	0	nm

From a regional perspective, net sales grew in all regions except Asia. The following table provides a breakdown of Materials segment net sales by region.

Materials segment – Net sales by region

(in EUR million except percentages)	Six months ended June 30,		Change H1 2023/ H1 2022
	2023	2022	
Asia and the Rest of the World.....	697	734	(5.2)%
North America.....	646	582	10.9%
Europe.....	704	563	25.0%
Latin America	69	47	46.8%

Underlying EBITDA

Materials segment Underlying EBITDA increased by 21.3% (20.9% on an organic basis) in the first half of 2023 compared with the first half of 2022. The improvement was driven by higher net pricing, which more than offset increased fixed costs, while the impact of volume and mix was minimal. This led to an Underlying EBITDA margin of 34.3% in the first half of 2023, representing an increase of 3.2 points year on year.

The following table provides the drivers of the changes in Underlying EBITDA for the Materials segment 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
599	6	(4)	(5)	217	(71)	(15)	727
(in EUR million)							

9.7.4.2 Consumer & Resources

Net sales

Consumer & Resources segment net sales were down 21.4% (20.1% on an organic basis) in the first half of 2023, compared to the first half of 2022, mostly as a result of lower volumes, with prices essentially flat.

The following table sets forth the key drivers of segment net sales growth for the Consumer & Resources segment:

<u>H1 2022</u>	<u>Scope</u>	<u>Foreign Exchange Conversion</u>	<u>Volume & mix</u>	<u>Price</u>	<u>H1 2023</u>
1,919	(22)	(10)	(389)	10	1,508

(in EUR million)

The following table provides a breakdown of net sales by GBU for the Consumer & Resources segment.

Consumer & Resources segment – Net sales by GBU

(in EUR million except percentages)	<u>Six months ended June 30,</u>		<u>H1 2023/H1 2022</u>	
	<u>2023</u>	<u>2022</u>	<u>Reported</u>	<u>Organic</u>
Consumer & Resources	1,508	1,919	(21.4)%	(20.1)%
<i>of which Novecare</i>	724	958	(24.5)%	(22.3)%
<i>of which Technology Solutions</i>	357	362	(1.2)%	(1.7)%
<i>of which Aroma Performance</i>	188	308	(39.1)%	(38.9)%
<i>of which Oil & Gas</i>	238	290	(17.9)%	(16.1)%

Net sales in Novecare were lower by 24.5% (22.3% on an organic basis) year on year. While pricing remained flat (declining modestly in the second quarter), reduced demand in agro, coatings and consumer markets weighed on volumes.

Technology Solutions net sales were slightly lower by 1.2% (1.7% on an organic basis) as lower volumes were offset by higher prices as the mining segment remained resilient.

Aroma Performance net sales decreased by 39.1% (38.9% on an organic basis), as volumes declined due to lower demand for vanillin used in the food, flavors and fragrance market, as well as increased competition.

Oil & Gas Solutions net sales decreased by 17.9% (16.1% on an organic basis) versus the previous year mainly driven by lower natural gas drilling activity in the US due to a significant decline in natural gas prices.

Net sales declined broadly across most end markets in the Consumer & Resources segment. The following tables provide a breakdown of net sales by end market for the Consumer & Resources segment.

(in EUR million except percentages)	<u>Six months ended June 30,</u>		<u>Change</u>
	<u>2023</u>	<u>2022</u>	<u>H1 2023/ H1 2022</u>
Resources & Environmental.....	449	448	0.2%
Agro, Feed & Food.....	280	409	(31.5)%
Industrial Applications & Chemical Industry.....	322	477	(32.5)%
Consumer Goods, Healthcare & HPC.....	228	307	(25.7)%
Building.....	134	182	(26.4)%
Automotive & Aerospace.....	54	57	(5.3)%
<i>of which Aerospace</i>	0	0	n.m.
<i>of which Automotive</i>	54	57	(5.3)%
Electronics.....	12	22	(45.5)%
Other.....	31	16	

The decline in net sales in the first half of 2023 also impacted all regions. The following table provides a breakdown of net sales by region for the Consumer & Resources segment.

Consumer & Resources segment – Net sales by region

(in EUR million except percentages)	Six months ended June 30,		Change H1 2023/ H1 2022
	2023	2022	
Asia and the Rest of the World.....	506	676	(25.1)%
North America.....	545	645	(15.5)%
Europe.....	243	336	(27.7)%
Latin America.....	216	261	(17.2)%

Underlying EBITDA

Underlying EBITDA in the Consumer & Resources segment fell 39.5% (38.3% on an organic basis) year over year reflecting lower volumes. Underlying EBITDA margin for the segment in the first half of 2023 was 17.1%, lower by 5.1 points compared to the first half of 2022 due to the impact of lower volumes on a relatively stable fixed cost base.

The following table provides the drivers of the changes in Underlying EBITDA for the Consumer & Resources segment 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
426	(2)	(5)	(169)	13	(13)	8	258

(in EUR million)

9.7.4.3 Corporate & Business Services

Net sales for the segment totaled EUR 3 million in the first half of 2023 and the first half of 2022.

Underlying EBITDA represented a loss of EUR 79 million in the first half of 2023, an improvement of 20.7% compared to a loss of EUR 99 million for the first half of 2022 (an improvement of 24.4% on an organic basis).

9.7.5 Reconciliation of alternative performance measures for the six months ended June 30, 2023 and June 30, 2022

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. Certain terms are defined under “*Alternative Performance Measures – Definitions*” below.

(in EUR million)	Six months ended June 30,	
	2023	2022
EBIT	395	630
Results from portfolio management and major restructuring.....	56	7
Results from legacy remediation and major litigation.....	194	40
Amortization of intangible assets resulting from Purchase Price Allocation (PPA).....	67	68
Corporate costs allocation.....	(35)	(38)
Underlying EBIT	677	706
Depreciation and amortization (other than amounts reflected above).....	230	220
Underlying EBITDA	906	926

Results from portfolio management & major restructuring in the first half of 2023 included a restructuring provision of EUR 41 million that was recognized in the context of the separation plan.

Results from legacy remediation and major litigation in the first half of 2023 reflected an increase in environmental provisions by EUR 258 million, of which EUR 229 million as a result of the settlement reached with New Jersey Department of Environmental Protection resolving certain PFAS related claims in New Jersey, partially offset by the EUR 92 million final settlement of litigation in relation to SpecialtyCo's claims of environmental breaches by Edison.

The following table presents a reconciliation of Underlying net profit (loss) to profit (loss) for the six months ended June 30, 2023 and 2022.

(in EUR million)	Six months ended June 30,	
	2023	2022
Profit (loss) for the period	302	515
Results from portfolio management and major restructuring	56	7
Results from legacy remediation and major litigation	194	40
Amortization of intangible assets resulting from Purchase Price Allocation (PPA)	67	68
Corporate costs allocation	(35)	(38)
Impact of change in discount rates	-	(5)
Gains and losses financial instruments at fair value in the income statement	(2)	9
Income taxes	(118)	(102)
Tax on corporate costs allocation	9	10
Underlying net profit (loss)	472	503

10. CAPITAL RESOURCES

Chapter 10, “Capital Resources,” of the Registration Document should be read in conjunction with the following discussion and analysis of SpecialtyCo’s liquidity and capital resources as of and for the six months ended June 30, 2023:

10.13 Overview

SpecialtyCo’s principal cash needs have historically consisted of cash used for working capital needs and capital expenditures. SpecialtyCo has historically met these needs principally from a combination of cash flows from operations and borrowings from external sources and within the Solvay Group.

10.14 Cash flow

The following table sets forth information from SpecialtyCo’s combined statements of cash flows.

(in EUR million)	Six months ended June 30,	
	2023	2022
Changes in working capital.....	(152)	(367)
Cash flow from operating activities*	657	415
Cash flow from (used in) investing activities.....	73	(137)
Cash flow from (used in) financing activities.....	(651)	(73)
Change in cash and cash equivalents	79	205
Currency translation differences.....	(16)	6
Cash and cash equivalents (end of period)	307	351

* Cash flow from operating activities for the six months ended June 30, 2023 includes the payment of EUR 92 million received from Edison, following an arbitration procedure that began in 2012 in front of the ICC Arbitration Court in Geneva (CH) and resulted in a first partial award in favor of Solvay Specialty Polymers Italy S.p.A. for the losses, damages and costs incurred up to the end of 2016 in relation to certain environmental issues at the Spinetta Marengo and Bussi sites, previously owned and operated by (Mont)Edison S.p.A. and Ausimont S.p.A.. See also Section 9.7.5, “Reconciliation of alternative performance measures for the six months ended June 30, 2023 and June 30, 2022.”

10.15 Working capital

SpecialtyCo analyzes its net working capital position on the basis of the sum of inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities. The following table sets forth information from SpecialtyCo’s combined statements of cash flows.

The following table presents SpecialtyCo’s net working capital as of June 30, 2023 and December 31, 2022.

Net working capital – SpecialtyCo

(in EUR million)	As of June 30, 2023	As of December 31, 2022
Inventories (a).....	1,275	1,392
Trade receivables (b).....	1,032	1,027
Other current receivables (c).....	339	306
Trade payables (d).....	(818)	(972)
Other current liabilities (e).....	(473)	(538)
Total net working capital (a+b+c+d+e).....	1,355	1,215

Working capital in the first half of 2023 benefited from discipline including inventory reduction and low overdues.

10.16 Capital expenditures

The following table presents SpecialtyCo’s capital expenditures for the first half 2023 and the first half of 2022.

(in EUR million)	For the six months ended June 30,	
	2023	2022
Acquisition (-) of property, plant and equipment (a).....	(292)	(158)
<i>of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow (b).....</i>	<i>(51)</i>	<i>0</i>
Acquisition (-) of intangible assets (c).....	(36)	(36)
Payment of lease liabilities (d)	(28)	(25)
Total Capital expenditures (e = a – b + c + d).....	(305)	(219)
Total capital expenditures as a percentage of net sales.....	8.4%	5.7%

The increase in the acquisition of property, plant and equipment in the first half of 2023 included primarily the acquisition of the new corporate headquarters in Belgium and capital expenditures related to the expansion of production capacity for PVDF at the Tavaux site in France.

10.17 Financial debt

SpecialtyCo’s financial debt (the sum of current and non-current financial debt) has decreased, and amounted to EUR 4,116 million as of June 30, 2023, compared to EUR 5,877 million as of December 31, 2022. These figures include substantial amounts of internal Solvay Group debt that will be wound down prior to the Partial Demerger. SpecialtyCo’s financial debt is expected to change significantly in advance of the Partial Demerger. See Section 10.21, “Target capital structure.” As of June 30, 2023, SpecialtyCo entities owed a net amount of EUR 1,620 million to EssentialCo entities.

10.18 Provisions

Provisions increased by EUR 305 million in the first half of 2023, primarily reflecting an additional EUR 229 million provision resulting from the PFAS settlement agreement reached in June with the New Jersey Department of Environmental Protection. The PFAS provision represents the estimated expense and does not reflect expected recoveries from third party contributors or potential insurance proceeds, the combination of which could significantly reduce the resultant costs. Restructuring provisions increased in the first half of 2023 (EUR 41 million) following the new plan launched to mitigate the expected dysnergies as a result of the Group’s separation project.

10.19 Free Cash Flow

Free Cash Flow is equal to cash flows from operating activities (excluding cash flows linked to acquisitions or disposals of subsidiaries and 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-outs and related taxes), cash flows from investing activities (excluding cash flows from or related to the 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 and increase/decrease of borrowings related to environmental remediation. In addition, because leases are generally considered to be operating in nature, free cash flow incorporates the payment of the lease liability (excluding the interest expense) recorded in cash flow from financing activities in accordance with IFRS 16. Free Cash Flow is a measure of cash generation, working capital efficiency and capital discipline of SpecialtyCo.

The following table presents the calculations of free cash flow for the first half 2023 and the first half of 2022.

(in EUR million)	Six months ended June 30,	
	2023	2022
Cash flow from operating activities (a).....	657	415
of which voluntary pension contributions (b).....	0	0

(in EUR million)	Six months ended June 30,	
	2023	2022
of which cash flow related to related to internal portfolio management and excluded from Free Cash Flow (c).....	(3)	(4)
Cash flow from investing activities (d).....	73	(137)
of which Change in internal bank accounts with remaining Solvay Group (e).....	258	(62)
of which Acquisition (-) of subsidiaries (f).....	(2)	0
of which Acquisition (-) of investments – Other (g).....	(7)	0
of which net loans to associates & non-consolidated subsidiaries (h).....	147	104
of which sale of subsidiaries and investments (i).....	5	14
of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow (j).....	(51)	0
Repayment of lease liabilities - IFRS 16 (k).....	(28)	(25)
Corporate costs allocation* (l).....	(26)	(29)
Free Cash Flow (m=a-b-c+d-e-f-g-h-i-j+k+l)	329	174

*After tax effect considered at 25%

Free Cash Flow totaled EUR 329 million in the first half of 2023, representing a significant increase year-on-year despite EUR 86 million of higher capital expenditures, reflecting working capital discipline including inventory reduction and low overdue receivables.

10.20 Return on Capital Employed, or ROCE

Return on Capital Employed, or ROCE, is calculated as the ratio between Underlying EBIT (before adjustment for the amortization of PPA), based on the last twelve months, 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. Management believes that ROCE provides useful information for evaluating SpecialtyCo's profitability and the efficiency with which capital has been employed over time.

(in EUR million)	As of June 30, 2023
Underlying EBIT Last Twelve Months (a).....	1,353
Non-cash accounting impact from amortization & depreciation of purchase price allocation (PPA) from acquisitions (b)	(140)
Numerator (c = a + b)	1,213
Industrial working capital (d)	1,428
Other current receivables/liabilities (e).....	(178)
Property, plant and equipment (f).....	3,099
Intangible assets (g).....	1,838
Right-of-use assets (h).....	202
Investments in associates and joint ventures (i)	207
Other investments (j).....	4
Goodwill (k).....	2,652
Denominator (l = d + e + f + g + h + i + j + k)	9,253
ROCE (m = c/l)	13.1%

10.21 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 7.6, "Liability management transactions" (which also specifies which instruments that were subject to liability management transactions were included in the Combined Financial Statements and the Unaudited Interim Combined Financial Statements). Certain terms defined in Section 7.6 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 Cytex 2025 Bonds.

The capital structure of SpecialtyCo following the Partial Demerger will be different from that shown in the Combined Financial Statements and the Unaudited Interim Combined Financial Statements. In addition to changes arising in the ordinary course of business, the structure of SpecialtyCo's financial assets and liabilities is expected to change in three significant respects prior to the Partial Demerger, which will not impact SpecialtyCo's credit strength or cash generation capacity:

- The capital structure of SpecialtyCo will be impacted by 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 SpecialtyCo upon completion of the Partial Demerger, as described below), and the substitution of the Company for Solvay SA 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.
- 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 SpecialtyCo) 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 the Company 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 included in the "as adjusted" column of the table below. The amounts corresponding to the purchase of the 2024 Hybrid Bonds and the 2023 Hybrid Bonds will remain at Solvay and are not included in the table below. Any excess cash proceeds, after transaction costs and after taking into account liquidity requirements, will be transferred to SpecialtyCo.
- Financial assets and liabilities between the SpecialtyCo and Solvay 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 Solvay entities.

The following table presents the hypothetical impact of the foregoing transactions on SpecialtyCo's capital structure (financial debt, cash and equity) as of June 30, 2023 as set forth in the SpecialtyCo's Unaudited Interim Combined Financial Statements, 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), and that EUR 1,040 million of cash (including EUR 550 million of proceeds from bridge financing) and EUR 1,336 million of bridge financing obligations will be transferred to SpecialtyCo (as explained above). The bridge facilities (one for Solvay and one for SpecialtyCo) have been fully underwritten as of the date of this Supplement. The SpecialtyCo bridge facility provides for an initial term of twelve (12) months, with options for two six-month extensions at the borrower's option. The SpecialtyCo bridge facility agreement provides for automatic transfer to the Company upon completion of the Partial Demerger. Interest with respect to EUR amounts (including the EUR 600 million drawn to finance the redemption of the 2029 Bonds) accrues at the rate of one (1) month Euribor plus 35 basis points and with respect to USD amounts accrues at the rate of SOFR plus 60 basis points (including the approximately USD 736 million drawn to finance the redemption of the USD 2025 Bonds), subject in each case 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 SpecialtyCo would have had if it had already been separated from Solvay and these transactions had taken place on June 30, 2023. SpecialtyCo'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 SpecialtyCo's Unaudited Interim Combined Financial Statements. For purposes of this table, EssentialCo entities are referred to as the "Remaining Solvay Group."

(in EUR million)	As of June 30, 2023 Unaudited Interim Combined Financial Statements	Adjustments (Unaudited)	As of June 30, 2023, as adjusted (Unaudited)
External financial debt			
Cytec 2025 Bonds ⁽¹⁾	150	-	150
USD 2025 Bonds ⁽²⁾	736	(736)	-
Other borrowings from third parties.....	61	-	61
2027 Bonds ⁽³⁾		497	497
New financing ⁽⁴⁾		1,336	1,336
Total external financial debt	946	1,097	2,043
Perpetual hybrid bonds ⁽⁵⁾		500	500
Total external underlying financial debt (external financial debt plus perpetual hybrid bonds) (a)	946	1,597	2,543
Financial assets and debts owed by or to Remaining Solvay Group			
Non-current loans to Remaining Solvay Group	(19)	19	-
Current loans to Remaining Solvay Group	(27)	27	-
Current financial instruments - Internal bank accounts with Remaining Solvay Group.....	(1,281)	1,281	-
Non-current borrowings from Remaining Solvay Group	569	(569)	-
Current borrowings and internal bank accounts liabilities with Remaining Solvay Group.....	2,379	(2,379)	-
Net financial assets and debt owed by or to Remaining Solvay Group (b)	1,620	(1,620)	-
Lease debt (c).....	222		222
Other financial instruments (current and non-current) (d).....	(57)		(57)
Cash and cash equivalents (e)	(307)	(1,040)	(1,347)
Underlying net financial debt (f = a + b + c + d + e)	2,425	(1,063)	1,361
Total business equity (excluding perpetual hybrid bonds)	6,275	1,063	7,338

- ⁽¹⁾ USD 163.5 million principal amount of Senior Notes due May 2025 issued by Cytec Industries Inc. See Note F32 to the Combined Financial Statements. These notes are currently guaranteed by Solvay SA. Cytec Industries Inc. will be a SpecialtyCo subsidiary after the Partial Demerger, and the Cytec 2025 Bonds are included as financial debt of the SpecialtyCo group in the Combined Financial Statements. Solvay SA will remain the guarantor of the Cytec 2025 Bonds and, effective upon completion of the Partial Demerger, the Company will provide a counter-guarantee to Solvay SA under which it will agree to reimburse Solvay SA for any payments to be made under the guarantee of the Cytec 2025 Bonds.
- ⁽²⁾ USD 800 million principal amount of Senior Notes due December 2025 issued by Solvay Finance (America), LLC. See Note F32 to the Combined Financial Statements. These notes will be redeemed on November 15, 2023, funded with drawdowns on bank facilities; the new financing obligations with respect thereto will be transferred to the Company upon completion of the Partial Demerger.
- ⁽³⁾ EUR 500 million principal amount (EUR 497 million carrying value) of Senior Notes due December 2027 issued by Solvay SA, to be transferred to the Company upon completion of the Partial Demerger.
- ⁽⁴⁾ EUR 1,336 million of new financing obligations that will be transferred to SpecialtyCo upon completion of the Partial Demerger (including EUR 736 million related to the redemption of the USD 2025 Bonds).

⁽⁵⁾ EUR 500 million of perpetual hybrid bonds, callable as from December 2025 (the 2025 Hybrid Bonds), treated as equity in the consolidated financial statements of Solvay SA, but treated as debt for purposes of determining underlying financial debt, to be transferred to the Company upon completion of the Partial Demerger.

12. TREND INFORMATION

Chapter 12, “Trend Information,” of the Registration Document should be read in conjunction with the following discussion:

12.3 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 9.7, “Results of operations—Six months ended June 30, 2023 compared with six months ended June 30, 2022.”

In the third quarter of 2023, SpecialtyCo recorded declining Underlying EBITDA compared to the third quarter of 2022, on both a reported and organic basis, driven by lower volumes, partly offset by positive net pricing and lower fixed costs. As a result, Underlying EBITDA margin decreased slightly compared to the third quarter of 2022.

In the Materials segment, sales declined compared to the third quarter of 2022, due to lower volumes, unfavorable currency effects and slightly lower pricing. Sales in Specialty Polymers reflected significantly lower volumes in most markets, compared in particular to a strong third quarter of 2022. Sales in Composite Materials declined only slightly on a reported basis but were up on an organic basis compared to the third quarter of 2022, driven by sustained aerospace demand. Composite Material sales growth was also impacted by supply chain issues which limited deliveries in the quarter. Materials Underlying EBITDA declined compared to the third quarter of 2023, reflecting the above; while the decline in Underlying EBITDA margin was modest.

In the Consumer & Resources segment, sales declined compared to the third quarter of 2023, reflecting lower volumes across most markets, scope, unfavorable currency effects and lower prices. Sales in Novecare declined due to lower demand in agro, construction and consumer markets. Technology Solutions sales declined due to lower volumes in mining from temporary disruptions at certain mines, and slightly offset by higher prices. Aroma Performance sales declined on continued lower demand and strong competition in the food, flavor & fragrance markets. Actions taken on fixed costs supported a sequential improvement in profitability. Oil & Gas sales were lower, driven by lower drilling activity in the United States following the decline in natural gas prices and higher competitive pressure. As a result of lower volumes, Consumer & Resources Underlying EBITDA and Underlying EBITDA margin declined.

12.4 Business developments since June 30, 2023

12.4.1 Plans to create largest North American production facility for electric vehicle materials

On November 2, 2023, Solvay announced that it had confirmed its plans to build a new battery-grade PVDF facility in Augusta, Georgia. With more than half of U.S. car sales projected to be electric by 2030, the U.S. produced PVDF – a thermoplastic fluoropolymer – will allow supply for the rapidly growing EV battery market, meeting the growing needs of U.S. domestic energy storage markets. The new operations aims to provide material for more than five million EV batteries per year at full capacity and create hundreds of jobs throughout the value chain.

Solvay also announced that it and Orbia had recently signed their joint venture agreement for the project. The partnership secures the supply by Orbia of materials needed by SpecialtyCo to manufacture its suspension-grade PVDF production, which is used as a lithium-ion binder and separator coating in electric vehicle batteries. Solvay aims to bring its process technology and global market know-how to the venture. Together, Solvay’s Solef® PVDF innovations and Orbia’s raw material assets and production expertise should enable the delivery of PVDF that enables electric vehicles to go farther on each charge, extends battery life and improves battery safety.

Solvay and Orbia intend to use two production sites in the southeastern U.S.: one for raw materials and the other for finished products. Both plants are expected to be operational in 2026.

Solvay also announced that it and the U.S. Department of Energy's Office of Manufacturing and Energy Supply Chains had finalized their agreement for a USD 178 million grant to Solvay to help build this facility at its site in Augusta, GA. The grant was awarded to Solvay as part of the U.S. Infrastructure Investment and Jobs Act to expand U.S. domestic manufacturing of batteries for electric vehicles and the electrical grid, as the project aims to fill a significant supply gap, building upon favorable regulatory conditions that promote regional production and material security.

12.4.2 Launch of Xencor XTreme for battery thermal runaway protection

On October 9, 2023, Solvay announced the launch of Xencor™ XTreme, a family of long glass fiber PPA solutions for battery applications requiring resistance to thermal runaway and propagation.

Xencor™ XTreme PPA LGF grades are designed to offer superior resistance to direct flame exposure at 1000°C for over 10 minutes, providing sufficient time for passengers to exit the vehicle in the event of a thermal runaway and meeting the latest global regulations in Europe, China, the United States and other countries. The materials are designed to with a V-0 UL 94 flammability rating and retain an excellent level of electrical insulation after exposure to flame helping to mitigate thermal runaway in batteries. More importantly, the material has a high glass transition temperature (T_g) which enables dimensional stability of the parts under battery operating conditions.

Key benefits of Xencor™ XTreme include high stiffness, strength and impact resistance, best-in-class electrical insulation with a comparative tracking index of >600 volts, and high dielectric strength.

12.4.3 Partnership with BETA Technologies for advanced air mobility platform

On October 3, 2023, Solvay announced its appointment as primary composite material supplier to BETA Technologies, an electric aviation company based out of Vermont, with an office in Montréal, Canada. SpecialtyCo will provide BETA with qualification support and advanced materials for the production of their ALIA CTOL, electric fixed-wing aircraft, and ALIA VTOL, electric vertical take-off and landing aircraft, developed for a variety of applications, including medical, cargo and passenger transportation.

Solvay and BETA are collaborating to select and qualify a tailored suite of materials from Solvay's broad portfolio to meet the rigorous performance and rate demands of the Advanced Air Mobility (AAM) market. Composites and specialty polymers will be used for primary and secondary structures, as well as non-structural parts, combining multifunctional integration with high strength and low weight, as well as electromagnetic interference and lightning protection.

12.4.4 Expansion of China Research & Innovation Center and inauguration of a new building in Shanghai

On September 6, 2023, Solvay announced the expansion of its China Research & Innovation Center (R&I), with the inauguration of a new research building in the Solvay Shanghai Technology Park. From 2005 until such date, Solvay had invested more than 4 billion RMB (approx 500M euros) in its Chinese R&I hub to better support local customers and fulfil the booming demand for innovative and sustainable solutions in the region.

The R&I building, Magnolia, marked a significant step forward for SpecialtyCo in advancing innovation in China.

The R&I building is home to several state-of-the-art laboratories. Among its notable features is a pioneering pilot hall dedicated to advanced materials applications. It is also home to purpose-built spaces customized for both industrial applications and consumer goods research. The new innovation platform serves critical sectors like green hydrogen, electronics, and semiconductors, and features an automation & robotics lab—a leap forward in SpecialtyCo's transformative journey towards digital evolution.

In addition to the new research building inaugurated, SpecialtyCo had also recently launched its Material Application & Development Lab in Shanghai. This strategic move catered to the growing demand for tailored high-performance material solutions from major local end markets such as automotive, new energy, life solutions and pharmacy, smart devices and semiconductors.

Established in 1997, the Solvay China R&I Center has grown into the Group's third largest research hub in the world, with a strong team of around 170 scientists, engineers and technicians. In the past five years, the center filed 89 patent applications, and published 84 papers on international scientific magazines, of which 15 pieces were on the covers. The R&I center's key competencies include developing advanced materials applications; and strengthening synthesis & process to bring innovative solutions to key markets such as transportation, industrial applications, and consumer goods. It enabled strong partnerships with customers and conducted open collaboration with academia and universities around the world.

12.4.5 Signing of long-term supply agreement for use of Solef® PVDF in high-purity semicon water piping systems with Agru

On August 10, 2023, Solvay announced the signing of a multi-million euro agreement with long-term partner Agru, a leader in engineered polymer applications, for the supply of high-purity Solef® polyvinylidene fluoride (PVDF). With this multi-year contract, Agru secured the reliable supply of Solef® PVDF for the manufacture of ultra-pure water piping systems used in the growing semiconductor industry.

As an industry benchmark for thermoplastic fluoropolymers, SpecialtyCo's Solef® PVDF resins are utilized extensively in the semiconductor industry for pipes, tubing and fittings used in water piping systems due to their exceptional purity. Unlike many other plastics, they do not require the use of stabilizers, plasticizers, lubricants or flame-retardant additives. Thanks to their chemical inertness and to the virtual absence of released contaminants, natural Solef® PVDF grades are ideal for components in distribution systems or ultra-pure water and other chemically pure fluids used in the semiconductor industry.

High-purity Solef® PVDF grades are based on 100% pure polymer feedstock without any added substance and are produced in a dedicated line to prevent any possible cross-contamination. They deliver a smooth surface and have a low coefficient of friction, which prevents the build-up of bio-film and bacterial growth—a critical performance requirement for a wide range of high-tech applications in the semiconductor industry, in thin-film transistor (TFT) and organic light-emitting diode (OLED) manufacturing, and in the life sciences, food and photovoltaic industries. Balanced processability as a neat resin and excellent mechanical properties make Solef® PVDF the best solution for high-pressure piping systems.

12.5 Financial outlook

SpecialtyCo believes it is well positioned to drive above-market growth, with leading positions in attractive end-markets, developed over decades in collaboration with customers. SpecialtyCo's segment, Materials and Consumers & Resources, represent two distinct, yet complementary businesses, the former characterized by relatively higher capital intensity and higher margins, while the latter is characterized by a relatively asset-light production model that SpecialtyCo believes has room for additional margin improvement. Through these businesses, SpecialtyCo aims to harness its broad portfolio of technologies, products and expertise to deliver industry-leading margins and superior returns while maintaining significant financial flexibility to grow, placing a significant focus on research and innovation and pursuing distinct sustainability goals.

As part of the implementation of its strategy, SpecialtyCo has set a number of financial objectives, which are presented below. These objectives are based on data, assumptions and estimates considered reasonable by SpecialtyCo at the date of this Supplement, based on its expectations of future economic conditions and the anticipated impact of the successful implementation of SpecialtyCo's strategy. These data, assumptions and estimates on which SpecialtyCo has based its objectives 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 SpecialtyCo is not aware at the date of this Supplement. The occurrence of one or more of the risks described in Chapter 1, “*Risk Factors*,” of the Registration Document could affect SpecialtyCo’s business, commercial situation, financial situation, results or prospects and therefore affect its ability to achieve the objectives 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 net sales growth rate for any specific financial year in the 2024 to 2028 period could differ substantially from the average net sales growth rate that is targeted, even if such target is achieved. Similarly, even if SpecialtyCo is able to achieve its objective with respect to Underlying EBITDA margins by 2028, margins prior to such financial year could vary significantly.

12.5.1 Assumptions

SpecialtyCo’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 SpecialtyCo to establish its objectives are as follows:

- sustained growth in SpecialtyCo’s main end markets, with cumulative annual growth rates of gross output forecast by Oxford Economics (September 2023) between 2024 and 2028 on the order of between 2% and 5% in automotive (internal combustion engines), home and personal care, mining and agro & feed sectors, of between 5% and 10% in the aerospace, electronics and healthcare sectors and in excess of 15% in the automotive (electric vehicles) sector;
- continuation of the megatrends driving each of these markets, as described in Chapter 6, “*Business Overview*” of the Registration Document;
- the absence of a significant change in the regulatory and tax environment existing as of the date of this Supplement;
- the absence of any major change in the foreign exchange rates of the main countries outside the Eurozone in which SpecialtyCo 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;
- capital expenditures in the range of approximately EUR 150 million and EUR 200 million between June 30, 2023 and December 31, 2023;
- an average annual euro/dollar exchange rate in line with that of the nine months ended September 30, 2023; and
- moderate growth in GDP, in line with forecasts available during the second half of 2023.

12.5.2 Medium-term financial objectives

In the medium term, SpecialtyCo will seek to take advantage of the value creation opportunities that will be accelerated by the separation from Solvay in the Partial Demerger, with the objective to grow on average at a rate that is twice that of the main end-markets in which it is active. Its initiatives to achieve this will include the following:

- *Innovation leadership* with a reinforced R&I effort to propel product development. SpecialtyCo benefits from a pipeline of products and projects that it believes has the potential to deliver up

to EUR 3.5 billion in net sales by 2028 across its business segments and growth platforms. This includes certain significant projects that SpecialtyCo believes has the potential to generate run-rate Underlying EBITDA (meaning Underlying EBITDA expected to be generated once such products are fully operational) of at least EUR 500 million at maturity. SpecialtyCo's R&I efforts are also concentrated on longer-term projects that it expects will have a positive effect on its net sales, four of which SpecialtyCo believes have the potential of delivering, in the aggregate, at least EUR 2 billion in net sales once they reach maturity after 2028. SpecialtyCo expects its capital and operating expenditures on R&I efforts as a percentage of net sales to increase to approximately 5% by 2028, compared to 3.8% in 2022.

- *Driving growth* through its customer-centric organization and focus on fast-growing markets. SpecialtyCo has identified opportunities across both its principal end-markets and growth platforms. With respect to its growth platforms, SpecialtyCo believes that these have the potential to constitute aggregate total serviceable available markets of at least EUR 10 billion by 2030 (including approximately EUR 6 billion for batteries in electric and hybrid batteries, EUR 2 billion for green hydrogen, EUR 1.5 billion for sustainable biomaterials and EUR 1 billion for thermoplastic composite prepregs), and expects to continue devoting R&I efforts to capture a share of these opportunities to the extent realized. SpecialtyCo will strive to extend its market leading positions by allocating approximately 25% of its levered (pre-capital expenditures) cash flow³ to growth capital expenditures between 2024 and 2028, as well as through its customer-centric organization (with approximately 25% of full-time equivalent employees in customer-facing positions and 45 application labs) and its value-based pricing model.
- *Employing a disciplined capital allocation* for investments in growth and sustainability, in an effort to continually improve returns over time. This is reflected in the cash flow, capital expenditure and value-creation spending targets discussed below.

In addition to the financial objectives set out below, SpecialtyCo has set a number of environmental, social and corporate governance objectives, which are described in Section 6.1.3, "*SpecialtyCo's strategy – Commitment to sustainability*."

Based on the drivers and assumptions described above, SpecialtyCo'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):

- *Net Sales growth.* SpecialtyCo is targeting average growth in net sales on the order of 5% to 7% annually over the period. The growth of net sales is expected to reflect the successful deployment of the growth drivers and strategic initiatives described above, as well as the potential for Specialty Polymers's net sales to grow at a similar average growth rate over that period.
- *Underlying EBITDA margin.*⁴ SpecialtyCo has an objective of increasing its Underlying EBITDA margin to the mid-twenties by 2028. SpecialtyCo believes it can generate its margin improvements from organic volume growth and growth from its innovation platforms, which it expects to be backed by value pricing.
- *Cash flow, capital expenditures and value creation.* SpecialtyCo believes it has the potential to generate at least EUR 7 billion of levered (pre-capital expenditures) cash flow over the period. SpecialtyCo intends to apply a disciplined capital allocation framework in order to preserve the flexibility to explore investment alternatives in response to changing market conditions. If

³ The indicator "levered (pre-capital expenditures) cash flow" is defined as Free Cash Flow after payment of net interests, coupons of perpetual hybrid bonds and dividends to non-controlling interests, but before capital expenditures. The indicator "Free Cash Flow" is defined in Section 10.19, "*Free Cash Flow*" of this Supplement.

⁴ The indicator "Underlying EBITDA" is defined in Section 9.3, "*Alternative Performance Measures*" of the Registration Document.

SpecialtyCo is able to generate these cash flows, it anticipates allocating them among sustaining capital expenditures (approximately 30%), growth capital expenditures (approximately 25%) and further value creation opportunities (such as strategic acquisitions, additional growth capital, dividend payments and deleveraging) (approximately 45%).⁵

- *Returns (ROCE).*⁶ SpecialtyCo’s objective is to achieve a return on capital employed (ROCE) in the mid-teens by 2028 (compared to ROCE of 4.06%, 8.17% and 13.74% in 2020, 2021 and 2022, respectively, and expected ROCE of around 11% in 2023). SpecialtyCo believes its ability to achieve this objective will depend on whether it can implement certain key drivers, including improving its Underlying EBITDA margins, improving efficiency in the use of existing assets and investing in profitable and value-creating projects.
- *Credit rating, liquidity and leverage.* SpecialtyCo plans to pursue a financial policy designed to maintain a strong investment grade credit rating, supported by the measures described above. Immediately after the effective date of the Partial Demerger, SpecialtyCo estimates that its cash and undrawn credit facilities will amount to between EUR 2.5 billion and EUR 3.0 billion, reflecting a gearing ratio of less than 20% (meaning the ratio of Underlying Net Financial Debt to total equity) and leverage ratio of approximately 1.0 (meaning the ratio of net financial debt to Underlying EBITDA).

The foregoing are forward-looking statements that by definition are subject to substantial uncertainty and may change depending on market conditions and other factors. SpecialtyCo might not be able to realize some or all of the foregoing objectives, including as a result of the materialization of the risks described in Chapter 1, “Risk Factors,” of the Registration Document. SpecialtyCo does not undertake any obligation to update any of its objectives except as required by law.

⁵ The estimate of the percentage allocation of levered (pre-capital expenditures) cash flow excludes capital expenditures made by joint-venture partners, even where the financial results of such joint ventures (and therefore such joint-venture partner’s capital expenditures) may be required to be fully consolidated within SpecialtyCo’s consolidated financial statements according to IFRS.

⁶ The indicator “ROCE” is defined in Section 10.6, “Return on Capital Employed, or ROCE” of the Registration Document. In future periods, ROCE is expected to be calculated in accordance with this definition, subject to potential adjustments to eliminate material distortions associated with the full consolidation of the results of any joint ventures under IFRS (namely, the partnership with Orbia with respect to PVDF production described under Section 12.4, “Business developments since June 30, 2023”).

13. PROFIT FORECASTS OR ESTIMATES

Chapter 13, “Profit Forecasts or Estimates,” of the Registration Document is replaced and superseded by the following updated version:

The forecasted financial data for the financial year ended December 31, 2023 is consistent with the forecasted financial data for SpecialtyCo announced by Solvay SA in connection with the publication of its financial report for the nine months ended September 30, 2023.

13.1 Basis of preparation of forecasted financial data

The Company’s forecasted financial data for the financial year ended December 31, 2023 have been prepared on a basis which is: (i) comparable with the historical financial information included in the Combined Financial Statements and the Unaudited Interim Combined Financial Statements, based on IFRS and interpretations published by the International Accounting Standards Board (IASB) endorsed by the European Union as of December 31, 2022, and considering the adjustments made to determine the alternative performance measures set forth in Section 13.3; and (ii) consistent with the accounting policies applied for the preparation of the Combined Financial Statements.

The forecasted financial data presented in this section, and the assumptions underlying them, have been prepared in accordance with the provisions of Delegated Regulation (EU) 2019/980 of March 14, 2019, as amended, and ESMA’s Guidelines on disclosure requirements under the Prospectus Regulation dated March 4, 2021 (ESMA32-382-1138).

13.2 Assumptions

The forecasted financial data presented in this section is based on the Unaudited Interim Combined Financial Statements, the condensed interim consolidated financial statements of Solvay SA as of and for the nine months ended September 30, 2023 and recent monthly management accounts of Solvay SA, as well as the following main assumptions regarding the following factors:

- Factors that are partially or wholly within the control of the Company and its management:
 - successful continued application of SpecialtyCo’s value-based pricing strategy in order to realize price increases to offset certain variable costs increases, thereby generating positive net pricing (meaning the net impact of price increases included in net sales, less price increases reflected in variable costs (which are essentially raw materials, utilities and consumables used and variable logistics expenses));
 - successful continued implementation of SpecialtyCo’s cost saving measures, 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 below);
 - the absence of significant changes to the scope of consolidation as compared with the scope of combination as presented in the Unaudited Interim Combined Financial Statements (such as, for example, significant acquisitions or divestitures); and
 - no or limited impact in 2023 from the dyssynergies expected to result from the Partial Demerger (as described further below).
- Factors that are outside of the control of the Company and its management, the first three of which are particularly uncertain and, if unrealized as described in such assumptions, could materially change the outcome of the forecasted financial data presented in this section:

- continuation of a challenging macroeconomic environment and corresponding weakness in demand, as described in Chapter 12, “*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 SpecialtyCo’s expenses, particularly its variable costs such as commodities (particularly energy) and logistics;
- average annual exchange rate of USD 1.05 for EUR 1.00 (excluding hedging effects); and
- the absence of any significant change in the regulatory and fiscal environment existing on the date of this Supplement.

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

On the basis of the assumptions described above, SpecialtyCo estimates it will achieve Underlying EBITDA⁷ in the range of EUR 1.60 billion to EUR 1.65 billion for the year ended December 31, 2023, compared to EUR 1.86 billion for same period in 2022, and that its Underlying EBITDA margin (calculated as a percentage of net sales) is expected to be stable at around 23% compared to the same period in 2022.

The forecasted financial data set forth above has been prepared solely for inclusion in this Supplement and represents the best estimate as of November 14, 2023.

13.4 Explanatory notes to the forecasted financial data

To date, SpecialtyCo has experienced lower year-over-year product volumes across various end markets due to persistent demand weakness. SpecialtyCo expects the macroeconomic environment to remain challenging for the remainder of 2023, which it expects will continue to weigh on product volume recovery across most of its markets, particularly across its Consumer & Resources segment. SpecialtyCo also expects its Underlying EBITDA to continue to be negatively affected by increased fixed and variable costs compared to 2022 due to the effects of inflation. However, SpecialtyCo also believes that it will be able to continue applying its pricing strategy and implementing cost saving measures to maintain positive net pricing (as compared to 2022), which it expects to offset in part the negative impact from the reduced product volumes. SpecialtyCo expects the same drivers to affect its Underlying EBITDA margin, although it believes that the positive effects from the improvements in net pricing and the implementation of cost savings measures should offset the lower product volumes (and corresponding greater relative impact of fixed costs), resulting in stable Underlying EBITDA margins (compared to 2022).

SpecialtyCo does not expect the forecasted 2023 financial data to be significantly negatively affected by any dyssynergies that are anticipated to result from the Partial Demerger. Instead, SpecialtyCo expects such dyssynergies to affect its financial results for 2024 by means of an increase in costs in the range of EUR 35 million to EUR 40 million. Such increased costs are expected to result from the need to reconstitute certain corporate and governance functions required for the operation of a standalone publicly listed entity (which functions will not be transferred in full from Solvay SA to SpecialtyCo in the Partial Demerger).

The discussion of forecasted financial data in this section includes forward-looking statements that, by definition, are subject to substantial uncertainty and may change depending on market conditions and other factors. These forward-looking statements that have been prepared by the Company’s management and represent, to the best of the Company’s management’s knowledge and opinion, the Company’s expected developments. They are based on the Company’s management’s current beliefs,

⁷ The indicator “Underlying EBITDA” is defined in Section 9.3, “*Alternative Performance Measures*” of the Registration Document.

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 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 Section 2.3, "Forward-looking statements," of the Registration Document. No assurance can be given that actual results will track those described in the forward-looking statements set out above. The forecasts set out above is 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 Registration Document could have an impact on the SpecialtyCo's business, financial condition, results or outlook and could therefore adversely affect these forecasts. The Company does not undertake any obligation to update any of its forecasted financial data except as required by law.

14. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

Chapter 14, “Administrative, Management and Supervisory Bodies and Senior Management,” of the Registration Document is replaced and superseded by the following updated version:

14.1 General

This section describes the Company’s corporate governance as from the date of this Supplement. It also summarizes the rules and principles that will govern the Company’s corporate governance following:

- the completion of the Partial Demerger at the Effective Time, as described in Section 7.4, “*The Partial Demerger*”; and
- the admission of the Shares to trading on Euronext Brussels and Euronext Paris.

The Company’s Articles of Association were adopted upon the Company’s incorporation on February 27, 2023 and amended for the first time in connection with the Conversion on October 16, 2023. They were amended a second time on November 13, 2023, with certain amendments being effective only upon the completion of the Partial Demerger. The Articles of Association in force as of the date of this Supplement are available on the Company’s website (www.syensqo.com) and, upon request, free of charge at the Company’s registered office.

As from the completion of the Partial Demerger, the Company will become a listed company and will adhere to the principles and provisions of the 2020 Belgian Code on Corporate Governance (the “**Corporate Governance Code**”), which is based on a “comply or explain” principle. Under the BCCA, Belgian listed companies are required to disclose and justify any deviations from the Corporate Governance Code in the corporate governance statement included in their annual report.

As from the completion of the Partial Demerger, the Company will comply with the Corporate Governance Code, except in respect of Rule 7.6 of the Corporate Governance Code which recommends that a portion of the remuneration paid to non-executive directors be in shares. The Company has adopted a remuneration policy which is substantially similar to that of Solvay SA, subject to certain changes to reflect the perimeter and objectives of the Company, including for purposes of the performance conditions applicable to variable remuneration. The Company will therefore continue to remunerate its directors and the members of the Executive Leadership Team consistent with Solvay SA practices (*i.e.*, the remuneration practices of Solvay SA according to its remuneration policy at the date hereof). Solvay SA deviates from Rule 7.6 of the Corporate Governance Code, such that the Company will also deviate from Rule 7.6 of the Corporate Governance Code. The Company considers however that its remuneration practices remain relevant and comply with the spirit of Rule 7.6 because non-executive directors are required to hold a number of Company Shares equivalent to 100% of their gross annual fixed board fees. These shares should be held until at least one year after the non-executive director leaves the Board of Directors and, in any case, for at least three years after the shares were acquired. The Board of Directors will, after completion of the Partial Demerger, review the remuneration policy and assess whether any amendments would be necessary for the Company’s remuneration practices to remain aligned with its peers and best corporate governance practices. Depending on the results of this assessment, the Board of Directors may prepare a revised remuneration policy and submit it to shareholders for approval at the relevant annual shareholders’ meeting.

The Board of Directors will also adopt a corporate governance charter (the “**Corporate Governance Charter**”). The Corporate Governance Charter will be made available on the Company’s website (www.syensqo.com) and, upon request, free of charge at the Company’s registered office, at the latest at the Effective Time.

14.2 Founder

The Company was incorporated on February 27, 2023 by Solvay SA as sole founder, as a private limited company (*société à responsabilité limitée / besloten vennootschap*). At incorporation, the Company's sole director was Solvay SA, represented by Mr. Louis d'Oreye de Lantremange.

Solvay SA resigned as sole director of the Company on May 24, 2023. On the same date, Dr. Ilham Kadri and Mr. Karim Hajjar were appointed as directors of the Company by Solvay SA (as sole shareholder of the Company) and together, they formed the Management Body of the Company until the Conversion.

14.3 Board of Directors

On October 16, 2023, the Company converted into a limited liability company (*société anonyme / naamloze vennootschap*), as described in Section 7.3.2, "*Conversion of the Company into a limited liability company*" of the Registration Document. As part of the Conversion, the Company adopted a "one tier" governance structure and its management body was converted into a board of directors (*conseil d'administration / raad van bestuur*) within the meaning of Article 7:85 of the BCCA. The Company's directors resigned, and new directors were appointed effective immediately upon the Conversion (*see* Section 14.3.2, "*Principles governing the composition of the Board of Directors*").

This section summarizes certain rules and principles that apply to the Board of Directors, and describes the composition of the Board of Directors as of the date of this Supplement and as from the completion of the Partial Demerger.

The Board of Directors will be assisted by a number of committees in relation to specific matters. The rules and principles that will apply to the committees are described in Section 14.4, "*Committees of the Board of Directors*."

The Board of Directors will delegate certain powers to an *ad hoc* executive committee (the "**Executive Leadership Team**"), chaired by the Chief Executive Officer (the "**CEO**"). The rules and principles that will apply to the Executive Leadership Team are described in Section 14.5, "*Executive Leadership Team*."

14.3.1 Powers and responsibilities of the Board of Directors

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's corporate purpose, except for those actions that are specifically reserved by law or the Articles of Association to the shareholders' meeting. The Board of Directors should pursue sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance.

Without prejudice to the foregoing and the powers vested in the Board of Directors by law, the main powers and responsibilities of the Board of Directors include the following:

- setting the general strategies and general policies of the Group, taking into account the sustainable development model and objectives adopted by the Group;
- developing an inclusive approach that balances the legitimate interests and expectations of shareholders and all other stakeholders to effectively pursue sustainable value creation;
- adopting and regularly reviewing the budget and medium and long-term strategy of the Company, based on proposals from executive management, including in relation to investments, research and innovation and financial objectives;

- approving the operational plans and principal policies developed by the executive management to give effect to the approved Company strategy, including by establishing internal corporate governance and compliance policies and rules;
- determining the Company's risk appetite in order to achieve the Company's strategic objective, as well as approving the reference frameworks for the Company's internal control and for risk management and reviewing the implementation of those reference frameworks;
- ensuring that there is a process in place for monitoring the Company's compliance with laws and other regulations and for the application of internal guidelines;
- approving the Company's main codes of conduct (or several activity-specific codes of conduct), setting out the expectations for the Company's leadership and employees in terms of responsible and ethical behavior, as well as monitoring compliance with such codes of conduct on an annual basis;
- adopting major decisions regarding acquisitions, divestitures, the creation of joint ventures and/or investments; major decisions are generally considered to be those involving amounts of EUR 50,000,000 or more;
- appointing from among its members a Chairperson and, if it deems appropriate, a Vice-Chairperson, and creating from among its members an Audit and Risk Committee, a Compensation Committee, a Nomination Committee, a Finance Committee and an Environmental Social Governance (ESG) Committee, defining each committee's mission and determining its composition and its duration;
- appointing and dismissing the CEO and, in consultation with the CEO, the other members of the executive management, taking into account the objective of pursuing sustainable value creation and the need for a balanced executive team;
- supporting the executive management in the fulfilment of its duties, including by engaging with the executive management, being informed and educated on strategic Company matters and constructively challenging the executive management whenever appropriate;
- determining the Company's remuneration policy for non-executive board members and members of the Executive Leadership Team, taking into account the overall remuneration framework of the Company, as well as reviewing the executive management's performance and the realization of the Company's strategic objectives annually against agreed performance measures and targets; and
- all other matters reserved to and obligations imposed on the Board of Directors by law or the Articles of Association, such as:
 - the preparation and approval of the consolidated and statutory periodic financial statements and the related communications;
 - adoption of accounting standards (IFRS for the Company's consolidated financial statements and Belgian GAAP for the Company's statutory financial statements); and
 - convening shareholders' meetings and drawing up the agenda and proposed resolutions (regarding, for example, Company financial statements, dividends, and amendments to the Articles of Association);

The Board of Directors acts as a collegiate body but may delegate its powers for special and specific matters to one or more authorized representatives, including persons who may not be directors or officers of the Company.

In all matters for which it has exclusive responsibility, the Board of Directors works in close cooperation with the Executive Leadership Team.

14.3.2 Principles governing the composition of the Board of Directors

The board of directors of a limited liability company must be composed of at least three members, unless the Company has less than three shareholders, in which case the board of directors can be composed of only two directors. As from the completion of the Partial Demerger, the Articles of Association will require that the Board of Directors comprises at least five directors, and the Board of Directors will comprise 10 directors, including the CEO (*see* Section 14.3.8, “*Members of the Board of Directors*”).

Although the term of office of directors under Belgian law is limited to six years (renewable), the Corporate Governance Code recommends that it should be limited to four years in listed companies. As from the completion of the Partial Demerger, the Articles of Association will limit the term of office of directors to a maximum (renewable) period of four years.

The appointment and renewal of a director’s mandate are submitted by the Board of Directors to the shareholders’ meeting, based on the recommendations of the Nomination Committee (*see* Section 14.4.3, “*Nomination Committee*”), and is subject to the approval of such shareholders’ meeting. The Corporate Governance Charter will include appointment criteria and provide that the Nomination Committee leads the nomination process, including, if appropriate, with the assistance of a headhunting firm, for any proposed appointment or renewal of a director.

Directors of the Company are appointed by the shareholders’ meeting. However, in accordance with the BCCA, if the mandate of a director becomes vacant, the remaining directors shall have the right to appoint temporarily a new director to fill the vacancy until the first shareholders’ meeting after the mandate became vacant that proceeds to the definitive appointment. Unless the shareholders’ meeting decides otherwise, the new director so appointed shall complete the term of the director whose mandate became vacant.

Pursuant to the Corporate Governance Code, in listed companies, at least half of the directors shall be non-executive and at least three directors shall be independent in accordance with the independence criteria set out the Corporate Governance Code. The composition of the Board of Directors upon the completion of the Partial Demerger, as described below, will comply with this requirement.

Pursuant to the BCCA, the Board of Directors will need to include, as from January 1, 2029, at least one-third of directors of the opposite gender from the gender of the majority of directors. The gender of a legal entity director is determined by that of its permanent representative. The composition of the Board of Directors upon the completion of the Partial Demerger, as described below, will already comply with this requirement.

The Corporate Governance Charter will set an age limit of 75 for directors.

The identity of the directors composing the Board of Directors as of the date of this Supplement and as from the completion of the Partial Demerger is described in Section 14.3.8, “*Members of the Board of Directors*.”

Considering the level of its stake in the share capital of the Company as from the completion of the Partial Demerger (*see* Section 18.3, “*Reference shareholder*” of the Registration Document), Solvac SA, the Company’s reference shareholder, has proposed the appointment of three directors.

14.3.3 Functioning of the Board of Directors

As from the completion of the Partial Demerger, the Articles of Association will provide that the Board of Directors shall meet as often as the Company’s interests so require. The Board of Directors is

convened by the Chairperson, it being specified that in the absence of the Chairperson, the Vice-Chairperson (if applicable) or a director with day-to-day responsibilities may convene the Board of Directors. The Board of Directors shall be convened each time that the Executive Leadership Team, a director with day-to-day responsibilities or three directors so request(s).

A meeting of the Board of Directors can be validly held if at least half of the members are present or represented at the meeting. If a meeting is adjourned for lack of quorum, upon reconvening the meeting, the Board of Directors is allowed to validly deliberate and resolve on matters on the agenda of the original meeting without satisfying the quorum requirement.

Decisions of the Board of Directors are taken by a simple majority vote, except the following decisions which, as from the completion of the Partial Demerger, will require a majority of 3/4 (rounded up to the nearest unit) of the vote of the directors present or represented who can participate to the vote:

- decisions to implement actions that would substantially change the activities of the Company or its Group; actions that substantially change the activities of the Company or its Group include investments, acquisitions, divestments or sales, in any form whatsoever, representing an enterprise value of at least EUR 2,000,000,000 or generating either sales of at least EUR 2,000,000,000, or a contribution to the Group's operating results of at least EUR 250,000,000; and
- decisions to use the authorization granted by the shareholders' meeting to increase the share capital of the Company (*see Section 21.3.4.2, "Share capital increases decided solely by the Board of Directors"*).

In the case of a tied vote, the director chairing the meeting has a casting vote (meaning that he or she may resolve the tied vote).

14.3.4 Chairperson

As from the completion of the Partial Demerger, the Articles of Association and the Corporate Governance Charter will provide that the Board of Directors appoints a Chairperson among its non-executive members. The Chairperson chairs the meetings of the Board of Directors and is responsible for the proper and efficient functioning of the Board of Directors. The Chairperson provides leadership to the Board of Directors in discharging its duties. Among others, the Chairperson establishes close relations with the CEO by providing him or her support and advice while respecting the latter's executive responsibilities, ensures effective interaction between the Board of Directors and the executive management of the Company and ensures effective communication with the Company's shareholders.

As of the date of this Supplement, it is envisaged that Ms. Rosemary Thorne will be appointed as Chairperson of the Board of Directors as from the completion of the Partial Demerger.

14.3.5 Vice-Chairperson

As from the completion of the Partial Demerger, the Articles of Association and the Corporate Governance Charter will provide that the Board of Directors may appoint a Vice-Chairperson among its members. The Vice-Chairperson chairs meetings of the Board of Directors in case of impediment of the Chairperson.

The Corporate Governance Charter will provide that if the Chairperson of the Board of Directors is an independent director, the Vice-Chairperson shall be a non-independent director.

As of the date of this Supplement, it is envisaged that Françoise de Viron will be appointed as Vice-Chairperson of the Board of Directors as from the completion of the Partial Demerger.

14.3.6 Corporate Secretary

As from the completion of the Partial Demerger, the Corporate Governance Charter will provide that the Board of Directors appoints a Corporate Secretary, who may also be the Group General Counsel. The Corporate Secretary provides support to the Board of Directors and its committees on all governance matters within their respective powers and ensures a flow of information within the Board of Directors and its committees and between the executive and non-executive members of the Board of Directors. Furthermore, the Corporate Secretary prepares, under the supervision of the Chairperson and without prejudice to the Board of Directors' decision-making power, the Corporate Governance Charter and the corporate governance statement in the annual report, as well as the minutes of the meetings of the Board of Directors and its committees.

14.3.7 Independent directors

In accordance with Article 7:87, §1, subsection 1 of the BCCA, a director in a listed company is considered to be independent if he or she does not have any relationship with the Company or with an important shareholder of the Company that compromises his or her independence. In the case of legal entity directors, such independence must be assessed both with respect to the legal entity and with respect to its permanent representative.

Article 7:87, §1, subsection 2 of the BCCA further states that in order to confirm whether a candidate director meets this general independence criterion, the specific independence criteria set out in Rule 3.5 of the Corporate Governance Code shall be applied. A presumption of independence applies to candidates who meet these criteria, unless proven otherwise.

The specific independence criteria set out in Rule 3.5 of the Corporate Governance Code are the following:

- (a) not being an executive member of the Board of Directors, or exercising a function as a person entrusted with the daily management of the Company or a related company or person, and not having been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the Company related to this position;
- (b) not having served for a total term of more than twelve (12) years as a non-executive director of the Company. When applying this criterion, the Company intends to take into account the terms of office at Solvay SA of directors that, as of the date of this Supplement, were non-executive directors of Solvay SA, and whom, as of the completion of the Partial Demerger, will become directors of the Company;
- (c) not being a member of the senior management (as defined in Article 19, 2° of the Law of September 20, 1948 regarding the organization of the business industry) of the Company or a related company or person, and not having been in such a position for the previous three years before his or her appointment. Alternatively, no longer enjoying stock options of the Company related to this position;
- (d) not receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the Company or a related company or person, apart from any fee they receive or have received as a non-executive director;
- (e) (x) not holding shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the Company's share capital or one tenth or more of the voting rights in the Company at the time of appointment; (y) not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under (x);

- (f) not maintaining, nor having maintained in the past year before their appointment, a significant business relationship with the Company or a related company or person, either directly or as partner, shareholder, board member, member of the senior management (as defined in Article 19, 2° of the Law of September 20, 1948 regarding the organization of the business industry) of a company or person who maintains such a relationship;
- (g) not being or having been within the last three years before their appointment, a partner or member of the audit team of the Company or person who is, or has been within the last three years, a statutory auditor of the Company or a related company or person;
- (h) not being an executive of another company in which an executive of the Company is a non-executive director, and not having other significant links with executive directors of the Company through involvement in other companies or bodies; and
- (i) not having, in the Company or a related company or person, a spouse, legal partner or close family member to the second degree, exercising a function as board member or executive or person entrusted with the daily management or employee of the senior management, or falling in one of the other cases referred to in subclauses (a) to (h) above, and as far as subclause (b) is concerned, up to three years after the date on which the relevant relative has terminated their last term.

In addition, and without prejudice to the application of the criteria set out in Rule 3.5 of the Corporate Governance Code, the Corporate Governance Charter of the Company will require a waiting period of at least one year before the Company can recognize the independence of a director of the Company's reference shareholder, Solvac SA, who would leave the board of directors of Solvac SA to join the Board of Directors.

If the Board of Directors submits for approval of the shareholders' meeting an appointment of an independent director who does not meet all of the aforementioned criteria, the Board of Directors must explain the reasons why it nevertheless considers that the candidate satisfies the general independence criterion of Article 7:87, §1, subsection 1 of the BCCA. This means that the independence criteria of the Corporate Governance Code should be regarded as (recommended) good practice (*i.e.*, deviation is possible on the basis of the "comply or explain" principle), rather than a formal legal requirement.

The Board of Directors shall disclose in its annual report which directors have been appointed as independent directors.

As described in Section 14.3.8, "*Members of the Board of Directors*," Mr. Roeland Baan, Ms. Nadine Leslie, Mr. Matti Lievonen, Ms. Rosemary Thorne, Ms. Heike Van de Kerkhof and Mr. Julian Waldron will be independent directors of the Company as of the completion of the Partial Demerger. Based on the information available to it, as of the date of this Supplement, the Company is of the view that each of the aforementioned directors complies with the independence criteria set out in Rule 3.5 of the Belgian Corporate Governance Code.

14.3.8 Members of the Board of Directors

The table below provides an overview of the composition of the Board of Directors as of the date of this Supplement:

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Start of mandate</u>	<u>End of mandate</u>
Ilham Kadri	French; Moroccan	Director	October 16, 2023	Upon completion of the Partial Demerger

Hervé Tiberghien	French	Director	October 16, 2023	Upon completion of the Partial Demerger
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The table below provides an overview of the composition of the Board of Directors as from the completion of the Partial Demerger:

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Start of mandate</u>	<u>End of mandate</u>
Rosemary Thorne	British	Independent Director	December 9, 2023**	2027
Ilham Kadri	French; Moroccan	Chief Executive Officer	December 9, 2023**	2027
Edouard Janssen	Belgian	Non-Executive Director*	December 9, 2023**	2027
Françoise de Viron	Belgian	Non-Executive Director*	December 9, 2023**	2027
Mary Meaney	American (U.S.); French	Non-Executive Director*	December 9, 2023**	2027
Heike Van de Kerkhof	German	Independent Director	December 9, 2023**	2027
Julian Waldron	French	Independent Director	December 9, 2023**	2027
Matti Lievonen	Finnish	Independent Director	December 9, 2023**	2027
Nadine Leslie	American (U.S.)	Independent Director	December 9, 2023**	2027
Roeland Baan	Dutch	Independent Director	December 9, 2023**	2027

* Director whose appointment was proposed by Solvac SA to Solvay SA, which is currently the sole shareholder of the Company.

** Mandate to start upon the Effective Time, currently expected to be December 9, 2023.

Upon completion of the Partial Demerger, the Board of Directors will comprise 10 directors, of which nine will be non-executive directors, six will be considered to be independent, and six (including the CEO) will be women. The Board of Directors will represent a total of eight nationalities.

It may be proposed to the shareholders' meeting, after the Partial Demerger, to adapt the terms of office of some or all of the directors, so that the terms of office are staggered, thereby avoiding replacement of the entire Board and favoring a smooth replacement of directors.

The professional address of all directors will be rue de la Fusée 98, 1130 Brussels.

The following paragraphs contain brief biographies of each of the directors who will be in office as from the completion of the Partial Demerger.

Rosemary Thorne – Ms. Thorne serves as an Independent Director and Chairwoman of the Audit Committee of Solvay SA since 2014. Outside of her roles at Solvay SA, she also serves as a Member of the Board and Chair of the Audit Committee at Merrill Lynch International, a wholly-owned subsidiary of Bank of America. Ms. Thorne has held leading positions, including Chief Financial Officer at J. Sainsbury, Bradford & Bingley, and Ladbrokes in the UK. She has also held Independent Non-Executive Director positions at Royal Mail Group, Cadbury Schweppes, Santander UK, First Global Trust Bank in the UK, and Smurfit Kappa Group in Ireland. Born in 1952, Ms. Thorne holds an Honors Degree in Mathematics and Economics from the University of Warwick in the UK and is recognized as a Fellow of the Chartered Institute of Management Accountants and Chartered Global Management Accountants, as well as a Fellow of the Association of Corporate Treasurers.

Ihham Kadri – Dr. Kadri is Chairwoman of the Executive Leadership Team, CEO and a member of the Board of Directors of Solvay SA since 2019. She is also a member of the Board of Directors of the Company, a member of the Board of Directors, the Nominating & Governance Committee and the Personnel & Compensation Committee of A.O. Smith Corporation (listed on the New York Stock Exchange), as well as a member of the Board of Directors and of the Audit Committee of L'Oréal S.A. (listed on Euronext Paris). Prior to her work at Solvay, Dr. Kadri was CEO and President of Diversey and prior to that, Dr. Kadri held a series of positions at Sealed Air Corporation, Dow Chemical, Huntsman, UCB and Royal Dutch Shell. Born in 1969, Dr. Kadri holds a PhD in Macromolecular Physics-Chemistry from Louis Pasteur University, Strasbourg, France, and a Degree in Chemical Engineering from l'Ecole d'Application des Hauts Polymères, Strasbourg, France. She is a Doctor Honoris Causa of the University of Namur, Namur, Belgium and EWHA University, Seoul, Korea.

Edouard Janssen – Mr. Janssen is a member of the Board of Directors and of the Audit Committee of Solvay SA since 2021. Outside of his roles at Solvay SA, he is Chief Financial Officer and a member of the Executive Committee of D'Ieteren Group (listed on Euronext Brussels). He is also a member of the Board of Directors of Financière de Tubize (listed on Euronext Brussels), a member of the Board of Directors of Union Financière Boël and a member of the Advisory Board of INSEAD HGIBS; as well as Vice-Chair of the International Advisory Board of Solvay Brussels School. Mr. Janssen started his career at Morgan Stanley in London, in Investment Banking, and then held several positions within the Solvay Group for over 16 years, out of which 10 years as Executive Vice President, in various finance and management roles. Born in 1978, Mr. Janssen holds a Master of Science in Finance and Management from Solvay Brussels School, Brussels, Belgium and an MBA from INSEAD, Fontainebleau, France.

Françoise de Viron – Ms. de Viron is a member of the Board of Directors and of the Compensation and Nomination Committees of Solvay SA since 2013, and is also a member of the ESG Committee. She is also Professor emeritus at the Faculty of Psychology and Education Sciences, and the Louvain School of Management, of the UCLouvain, Belgium. From 2015 to 2019, Ms. de Viron was President of the AISBL EUCEN – the European Universities Continuing Education Network. Prior to her university position, from 1985 to 2000, she was in charge of developing R&I and Artificial Intelligence applications at Tractebel SA (now Tractebel-Engie). Born in 1955, she holds a PhD in Science from the UCLouvain, Louvain-la-Neuve, Belgium and Masters in High Energy Physics and in Sociology from the same institution.

Mary Meaney – Ms. Meaney is a member of the Board of Directors and of the Audit Committee of Groupe Bruxelles Lambert SA (listed on Euronext Brussels), a member of the Board of Directors and of the Remuneration Committee as well as angel investor of Beamery and a member of the Board of Directors and of the Finance Committee of Imperial College London. She also serves on the Advisory Board of Imperial College Business School. Previously, she was a Senior Partner at McKinsey where she served on McKinsey's Shareholder's Council (global Board of Directors) and led McKinsey's global Organization practice. Born in 1972, Ms. Meaney holds a BA in Public and International Affairs from Princeton University, Princeton, New Jersey, United States and a D. Phil in Politics from Oxford University, Oxford, United Kingdom.

Heike Van de Kerkhof – Ms. Van de Kerkhof served as Chief Executive Officer and member of the Board of Directors of Archroma Management GmbH from January 2020 until April 2023. She has also been a member of the Board of Directors and of the HSE & Sustainability and Audit Committees of OCI N.V (listed on Euronext Amsterdam), of the Board of Directors of Venator Materials PLC and of the Supervisory Board of BP Europa SE and of the Board of Directors of Neste Oyj (listed on Nasdaq Helsinki). Prior to her role at Archroma Management GmbH, Ms. Van de Kerkhof served as Vice President of Lubricants, Western Hemisphere at BP Oil UK, and held positions at Castrol and The Chemours Company. She also held many leading roles within DuPont over 18 years. Born in 1962, Ms. Van de Kerkhof holds an MBA from the European University, Geneva, Switzerland, and a Bachelor's Degree in Textile Engineering from University Niederrhein, Germany.

Julian Waldron – Mr. Waldron is currently Executive Chairman of the Albea Group. He is also a member of the Board of Directors of Carbon Clean Ltd. Prior to this, he was Chief Financial Officer and member of the Executive Committee of Suez S.A. (prior to its acquisition by Veolia Environnement S.A.). Mr. Waldron previously held roles at Technip S.A. – then TechnipFMC plc – initially serving as the Chief Financial Officer and later as the Chief Operating Officer & Deputy Chief Executive Officer. Prior to that, he also held the position of Chief Financial Officer at Thomson, where he later assumed the role of interim Chief Executive Officer. Mr. Waldron started his career at S.G. Warburg bank as Financial Director for over 14 years. Born in 1964, Mr. Waldron graduated from the University of Cambridge, United Kingdom.

Matti Lievonen – Mr. Lievonen has been a member of the Board of Directors of Solvay SA and a member of the Finance Committee since 2018, and is currently Chairman of the ESG Committee and a member of the Audit Committee. He is also a member of the Board of Directors of EcoCeres, a member of the Supervisory Board and of the Owners Committee of Wintershal Dea. Mr. Lievonen has also been Chairman and Chief Executive Officer at Neste Corporation for over 10 years. He has been involved with organizations such as Fortum Board, SSAB, Nynäs AB, Ilmarinen, and the HE Finnish Fair Foundation. Born in 1958, Mr. Lievonen holds a BSc from Savonia University of Applied Science in Finland and an EMBA and a DSc degree (Hon) from Aalto University in Finland.

Nadine Leslie – Ms. Leslie is a member of the Board of Directors of Provident Financial Services (listed on the New York Stock Exchange) and a strategic consultant for T&M Associates, a civil engineering firm. She also serves on the Board of Trustees of Hackensack Meridian Health Network and is Foundation Board Member of Montclair State University. Prior to this, Ms. Leslie was a non-executive director of Seven Seas Water Corporation and held several leadership positions within Suez, the last one being that of Chief Executive Officer of Suez North America. Born in 1963, Ms. Leslie earned a Bachelor of Science in civil engineering from Faculté des Sciences, Port-au-Prince, Haiti.

Roeland Baan – Mr. Baan currently holds the positions of President and Chief Executive Officer at Topsoe and also serves as Chairman of the Supervisory Board at SBM Offshore (listed on Euronext Amsterdam). Prior to that, he served as President and Chief Executive Officer at Outokumpu, and as Chief Executive Officer of Global Rolled and Extruded Products at Aleris. He also held several positions at ArcelorMittal, with his last position being Executive Vice President. Born in 1957, Mr. Baan holds a Master of Science in Economics from Free University of Amsterdam, Amsterdam, Netherlands.

All of the abovementioned directors of the Company who currently hold positions at Solvay SA will resign from such positions, effective upon completion of the Partial Demerger.

In the five years preceding the date of this Supplement, the directors have held the following directorships and memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current mandates	Past mandates (last five years)
Rosemary Thorne	<u>Listed companies:</u> Solvay SA: Member of the Board of Directors and Chair of the Audit Committee <u>Other entities:</u> Merrill Lynch International: Member of the Board of Directors and Chair of the Audit Committee	—
Ilham Kadri	<u>Listed companies:</u> Solvay SA: Chairwoman of the Executive Leadership Team, Chief Executive Officer, Member of the	Diversey: Chief Executive Officer and President

Name	Current mandates	Past mandates (last five years)
	<p>Board of Directors, the Finance Committee and the ESG Committee</p> <p>A.O. Smith Corporation: Member of the Board of Directors, of the Nominating & Governance Committee and the Personnel & Compensation Committee</p> <p>L'Oréal S.A.: Member of the Board of Directors and of the Audit Committee</p>	
Edouard Janssen	<p><u>Listed companies:</u></p> <p>Solvay SA: Member of the Board of Directors and of the Audit Committee</p> <p>D'Ieteren Group: Chief Financial Officer and member of the Executive Committee</p> <p>Financière de Tubize: Member of the Board of Directors</p> <p><u>Other entities:</u></p> <p>Belron: Member of the Board of Directors and Chair of the Audit Committee</p> <p>TVH Global: Member of the Board of Directors and Chair of the Audit Committee</p> <p>Union Financière Boël: Member of the Board of Directors</p> <p>INSEAD HGIBS: Member of the Advisory Board</p> <p>Solvay Brussels School: Vice-Chair of the International Advisory Board</p>	<p>Solvay SA: EVP Strategy and M&A assignments</p> <p>Ambercycle: Interim Chief Financial Officer and Senior Advisor</p> <p>GIST Impact: Member of the Board of Directors</p> <p>Infinite Uptime: Member of the Board of Directors</p>
Françoise de Viron	<p><u>Listed companies:</u></p> <p>Solvay SA: Member of the Board of Directors and of the Compensation, Nomination and ESG Committees</p>	<p>EUCEN AISBL: President and Member of the Board of Directors</p>
Mary Meaney	<p><u>Listed companies:</u></p> <p>Groupe Bruxelles Lambert SA: Member of the Board of Directors and of the Audit Committee</p> <p><u>Other entities:</u></p> <p>Breamery: Member of the Board of Directors and of the Remuneration Committee</p> <p>Imperial College London: Member of the Board of Directors and of the Finance Committee</p> <p>Imperial College Business School: Member of the Advisory Board</p>	<p>McKinsey: member of the Shareholder's Council (global Board of Directors)</p>
Heike Van de Kerkhof	—	<p>Archroma Management GmbH: Member of the Board of Directors and Chief Executive Officer</p> <p>BP Europa SE: Member of the Supervisory Board</p> <p>Neste Oyj: Member of the Board of Directors</p> <p>OCI N.V: Non-executive Director and member of the HSE &</p>

Name	Current mandates	Past mandates (last five years)
Julian Waldron	<u>Other entities:</u> Albéa Group: Executive Chairman Carbon Clean Ltd.: Member of the Board of Directors and Chairman of the Finance, Risk and Investment Committee	Sustainability Committee and of the Audit Committee Venator Materials PLC: Non-executive Director and Chair of Nomination & Corporate Governance Committee and Member of the Nomination & Remuneration Committee MCG plc: Non-executive Director Suez S.A.: Chief Financial Officer and member of the Executive Committee Suez Water Treatment Services: member of the Board of Directors Suez New World: member of the Board of Directors
Matti Lievonen	<u>Listed companies:</u> Solvay SA: Member of the Board of Directors, Chairman of the ESG Committee and member of the Finance and Audit Committees <u>Other entities:</u> EcoCeres: Member of the Board of Directors Wintershal Dea: Member of the Supervisory Board and member of the Owners Committee	Fortum Corporation: Chairman of the Board of Directors and Vice-Chairman of the Board of Directors Oiltankng GmbH Germany: Chief Executive Officer Neste Corporation: Chairman and Chief Executive Officer Nynäs, AB Neste JV Company: Member of the Board of Directors SSAB AB: Vice-Chairman and Member of the Board of Directors
Nadine Leslie	<u>Listed companies:</u> Provident Financial Services: Member of the Board of Directors <u>Other entities:</u> T&M Associates: Strategic Consultant Hackensack Meridian Health Network: Member of the Board of Trustees Montclair State University: Foundation Board Member	Suez North America: Chief Executive Officer Suez: Executive Vice President Health and Safety Seven Seas Water Corporation: Non-executive Director
Roeland Baan	<u>Listed companies:</u> SBM Offshore: Chairman of the Supervisory Board and member of the Remuneration Committee <u>Other entities:</u> TOPSOE A/S: President and Chief Executive Officer	Outokumpu: President and Chief Executive Officer

14.3.9 Share ownership

As at the date of this Supplement, the share ownership in Solvay SA of the current and future directors of the Company is as set out below (excluding, for the avoidance of doubt, ownership of instruments giving right to Solvay SA shares, which are described in Section 14.5.5, “*Stock options, performance share units and restricted share units*” and Chapter 15, “*Remuneration and benefits*”).

Name	Number of Solvay SA shares
Ilham Kadri	2,111
Hervé Tiberghien	2,200
Rosemary Thorne	100

Name	Number of Solvay SA shares
Edouard Janssen	41,512 (full ownership); 70,000 (bare ownership)
Françoise de Viron	1,020
Mary Meaney	0
Heike Van de Kerkhof	0
Julian Waldron	0
Matti Lievonen	0
Nadine Leslie	0
Roeland Baan	0

As from the date of the completion of the Partial Demerger, it is expected that the directors of the Company will own a number of Shares as set out below. As part of the Partial Demerger, each director will receive one (1) Share of the Company for each share of Solvay SA he or she owns upon completion of the Partial Demerger.

Name	Number of Company Shares
Rosemary Thorne	100
Ilham Kadri	2,111
Edouard Janssen	41,512 (full ownership); 70,000 (bare ownership)
Françoise de Viron	1,020
Mary Meaney	0
Heike Van de Kerkhof	0
Julian Waldron	0
Matti Lievonen	0
Nadine Leslie	0
Roeland Baan	0

As from the date of the completion of the Partial Demerger, it is expected that the directors of the Company will own a number of shares in Solvay SA as set out below.

Name	Number of Solvay SA shares
Rosemary Thorne	100
Ilham Kadri	2,111
Edouard Janssen	41,512 (full ownership); 70,000 (bare ownership)
Mary Meaney	0
Françoise de Viron	1,020
Heike Van de Kerkhof	0
Julian Waldron	0
Matti Lievonen	0
Nadine Leslie	0
Roeland Baan	0

As of the date of this Supplement, the Company is not aware of any restrictions agreed by the directors on the disposal within a certain period of time of their Shares, other than pursuant to the Company's remuneration policy which, as described in Section 14.1, "*General*," requires directors to hold a number of Shares equivalent to 100% of their gross annual fixed board fees.

14.3.10 Stock options, performance share units and restricted share units

Other than Dr. Kadri, none of the directors who will be in office as from the completion of the Partial Demerger own any stock options, performance share units and/or restricted share units giving the right to acquire Solvay SA shares and/or Company Shares. See Section 14.5.5, "*Stock options, performance share units and restricted share units*" for a description of any such instruments held by Dr. Kadri and other members of the Executive Leadership Team.

14.3.11 Litigation statement concerning the directors

To the best knowledge of the Company, as at the date of this Supplement, none of the directors of the Company has, for at least the previous five years:

- been convicted in relation to fraudulent offences;
- been subject to any official public incrimination and/or sanction by any governmental or regulatory authority (including any designated professional body); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

In addition, to the best knowledge of the Company, as at the date of this Supplement, none of the directors of the Company has, for at least the previous five years, held an executive function as a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation or at the time at which such company has been put into administration, other than Ms. Heike Van de Kerkhof, who was a director of Venator Materials PLC when it filed voluntary petitions for relief on May 14, 2023 under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas and was subsequently delisted by the New York Stock Exchange in accordance with its rules.

14.3.12 Conflicts of interest

As of the date of this Supplement, the Company is not aware of any potential conflicts of interest between any duties owed to the Company by its directors and the other duties or private interests of such directors. The Board of Directors shall act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. Each Director is encouraged to arrange their personal and business affairs (including with respect to other positions) in such a manner so as to avoid conflicts of interests with the Company. Each Director must place the Company's interests above his or her own personal interests, including other professional assignments.

As of the date of this Supplement, the Company is not aware of any arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any director was selected as a member of the Board of Directors, except the fact that, as indicated in Section 14.3.8, Mr. Edouard Janssen, Ms. Mary Meaney and Ms. Françoise de Viron were appointed upon the proposal of Solvac SA.

Directors must pay particular attention to conflicts of interests which might come up between them and the Company, its significant or controlling shareholder(s), and/or the other shareholders.

In this respect, the Corporate Governance Charter will specifically provide that Directors appointed upon proposal of a significant shareholder(s) should ensure that the interests and intentions of such shareholder are sufficiently clear and they should communicate to the Board of Directors, subject to applicable laws, such intentions and interests in a timely manner.

All directors shall act in the corporate interest, regardless of whether they were appointed as independent directors or upon proposal of a significant shareholder.

Furthermore, the Company and its directors must comply with the procedures regarding conflicts of interest set out in Article 7:96 of the BCCA in the event of a possible personal financial conflict of interest of one or more directors with one or more decisions or transactions to be adopted by the Board of Directors.

14.4 Committees of the Board of Directors

As from the Partial Demerger, the Board of Directors will establish a number of advisory committees responsible for assisting the Board of Directors and making recommendations in specific fields, including:

- an audit and risk committee (in accordance with Article 7:99 of the BCCA and provisions 4.10 to 4.16 of the Corporate Governance Code) (the “**Audit and Risk Committee**”);
- a compensation committee (in accordance with Article 7:100 of the BCCA and provisions 4.17 to 4.18 of the Corporate Governance Code) (the “**Compensation Committee**”);
- a nomination committee (in accordance with provisions 4.19 to 4.23 of the Corporate Governance Code) (the “**Nomination Committee**”);
- a finance committee (the “**Finance Committee**”); and
- an environmental, social and governance committee (the “**ESG Committee**”).

The terms of reference of these committees will be set out in the Corporate Governance Charter.

The Corporate Governance Charter will provide that members of the committees are appointed for a maximum (renewable) period of two years, upon recommendation of the Nomination Committee.

The Board of Directors may appoint on each committee one of the directors appointed upon proposal of Solvac SA, subject to such director having the appropriate skills and experience to serve in the relevant committee.

14.4.1 Audit and Risk Committee

The role of the Audit and Risk Committee shall consist of assisting the Board of Directors to ensure in particular the reliable nature of financial information and compliance with relevant laws, regulations and control processes. It performs the missions vested on it by Article 7:99 of the BCCA. Among others, the Audit and Risk Committee shall have the following duties:

- ensuring the conformity of financial statements and financial communications of the Group to generally accepted accounting principles (IFRS for the Group, Belgian GAAP for the Company) and examining the strategies and accounting practices applied to prepare the accounts of the Group and ensuring their conformity with good business practices and the appropriate accounting standards;
- monitoring the effectiveness of the Group’s internal control system (in particular the financial, operational and compliance control) and risk management, including social and environmental risk;
- examining the areas of risk that can potentially have a material effect on the Group’s financial situation and quantifying their possible impact on the Group and the functioning of the control systems;
- verifying the scope and programs and results of internal audit and ensuring that internal audit has adequate resources; the Audit and Risk Committee shall also monitor the Company’s management’s responsiveness to the findings of the internal audit function and to the recommendations made in the external auditor’s management letter;
- reviewing the specific arrangements for raising concerns – in confidence – about possible improprieties in financial reporting or other matters;
- making a proposal to the Board of Directors on the appointment of the statutory auditor;

- examining the scope of the external audit and the way it is implemented; and
- monitoring the independence of the statutory auditor and the scope and the nature of the additional services provided by the statutory auditor outside of its legal mission.

In addition, the Audit and Risk Committee shall collaborate as appropriate with other committees, in particular with the ESG Committee as regards key ESG performance indicators and the Group's extra-financial strategy and performance.

Subject to the completion of the Partial Demerger, the Corporate Governance Charter will provide that the Audit and Risk Committee shall be composed of at least three non-executive directors appointed by the Board of Directors and of which at least the majority are independent directors.

The Chairperson of the Audit and Risk Committee shall be appointed by the members of the Audit and Risk Committee. The Corporate Governance Charter will provide that the Chairperson of the Audit and Risk Committee shall be an independent director.

The members of the Audit and Risk Committee must have a collective competence in the business activities of the Company, and at least one member of the Audit and Risk Committee must have the necessary competence in accounting and auditing. The Company considers that the members of the Audit and Risk Committee will fulfill these requirements.

As of the date of this Supplement, it is envisaged that the following directors will be appointed by the Board of Directors as members of the Audit and Risk Committee as from the completion of the Partial Demerger: Julian Waldron, Edouard Janssen, Heike van de Kerkhof and Roeland Baan. It is envisaged that Julian Waldron will be appointed as Chairperson by the Audit and Risk Committee.

14.4.2 Compensation Committee

The Compensation Committee performs the missions vested on it by Article 7:100, §5 of the BCCA. In particular, and without limitation, the Compensation Committee:

- advises the Board of Directors on the policy and level of remuneration for Directors and members of the Executive Leadership Team, including the CEO, and is informed on a yearly basis about the remuneration of Global Business Units (GBU) Presidents;
- gives its opinion to the Board of Directors or the Executive Leadership Team on the Group's principal remuneration policies (including long-term incentive plans); and
- prepares the remuneration policy and the remuneration report and explains the remuneration report during the annual shareholders' meeting.

Among others, the Corporate Governance Charter will provide that the Compensation Committee shall each year assess the performance of the members of the Executive Leadership Team in consultation with the CEO (except for his or her own performance) and the accomplishment of the Company's strategy by the Executive Leadership Team on the basis of agreed performance measures and targets. It shall review, and make proposals to the Board of Directors for the targets to be achieved by the CEO and the Executive Leadership Team in the following year.

The Compensation Committee will be composed of at least three non-executive directors appointed by the Board of Directors, a majority of which must be independent in accordance with Article 7:100, §2 of the BCCA, the Corporate Governance Code and the Corporate Governance Charter.

The Corporate Governance Charter will provide that the Chairperson of the Compensation Committee shall be appointed by the Board of Directors, and that the Board of Directors shall aim at appointing an independent director as Chairperson.

The members of the Compensation Committee must have the necessary expertise with respect to matters related to the remuneration of directors and officers, including the remuneration policy. The Company considers that the members of the Compensation Committee will fulfill this requirement.

As of the date of this Supplement, it is envisaged that the following directors will be appointed by the Board of Directors as members of the Compensation Committee as from the completion of the Partial Demerger: Matti Lievonen, Rosemary Thorne, Françoise de Viron, Heike Van de Kerkhof and Nadine Leslie. It is envisaged that Matti Lievonen will be appointed as Chairperson of the Compensation Committee by the Board of Directors.

14.4.3 Nomination Committee

The role of the Nomination Committee shall primarily be to:

- make recommendations, and examine proposals, regarding appointments to the Board of Directors and its committees, the Executive Leadership Team, including the CEO;
- determine the procedures for the appointment of executive and non-executive directors and of committee members and make recommendations in respect of the selection criteria for such persons;
- regularly evaluate the size and composition of the Board of Directors and make recommendations for possible modifications;
- plan the orderly renewal of the directors; and
- ensure that adequate talent development programs and diversity and inclusion programs are in place.

The Corporate Governance Charter will provide that the Nomination Committee shall be composed of at least three directors appointed by the Board of Directors, a majority of which shall be independent.

The Corporate Governance Charter will provide that the Chairperson of the Nomination Committee shall be appointed by the Board of Directors, and that the Board of Directors shall aim at appointing an independent director as Chairperson.

As of the date of this Supplement, it is envisaged that the following directors will be appointed by the Board of Directors as members of the Nomination Committee as from the completion of the Partial Demerger: Heike van de Kerkhof, Rosemary Thorne, Françoise de Viron, Matti Lievonen and Nadine Leslie. It is envisaged that Heike van de Kerkhof will be appointed as Chairperson of the Nomination Committee by the Board of Directors.

14.4.4 Finance Committee

The role of the Finance Committee shall primarily be to give its opinion on financial matters such as the levels and currencies of indebtedness and credit, including in light of interest rate developments and macro-economic environment, the hedging of foreign-exchange and energy risks, the hedging policy of the long-term incentives plans and the financing of major investments. It may be called on to give opinions on policies of the Board of Directors on these matters. It also gives its opinion on the financial implications of strategic projects falling under the competence of the Board of Directors.

The Finance Committee shall comprise a minimum of three members, and will include the Chairperson of the Board of Directors and the CEO.

The Corporate Governance Charter will provide that the Chairperson of the Finance Committee shall be appointed by the Board of Directors, and that the Board of Directors shall aim at appointing an independent director as Chairperson.

As of the date of this Supplement, it is envisaged that the following directors will be appointed by the Board of Directors as members of the Finance Committee as from the completion of the Partial Demerger: Rosemary Thorne, Ilham Kadri, Edouard Janssen, Roeland Baan and Julian Waldron. It is envisaged that Rosemary Thorne will be appointed as Chairperson of the Finance Committee by the Board of Directors.

14.4.5 ESG Committee

The ESG Committee supports the Board of Directors in understanding (i) the expectations of the Company's key stakeholders, (ii) the impact of ESG issues on the Company's ability to create value and (iii) ESG trends and associated risks and opportunities. The ESG Committee monitors the Company's overall approach towards ESG matters, ensures this approach is aligned with and integrated in the overall Group strategy and defines in this respect ESG key performance indicators.

In particular, the role of the ESG Committee shall be to:

- consider the material ESG issues relevant to the Company's business activities and provide guidance and recommendations to the Board of Directors on these issues;
- perform periodic reviews – at least annually – of the Company's ESG policies, progress and effectiveness taking into account (i) risk & opportunity mapping, (ii) new sustainability developments and their impact on the Group, (iii) the Group's sustainability performance and main strengths and challenges, and (iv) future priorities, opportunities and challenges in this respect;
- prepare the Company's sustainability disclosures to be included by the Board of Directors in the annual corporate governance statement; and
- review the performance and results of key ESG investor surveys and global benchmarks.

The Audit and Risk Committee and the ESG Committee shall collaborate as appropriate with other Committees, such as the Compensation Committee, with oversight responsibility for executive compensation, talent management, compliance and other shared topics.

The Corporate Governance Charter will provide that the ESG Committee shall be composed of at least three directors appointed by the Board of Directors, a majority of which shall be independent.

The Corporate Governance Charter will provide that Chairperson of the ESG Committee shall be appointed by the Board of Directors, and that the Chairperson shall be a member with appropriate skills, training, and experience on ESG-related topics.

As of the date of this Supplement, it is envisaged that the following directors will be appointed by the Board of Directors as members of the ESG Committee as from the completion of the Partial Demerger: Françoise de Viron, Ilham Kadri, Nadine Leslie, Roeland Baan and Mary Meaney. It is envisaged that Françoise de Viron will be appointed as Chairperson of the ESG Committee by the Board of Directors.

14.5 Executive Leadership Team

As from the Partial Demerger, the Board of Directors will establish an Executive Leadership Team. This section describes the powers, responsibilities and composition of the Executive Leadership Team.

14.5.1 Powers and responsibilities of the Executive Leadership Team

Subject to completion of the Partial Demerger, the Board of Directors will delegate the following powers to the Executive Leadership Team:

- day-to-day management of the Company (*gestion journalière / dagelijks bestuur*), in accordance with and subject to Article 7:121 of the BCCA;
- overseeing the proper organization and functioning of the Company and the Group companies and ensuring oversight of their activities, in particular the introduction of a process for identification, management and control of the principal risks;
- introduction of a management process to find and retain talent and nominate senior executives for the Group (with the exception of its own members and the Corporate Secretary);
- compensation of the Group's senior executives (other than compensation of its own members);
- decisions regarding acquisitions and divestitures (including of intellectual property), for which the maximum amount is set at EUR 50,000,000 (debt and other commitments included); the Board of Directors is to be informed of any decision involving amounts over EUR 10,000,000;
- decisions on investment expenditures, for which the maximum amount is set at EUR 50,000,000; the Board of Directors is to be informed of decisions involving amounts over EUR 10,000,000;
- decisions on substantial commercial transactions and financial operations that do not imply any change in the financial structure of the Company and/or the Group;
- proposals to the Board of Directors regarding the principal policies of the Group;
- proposals to the Board of Directors regarding:
 - general strategies (including the effect of these strategies on the budget, the plan and resource allocation) and general policies of the Group, in particular regarding compensation, annual investment program and research and taking into account the sustainable development model and objectives adopted by the Group;
 - the budget and the plan including investments, R&I and financial objectives;
 - appointment of the Corporate Secretary;
 - general organization of the Company and/or the Group (including, in particular, governance structure of the Group, human resource policy and internal control structure);
 - major financial transactions that would impact the financial structure of the Company and/or the Group;
 - consolidated annual or interim financial statements or statutory annual or interim financial statements of the Company as well as related communications;
 - communication strategy;
- implementation of decisions of the Board of Directors; and
- submitting to the Board of Directors all questions falling within its competence and regularly reporting on the exercise of its mission.

The Executive Leadership Team does not constitute a management board within the meaning of Article 7:104 of the BCCA (*conseil de direction / directieraad*). The Executive Leadership Team is an informal Executive Leadership Team within the meaning of Article 3:6, §3, last sentence of the BCCA.

14.5.2 Principles governing the composition of the Executive Leadership Team

The Executive Leadership Team is composed of the CEO, who chairs the Executive Leadership Team, and the other members of the Executive Leadership Team. The Board of Directors sets the number of Members of the Executive Leadership Team in consultation with the CEO.

The CEO is appointed based on a proposal by the Chairperson of the Board of Directors, upon the advice of the Nomination Committee. The other members of the Executive Leadership Team are appointed by the Board of Directors, in consultation with the CEO and upon recommendation of the Nomination Committee. As part of this consultation, the CEO is invited and may propose candidates for the other members of the Executive Leadership Team to the Nomination Committee.

Executive Leadership Team members are appointed by the Board of Directors for four-year renewable terms, unless otherwise decided by the Board of Directors in consultation with the CEO, and may be revoked at any time by the Board of Directors.

The Corporate Governance Charter will set an age limit of 65 for Executive Leadership Team membership, unless otherwise decided by the Board of Directors in consultation with the CEO.

14.5.3 Members of the Executive Leadership Team

The table below provides an overview of the composition of the Executive Leadership Team as from the completion of the Partial Demerger:

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Start of mandate</u>	<u>End of mandate</u>
Ilham Kadri	French; Moroccan	Chief Executive Officer	December 9, 2023	2027
Christopher Roger Davis	Australian; British	Chief Financial Officer	December 9, 2023	2027
Hervé Tiberghien	French	Chief Operations Officer	December 9, 2023	2027
Joëlle Boxus	Belgian	Chief People Officer	December 9, 2023	2027
Marc Chollet	French	Chief Strategy Officer	December 9, 2023	2027
Mark Rollinger	American (U.S.)	Group General Counsel & Corporate Secretary	December 9, 2023	2027

Upon completion of the Partial Demerger, the Executive Leadership Team will comprise six members, of which two (including the CEO) are women. The Executive Leadership Team will represent a total of six nationalities.

The professional address of all members of the Executive Leadership Team will be rue de la Fusée 98, 1130 Brussels.

The following paragraphs contain brief biographies of each of the members of the Executive Leadership Team.

Ilham Kadri – please refer to Section 14.3.8, “*Members of the Board of Directors.*”

Christopher Roger Davis – Mr. Davis is Deputy Chief Financial Officer at Solvay SA since September 1, 2023. He has held leadership roles at Orica during more than nine years, including Chief Financial Officer & Chief Sustainability Officer (2018-2022) and Vice President Group Finance (2015-2018). Before Orica, he served for more than 12 years at Anglo American, including as Chief Executive Officer of Scaw Metals Group (2009-2013). Born in 1973, Mr. Davis is a graduate of the Australian

Institute of Company Directors, Sydney, Australia, holds a Bachelor of Commerce degree with a focus on Accounting and Auditing from the University of KwaZulu-Natal, Durban, South-Africa, as well as a postgraduate diploma in Treasury Management from the University of South Africa, Adelaide, South Africa.

Hervé Tiberghien – Mr. Tiberghien is Chief People Officer and a member of the Executive Leadership Team at Solvay SA since 2019. He is also a member of the Board of Directors of the Company until the completion of the Partial Demerger, upon which his directorship will expire. Prior to his work at Solvay, Mr. Tiberghien served for more than 16 years at PPG Industries Inc, including as Vice-President Human Resources (2016-2019) and Global HR Director (2014-2016). Before PPG Industries Inc, Mr. Tiberghien held various positions at AGC Automotive Europe. Born in 1964, he holds a Master in Human Resources from HEC Saint-Louis, Brussels, Belgium.

Joëlle Boxus – Ms. Boxus is Deputy Chief People Officer at Solvay SA since July 1, 2023. Prior to joining Solvay, Ms. Boxus was Chief Human Resources Officer and a member of the Executive Committee at AkzoNobel (2020-2023). She was previously Chief Human Resources Officer and a member of the Executive Committee at Etex (2018-2020). Prior to her work at Etex, Ms. Boxus held various positions at AkzoNobel, including as Chief Human Resources Officer of Nouryon (2018) and Global HR Director of AkzoNobel Specialty Chemicals (2013-2018). She also held a series of human resources positions at Cargill (2009-2013) and Kraft Foods (2005-2009). Born in 1971, she holds a Master’s degree in Psychology and Educational Sciences and a Master’s degree in Applied Economics from the UCLouvain, Louvain-la-Neuve, Belgium.

Marc Chollet – Mr. Chollet is Chief Strategy Officer and member of the Executive Leadership Team at Solvay SA since 2021. After the acquisition of Rhodia by Solvay SA in 2011, he was appointed Group General Manager Strategy in 2012. Previously, Mr. Chollet served as Deputy General Manager Strategy and Marketing at Rhodia, where he was a Member of the Executive Committee. Prior to working at Rhodia, Mr. Chollet held a series of positions at the Rohm & Haas Group, the Eridania Beghin-Say Group and Lesieur Alimentaire. Born in 1964, he holds a degree in engineering from the Paris-Grignon National Agronomic Institute, Paris, France.

Mark Rollinger – Mr. Rollinger is Executive Business Advisor at Solvay SA since July 1, 2023. Prior to joining Solvay SA, Mr. Rollinger held various executive roles such as Chief Legal Officer and Development Director at Stellantis (2013 to 2023), Sodexo (2009-2013) and Lafarge (2003-2006). Born in 1969, he holds a Bachelor of Arts degree from Yale University, New Haven, United States and a Doctorate of Law (J.D.) from Harvard University, Cambridge, United States, after which he passed the New York Bar. He is also a Business Law lecturer at HEC Paris (since 2003) and University Paris 1 Panthéon-Sorbonne (since 2011).

The employment or service agreements entered into between members of the Executive Leadership Team and Solvay SA will transfer to the Company, effective upon completion of the Partial Demerger. As a result, members of the Executive Leadership Team will no longer hold any position at Solvay SA following the Partial Demerger.

In the five years preceding the date of this Supplement, the members of the Executive Leadership Team have held the following directorships and memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current mandates	Past mandates (last five years)
Ilham Kadri	<u>Listed companies:</u> Solvay SA: Chairwoman of the Executive Leadership Team, Chief Executive Officer, Member of the Board of Directors, the Finance Committee and the ESG Committee	Diversey: Chief Executive Officer and President

Name	Current mandates	Past mandates (last five years)
	A.O. Smith Corporation: Member of the Board of Directors, of the Nominating & Governance Committee and the Personnel & Compensation Committee L'Oréal S.A.: Member of the Board of Directors and of the Audit Committee	
Christopher Roger Davis	<u>Other entities:</u> Izingwe Pty Ltd: Director Invubu Pty Ltd: Director	Orica Limited: Member of the Executive Committee, Chief Financial Officer and Chief Sustainability Officer Orica Finance Limited: Director
Hervé Tiberghien	<u>Listed companies:</u> Solvay SA: Member of the Executive Leadership Team, Chief People Officer	—
Joëlle Boxus	—	Akzonobel: Member of the Executive Committee, Chief Human Resources Officer Etex: Member of the Executive Committee, Chief Human Resources Officer
Marc Chollet	<u>Listed companies:</u> Solvay SA: Member of the Executive Leadership Team, Chief Strategy Officer	—
Mark Rollinger	—	Stellantis: Chief Legal Officer Automobiles Citroen AS: Director Financière Pergolèse: President OPEL Automobiles GmbH: Director Société de Participations Industrielles Peugeot Citroën: President

14.5.4 Share ownership

As at the date of this Supplement, the share ownership of the members of the Executive Leadership Team in Solvay SA is as set out below. As part of the Partial Demerger, each member of the Executive Leadership Team will receive one (1) Share of the Company for each share of Solvay SA he or she owns.

Name	Number of Solvay SA shares
Ilham Kadri	2,111
Christopher Roger Davis	0
Hervé Tiberghien	2,200
Joëlle Boxus	0
Marc Chollet	0
Mark Rollinger	0

As from the date of the completion of the Partial Demerger, it is expected that the members of the Executive Leadership Team will own a number of Shares as set out below.

Name	Number of Company Shares
Ilham Kadri	2,111
Christopher Roger Davis	0
Hervé Tiberghien	2,200
Joëlle Boxus	0
Marc Chollet	0
Mark Rollinger	0

As from the date of the completion of the Partial Demerger, it is expected that the members of the Executive Leadership Team will own a number of shares in Solvay SA as set out below.

Name	Number of Solvay SA shares
Ilham Kadri	2,111
Christopher Roger Davis	0
Hervé Tiberghien	2,200
Joëlle Boxus	0
Marc Chollet	0
Mark Rollinger	0

As of the date of this Supplement, the Company is not aware of any restrictions agreed by the members of the Executive Leadership Team on the disposal within a certain period of time of their Shares.

14.5.5 Stock options, performance share units and restricted share units

As part of the Partial Demerger, Solvay SA will contribute to the Company its rights and obligations under its outstanding incentive plans, in each case to the extent the beneficiaries of such plans (including members of the Executive Leadership Team) will be employed by the Company or one of its affiliates. The incentive plans transferred to the Company will reflect the amendments determined by the board of directors of Solvay SA to reflect the impact of the Partial Demerger, in accordance with the terms and conditions of such plans.

As of the date of this Supplement, several members of the Executive Leadership Team participate to one or more of the following components of Solvay SA's long term incentive plans: (i) "plain vanilla" stock options (granted until 2021), (ii) an exceptional stock option award granted in the context of the Partial Demerger, (iii) a yearly performance-based share unit plan and (iv) a yearly restricted share unit plan.

14.5.5.1 *Stock options*

Solvay SA has issued stock options ("SOs") to its senior executives on an annual basis between 1999 and 2021. As of the date of this Supplement, SOs remain outstanding under the 2016, 2017, 2018, 2019, 2020 and 2021 SO plans.

Under the current stock-option plans, the SOs have the following features: (i) SOs are granted at the money; (ii) SOs have a duration of eight years; (iii) SOs become exercisable for the first time after three full calendar years of restrictions; (iv) SOs are not transferrable *inter vivos*; (v) the plan includes a bad leaver clause.

The table below sets out the number of SOs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of SOs	Vested	Unvested
Ilham Kadri	142,154	48,537	93,617
Christopher Roger Davis	0	0	0
Hervé Tiberghien	27,135	0	27,135
Joëlle Boxus	0	0	0

Name	Number of SOs	Vested	Unvested
Marc Chollet	54,424	37,057	17,367
Mark Rollinger	0	0	0

In the context of the Partial Demerger, the terms of the SOs will be adjusted to allow the beneficiaries to receive, for each outstanding SO giving the right to acquire one (1) Solvay SA share, the right to acquire one (1) Share (in addition to the right to acquire one (1) Solvay SA share). The initial exercise price of the SO will be split between both the Solvay SA share and the Share, based, as a rule, on the 30-day average closing price of the Solvay SA share and the Share following completion of the Partial Demerger.

14.5.5.2 *Exceptional stock option award*

In March 2022, Solvay SA announced that it was reviewing the Partial Demerger. The successful implementation of the Partial Demerger depends on the performance of Solvay SA's executive leadership team and key senior executives. For this reason, the Board of Directors of Solvay SA, following the recommendation of Solvay SA's Remuneration Committee, decided to award an exceptional stock option grant to the members of Solvay SA's executive leadership team and certain senior managers (each, a "**Po2 SO**").

The Po2 SOs are subject to performance conditions and will be forfeited if the Partial Demerger does not occur by 2025. The Po2 SOs may be exercised by beneficiaries between January 1, 2026 and December 31, 2027 inclusive, provided that a presence condition and performance criteria are met. Upon exercise, each Po2 SO will give beneficiaries the right to acquire one (1) share of Solvay SA and one (1) Share.

The table below sets out the number of Po2 SOs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of Po2 SOs	Vested	Unvested
Ilham Kadri	129,418	0	129,418
Christopher Roger Davis	0	0	0
Hervé Tiberghien	23,355	0	23,355
Joëlle Boxus	0	0	0
Marc Chollet	22,399	0	22,399
Mark Rollinger	0	0	0

14.5.5.3 *Performance share units*

Solvay SA has issued performance share units ("**PSUs**") to its senior executives on an annual basis since 2013. As of the date of this Supplement, PSUs remain outstanding under the 2021, 2022 and 2023 plans.

(a) Performance share units granted in 2021

Under the relevant performance share unit plan, the performance share units granted in 2021 (the "**2021 PSUs**") have the following features: (i) the 2021 PSUs are cash-settled; (ii) the vesting of awards is based on meeting pre-set performance targets; (iii) the performance period is three years; (iv) an employment condition applies; (v) the plan has a claw-back provision for a period of three years after the payout, in case of erroneous results; (vi) the payout is based on the trading price of the Solvay SA after the vesting; (vii) dividends accrue only in respect of vested awards and are paid at the end of the performance period.

The table below sets out the number of 2021 PSUs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of 2021 PSUs	Vested	Unvested
Ilham Kadri	11,640	0	11,640

Name	Number of 2021 PSUs	Vested	Unvested
Christopher Roger Davis	0	0	0
Hervé Tiberghien	2,616	0	2,616
Joëlle Boxus	0	0	0
Marc Chollet	1,674	0	1,674
Mark Rollinger	0	0	0

In the context of the Partial Demerger, the terms of the 2021 PSUs will be adjusted so that the performance for the 2023 financial year is assessed based on the data available as of the time of the Partial Demerger and the payout is based on the trading price of the Solvay SA share during the ten (10)-trading day period preceding the completion of the Partial Demerger.

(b) Performance share units granted in 2022 and 2023

The performance share units granted in 2022 (the “**2022 PSUs**”) and 2023 (the “**2023 PSUs**”) have the following features: (i) the 2022 PSUs and 2023 PSUs are equity-settled; (ii) the vesting of awards is based on meeting pre-set performance targets; (iii) the performance period is three years; (iv) an employment condition applies; (v) the plan has a claw-back provision for a period of three years after the payout, in case of erroneous results; (vi) dividends accrue only in respect of vested awards and are paid at the end of the performance period.

The opportunity varies from a minimum of zero, if the minimum target is not met, to a maximum payout of 150%, if the maximum target is achieved. Outcomes are subject to a further linear adjustment upwards or downwards dependent on the Company’s performance against the median of total shareholders return of the Stoxx 600 Index peer group (TSR). The final number of PSUs vested can reach 188% for maximum achievement on each of the KPIs as well as at or above 75th percentile positioning in the scale for the total shareholder return.

The table below sets out the number of 2022 PSUs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of 2022 PSUs	Vested	Unvested
Ilham Kadri	16,926	0	16,926
Christopher Roger Davis	0	0	0
Hervé Tiberghien	4,018	0	4,018
Joëlle Boxus	0	0	0
Marc Chollet	3,720	0	3,720
Mark Rollinger	0	0	0

In the context of the Partial Demerger, the terms of the 2022 PSUs will be adjusted to allow the relevant beneficiaries to receive, upon vesting, for each 2022 PSU held, one (1) Solvay SA share and one (1) Share. In addition, (i) the performance conditions linked to the 2024 performance year will be waived and performance for such year will be extrapolated from performance in 2022 and 2023, and (ii) the adjustment dependent on Solvay SA’s performance against the median of total shareholders return of the Stoxx 600 Index peer group (TSR) will be measured based on the Solvay SA share price until a date that is close to the completion of the Partial Demerger.

The table below sets out the number of 2023 PSUs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of 2023 PSUs	Vested	Unvested
Ilham Kadri	20,295	0	20,295
Christopher Roger Davis	3,261	0	3,261
Hervé Tiberghien	4,302	0	4,302
Joëlle Boxus	2,221	0	2,221
Marc Chollet	3,817	0	3,817
Mark Rollinger	2,221	0	2,221

In the context of the Partial Demerger, the terms of the 2023 PSUs will be adjusted to allow the relevant beneficiaries to receive, upon vesting, for each 2023 PSU held, one or more Shares (but no Solvay SA shares). The number of Shares to which each 2023 PSU will give right will be determined after the completion of the Partial Demerger, based on the 30-day average closing price of the Share relative to the combined 30-day average closing prices of the Share and the Solvay SA share. In addition, (i) the performance conditions linked to the 2024 and 2025 performance years will be adjusted to reflect the strategy of the Company and the impact of the Partial Demerger, and (ii) the adjustment dependent on performance against the median of total shareholders return of the Stoxx 600 Index peer group (TSR) will be measured, until the Partial Demerger, based on the Solvay SA share price, and following the Partial Demerger, based on the Share price.

14.5.5.4 Restricted share units

Solvay SA has issued restricted share units (“**RSUs**”) to its senior executives on an annual basis since 2022. As of the date of this Supplement, RSUs remain outstanding under the 2022 and 2023 plans.

The restricted share units granted in 2022 (the “**2022 RSUs**”) and in 2023 (the “**2023 RSUs**”) have the following features: (i) the 2022 RSUs and 2023 RSUs are equity-settled; (ii) the vesting of awards is not subject to performance conditions; (iii) the vesting period is three years; (iv) an employment condition applies; (v) the plan has a claw-back provision for a period of three years after the payout; (vi) dividends accrue only in respect of vested awards and are paid at the end of the performance period.

The table below sets out the number of 2022 RSUs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of 2022 RSUs	Vested	Unvested
Ilham Kadri	7,254	0	7,254
Christopher Roger Davis	0	0	0
Hervé Tiberghien	1,722	0	1,722
Joëlle Boxus	1,595	0	1,595
Marc Chollet	1,595	0	1,595
Mark Rollinger	0	0	0

In the context of the Partial Demerger, the terms of the 2022 RSUs will be adjusted to allow the relevant beneficiaries to receive, upon vesting, for each 2022 RSU held, one (1) Solvay SA share and one (1) Share. All other terms and conditions of the 2022 PSUs will remain unchanged.

The table below sets out the number of 2023 RSUs held as of the date of this Supplement by the members of the Executive Leadership Team:

Name	Number of 2023 RSUs	Vested	Unvested
Ilham Kadri	8,698	0	8,698
Christopher Roger Davis	1,398	0	1,398
Hervé Tiberghien	1,844	0	1,844
Joëlle Boxus	1,944	0	1,944
Marc Chollet	1,636	0	1,636
Mark Rollinger	3,183	0	3,183

In the context of the Partial Demerger, the terms of the 2023 RSUs will be adjusted to allow the relevant beneficiaries to receive, upon vesting, for each 2023 RSU held, one or more Shares (but no Solvay SA shares). The number of Shares to which each 2023 RSU will entitle its holder will be determined after the completion of the Partial Demerger based on the 30-day average closing price of the Share relative to the combined 30-day average closing prices of the Share and the Solvay SA share.

14.5.6 Litigation statement concerning the members of the Executive Leadership Team

To the best knowledge of the Company, as at the date of this Supplement, none of the members of the Executive Leadership Team of the Company has, for at least the previous five years:

- been convicted in relation to fraudulent offences;
- held an executive function as a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation or at the time at which such company has been put into administration;
- been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

14.5.7 Conflicts of interest

As of the date of this Supplement, the Company is not aware of any potential conflicts of interest between any duties owed to the Company by the members of the Executive Leadership Team and the other duties or private interests of such persons, except for any matters in relation to his or her management or employment agreement with the Company or any of its subsidiaries (*e.g.*, as regards remuneration matters).

As of the date of this Supplement, the Company is not aware of any arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any member of the Executive Leadership Team was selected as a member of the Executive Leadership Team.

Each member of the Executive Leadership Team is encouraged to arrange his or her personal and business affairs so as to avoid direct and indirect personal financial conflicts of interest with the Company.

15. REMUNERATION AND BENEFITS

Chapter 15, “Remuneration and Benefits,” of the Registration Document is replaced and superseded by the following updated version:

15.1 General

As of the date of this Supplement, the members of the Board of Directors are not entitled to any remuneration from the Company for the exercise of their mandate as directors of the Company. This section describes the remunerations and benefits of the members of the Board of Directors and the Executive Leadership Team following:

- the completion of the Partial Demerger at the Effective Time, as described in Section 7.4.1, “*The Partial Demerger*”; and
- the admission of the Shares to trading on Euronext Brussels and Euronext Paris.

In accordance with Article 7:89/1 of the BCCA, the Preparatory EGM has approved a remuneration policy for the Company, effective as from the completion of the Partial Demerger. Subject to certain changes to reflect the perimeter and objectives of the Company, including for purposes of the performance conditions applicable to variable remuneration, the Company’s remuneration policy is substantially similar to that of Solvay SA. The remuneration policy is available on the Company’s website (www.syensqo.com).

The Board of Directors will, after completion of the Partial Demerger, review the remuneration policy and assess whether any amendments would be necessary for the Company’s remuneration practices to remain aligned with its peers’ and best corporate governance practices. Depending on the results of this assessment, the Board of Directors may prepare a revised remuneration policy and submit it to shareholders for approval at the relevant annual shareholders’ meeting. The remuneration of the members of the Board of Directors and of the Executive Leadership Team as described in this Section 15.1 may be adapted further to such review and approval of the revised remuneration policy (if any).

15.2 Remuneration and benefits of the Members of the Board of Directors

15.2.1 Remuneration and benefits

The directors of the Company will receive, each year, a fixed compensation for their mandate. The level of such fixed compensation has been set at EUR 35,000 by the Preparatory EGM. The Chairperson of the Board of Directors will receive an additional annual fixed fee of EUR 250,000 by reason of the workload and responsibility attached to the role. These fees will be paid in monthly instalments.

Attendance fees will be paid for each meeting of the Board of Directors for an amount of EUR 4,000, except for the CEO. In addition, attendance fees will also be paid for each meeting of the committees of the Board of Directors, except for the Chairperson of the Board of Directors and the CEO:

- an attendance fee of EUR 6,000 fee for the Chairperson of Audit and Risk Committee of the Company;
- an attendance fee of EUR 4,000 for each meeting of the Audit and Risk Committee of the Company;
- an attendance fee of EUR 4,000 fee for the Chairperson of the Nomination, Compensation, ESG and Finance Committees of the Company; and
- an attendance fee of EUR 2,500 for each meeting of the Nomination, Compensation, ESG and Finance Committees of the Company.

Non-executive directors will not receive any variable compensation linked to results or other performance criteria. They will not be entitled to stock options or performance share units, nor to any supplemental pension scheme.

The Company will reimburse directors' travel and subsistence expenses for meetings and while exercising their functions as members of the Board of Directors or its committees. The Company will also provide administrative support, in the form of an office and use of the General Secretariat, to the Chairperson of the Board of Directors only. The other non-executive directors will receive logistical support from the General Secretariat, if and when needed. The Company will also provide customary insurance policies covering the Board of Directors' activities when they are carrying out their duties.

The Company will also arrange for, and pay, directors' and officers' liability insurance for the members of the Board of Directors.

15.2.2 Share ownership guidelines

The Company will not directly award Shares to non-executive directors as a form of remuneration. However, to comply with the spirit of principle 7.6 of the Corporate Governance Code, the Company's remuneration policy provides that non-executive directors will be required to hold a number of Shares equivalent to 100% of their gross annual fixed board fees. These Shares should be held until at least one year after the non-executive director leaves the Board of Directors and, in any case, for at least three years after the Shares were acquired. The dividends attached to these Shares will be paid at the same time as for the other shareholders.

15.3 Remuneration and benefits of the members of the Executive Leadership Team

The Company's remuneration structure is designed in line with the following principles, which will apply to the members of the Executive Leadership Team:

- total remuneration is set at a level that is competitive in the relevant market and sector, in order to attract, retain and motivate the high-caliber talent needed to deliver the Company's strategy and drive business performance;
- short- and long-term variable remuneration is tied to the achievement of strategic objectives, including driving sustainable performance, and recognizes excellent results once delivered; and
- remuneration decisions are compliant and equitable, keeping in mind pay levels within the wider workforce, and balance cost and value appropriately.

The employment or service agreements entered into between members of the Executive Leadership Team and Solvay SA will transfer to the Company, effective upon completion of the Partial Demerger.

The remuneration of the members of the Executive Leadership Team of the Company following completion of the Partial Demerger is expected to consist of three components: (i) fixed remuneration and benefits, (ii) variable short-term cash incentive ("STI"), and (iii) long-term share incentives ("LTI"). As of the date of this Supplement, the Board of Directors has not made any decision as to remunerations items falling within each component, nor is it expected that a decision as to such remuneration items will be made prior to the completion of the Partial Demerger. Sections 15.3.1 to 15.3.3 describe the anticipated remuneration and benefits of the members of the Executive Leadership Team as of the completion of the Partial Demerger.

15.3.1 Fixed base remuneration and other benefits

15.3.1.1 *Fixed base remuneration*

Fixed base remuneration reflects an individual's experience, skills, duties, responsibilities, contribution and future role within the Company. It will be reviewed annually and may be adjusted, taking into consideration a number of factors. Fixed base remuneration does not include the value of any benefits

offered to members of the Executive Leadership Team and is used to calculate targets for variable remuneration.

The table below sets out the fixed base (annual) remuneration that is expected to be granted to the members of the Executive Leadership Team as of the completion of the Partial Demerger:

Name	2024 base remuneration (EUR)
Ilham Kadri	1,500,000
Christopher Roger Davis	700,000
Hervé Tiberghien	630,000
Joëlle Boxus	500,000
Marc Chollet	500,000
Mark Rollinger	450,000

In addition, Dr. Ilham Kadri will be granted a yearly retention payment which, for the financial year ended on December 31, 2024, will amount to EUR 3,500,000, provided that the contractual agreement entered into between Dr. Ilham Kadri and the Company is not terminated at her initiative before the relevant payment date in 2024.

15.3.1.2 Pension contributions and other fringe benefits

In accordance with Belgian legal requirements, Dr. Ilham Kadri, as CEO of the Company and member of the Board of Directors, will be self-employed under the terms of her current contractual agreement with Solvay SA, which will be contributed to the Company as part of the Partial Demerger. This agreement provides for specific provisions with respect to pension contributions, death-in-service and disability benefits. For reference, in 2022, Solvay SA contributed an amount of EUR 911,634 to her pension plan and an amount of EUR 375,857 was allocated to other benefits which include long-term benefits (*e.g.*, death-in-service, disability and medical benefits) and benefits-in-kind (*e.g.*, company vehicle, education, expatriation package expenses, tax filing assistance). The CEO will continue to participate in a defined contribution pension plan and be granted an annual flexible benefits allowance to cover pension, including back and future pension services, medical and death and disability benefits for the year, to be disclosed in the remuneration report of the Company in accordance with the BCCA.

The other members of the Executive Leadership Team will either be employees of the Company or self-employed. Members of the Executive Leadership Team who are employees will be granted benefits such as a pension plan, death-in-service and disability benefits. Self-employed members of the Executive Leadership Team (other than Dr. Ilham Kadri) will be entitled to the payment of an annual fixed base fee under their contractual agreement with the Company, which will also cover pension contributions, death-in-service, disability and healthcare benefits, as well as certain benefits-in-kind (*e.g.*, company vehicle, education, expatriation package expenses, tax filing assistance).

Other benefits, such as medical plans and company cars or car allowances, will also be provided according to local policies. The nature and level of these other benefits are aimed to be in line with median market practice and other executives of the Company.

The Company will arrange for, and pay, directors' and officers' liability insurance for the members of the Executive Leadership Team (including the CEO).

15.3.1.3 Severance benefits

The Company's remuneration policy provides that members of the Executive Leadership Team shall not benefit from any contractual departure indemnity linked to the exercise of their office, without prejudice to payments due pursuant to applicable laws in case of termination depending on the seniority, the jurisdiction and the nature of contract of the relevant member of the Executive Leadership Team. In case of termination, a non-compete period of twelve (12) months will apply to all members of the Executive Leadership Team, which – if enforced by the Company – entitles the members of the Executive Leadership Team to a non-compete indemnity.

The agreement between the CEO and the Company provides for (i) a severance fee equivalent to 18 months of remuneration in case the Company terminates the agreement, computed on the basis of the sum of the fixed and variable remuneration, as well as other benefits, and (ii) a 12-month non-compete indemnity equivalent to six months of remuneration, computed in the same way as the severance fee due in case of termination by the Company.

15.3.2 Variable short-term cash incentives

The STI plan will provide a cash opportunity that is based solely on the achievement of pre-determined financial, non-financial and individual objectives.

In accordance with the remuneration policy of the Company, the target opportunity that will be provided by the STI plan for the CEO of the Company is 120% of fixed base remuneration, and up to 70% of fixed base remuneration for other members of the Executive Leadership Team. The minimum payout is 0% and the maximum payout is 200% of target STI.

Objectives are expected to be set annually by the Board of Directors. The aim of this objective-setting process will be to set targets that are challenging, but realistic. The Board of Directors will take into account the “bottom-up” views and ambitions of the business, but ultimately set the objectives based on the Company’s longer-term ambitions for growth, the long-term sustainability of the business and the competitiveness of the external market.

It is expected that the STI plan that will be adopted will use three broad performance categories weighed approximately as follows:

- 60-70% depending on financial objectives;
- 10-20% linked to sustainability objectives; and
- 10-20% linked to individual objectives measured against predetermined non-financial, quantitative and qualitative objectives. These will be defined by the Board of Directors for the CEO and then cascaded down to other members of the Executive Leadership Team members by the CEO.

Bonuses will be subject to malus and clawback provisions, in accordance with the Company’s remuneration policy.

15.3.3 Long-term share incentives

In accordance with the remuneration policy of the Company, the long-term incentive grant for the year following completion of the Partial Demerger will consist of (i) 70% PSUs and (ii) 30% RSUs. The annual grant value will be determined annually by the Board of Directors, as a percentage of fixed base remuneration.

The CEO of the Company will have an LTI grant target of 150% of fixed base remuneration. The Board of Directors can apply discretion between 0% and 150% of the grant value. For the other members of the Executive Leadership Team, the grant target value will be up to 125% of the fixed based remuneration. The Board of Directors can apply discretion between 0% and 150% of the grant value.

15.3.3.1 *Performance-based share units*

The PSUs will vest three years from the date of grant, subject to the achievement of the pre-set performance objectives set in the relevant PSU plan and linked to the performance of the Syensqo group over a three-year period. The performance objectives will be determined by the Board of Directors.

The opportunity will vary from a minimum of zero, if the minimum target is not met, to a maximum payout of 150%, if the maximum target is achieved. Outcomes will be subject to a further linear adjustment upwards or downwards dependent on the Company’s performance against the median of total shareholders return of the Stoxx 600 Index peer group (TSR). The final number of PSUs vested

can reach 188% for maximum achievement on each of the KPIs as well as at or above 75th percentile positioning in the scale for the total shareholder return.

The PSU plans will include an employment condition and malus and clawback provisions as per the Company's remuneration policy.

15.3.3.2 *Restricted share units*

Vesting of the RSUs will not be subject to a performance condition and will occur after expiry of a three-year period. The RSU plans will include an employment condition and malus and clawback provisions as per the Company's remuneration policy.

15.3.4 Share ownership guidelines

In accordance with the Company's remuneration policy, members of the Executive Leadership Team are required to build and maintain a shareholding in the Company equivalent to 150% of fixed base remuneration for the CEO and 100% of fixed base remuneration for other members of the Executive Leadership Team. Any Shares acquired to meet this requirement should be held until at least one year after the Executive Leadership Team member leaves the Company and, in any case, for at least three years after the Shares were acquired. This shareholding is in principle built up over a period not exceeding five years, as from 2022 since this principle is carried over from Solvay SA's remuneration policy as adopted in 2022.

15.4 Amount of provisions made or recorded by the Company or by its subsidiaries for the payment of pensions, retirement plans or other benefits

As of the date of this Supplement, the Company has not made provisions for amounts for payment of pensions, retirement or other similar benefits for the members of the Board of Directors or of the members of the Executive Leadership Team.

Upon completion of the Partial Demerger, any obligation undertaken by Solvay SA prior to the Partial Demerger with regards to the payment of pensions, retirement or other similar benefits for members of the Executive Leadership Team of the Company, including where applicable provisions for amounts for such payments, will be transferred to or otherwise undertaken by the Company.

As at December 31, 2022, Solvay SA had made provisions for payment of pensions, retirement or other similar benefits for Dr. Ilham Kadri, Mr. Hervé Tiberghien and Mr. Marc Chollet, for their roles at Solvay SA, in the following amounts:

<u>Name</u>	<u>Pensions (EUR)</u>	<u>Other benefits (EUR)*</u>
Ilham Kadri	911,634	375,857
Hervé Tiberghien	123,597	98,361
Marc Chollet	193,719	47,208

* Long-term benefits (e.g., death-in-service, disability and medical benefits) and benefits-in-kind (e.g., company vehicle, education, expatriation package expenses, tax filing assistance).

16. OPERATIONS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

Sections 16.1, “Terms of office of members of the administrative and management bodies,” Section 16.2, “Information on service agreements between members of the Management Body and the Company or any of its subsidiaries” and Section 16.3, “Committees of the Management Body,” of the Registration Document are replaced and superseded by Chapter 14, “Administrative, Management and Supervisory Bodies and Senior Management” of this Supplement.

17. EMPLOYEES

Section 17.3, “Description of arrangements involving employees in the capital of SpecialtyCo” of the Registration Document is replaced and superseded by the following updated version:

In December 2021, Solvay SA 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 Solvay SA 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 Solvay SA share for joining the plan as well as one (1) matching Solvay SA share for every two (2) Solvay SA 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 SA will contribute to the Company its rights and obligations under the 2022 ESPP, if and to the extent the beneficiaries of the 2022 ESPP will be employed by the Company or one of its affiliates. The 2022 ESPP transferred to the Company will reflect the amendments determined by the board of directors of Solvay SA to reflect the impact of the Partial Demerger, in accordance with the terms and conditions of the 2022 ESPP. In particular, for each Solvay SA share purchased by a relevant beneficiary pursuant to the 2022 ESPP, such beneficiary will receive one Share at the Effective Time, in accordance with the exchange ratio applicable to the Partial Demerger (*see* Section 7.4.3, “*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 the Company 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 Solvay SA shares). The number of free and/or matching Shares to which Solvay SA shares purchased by beneficiaries employed by the Company 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 Share following the completion of the Partial Demerger relative to the combined 30-day average closing prices of the Share and the Solvay SA 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 SA 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 the Company will implement similar employee-related share purchase programs following completion of the Partial Demerger.

18. MAJOR SHAREHOLDERS

Chapter 18, “Major Shareholders,” of the Registration Document should be read in conjunction with the following:

As at the date of this Supplement and until the Effective Time, the sole shareholder of the Company is and will remain Solvay SA.

After the completion of the Partial Demerger, considering the 1:1 exchange ratio, each of Solvay SA’s existing shareholders would receive one (1) Share for each share in Solvay SA it owns upon completion of the Partial Demerger. Accordingly, upon completion of the Partial Demerger, the shareholding structure of the Company would mirror the shareholding structure of Solvay SA, subject only to (i) the single Share held by Solvay prior to completion of the Partial Demerger and (ii) any shares of Solvay SA held by Solvay SA, the Company or any persons acting in their own name but on behalf of Solvay SA or the Company on the relevant record date before completion of the Partial Demerger (the shares of Solvay SA covered by (ii) above, the “**Excluded Solvay Shares**”), for which no Shares will be issued or allocated to the relevant holder(s). Based on the ownership of Solvay SA’s share capital as at October 31, 2023, and ownership reporting notices published by the FSMA, the table below presents Solvay SA’s shareholding structure as of October 31, 2023.

<u>Solvay SA shareholders</u>	<u>Number of shares</u>	<u>% of share capital</u>	<u>Number of voting rights</u>	<u>% of voting rights</u>
Solvac SA	32,621,583	30.81%	32,621,583	31.33%
Solvay Stock Option Management SRL	1,742,202	1.65%	N/A ⁽¹⁾	0.00%
BlackRock ^{(2) (3)}	4,168,694	3.94%	4,168,694	4.00%
Public	67,343,937	63.61%	67,343,937	64.67%
Total	105,876,416	100.00%	105,876,416	100.00%

⁽¹⁾ Voting rights of Solvay SA shares held by Solvay Stock Option Management SRL are suspended in accordance with Article 7:217 of the BCCA.

⁽²⁾ Entities controlled by BlackRock, Inc.

⁽³⁾ Further to a transparency declaration made by BlackRock, Inc. to Solvay SA and the FSMA on September 29, 2023, BlackRock owned as of September 28, 2023: (i) 4,168,694 shares of Solvay SA; and (ii) equivalent financial instruments which, if exercised, would allow BlackRock, Inc. to acquire 1,118,372 shares of Solvay SA. For the avoidance of doubt, the number of shares and voting rights of Solvay SA reported opposite BlackRock’s name in the above table only includes shares held directly and does not take into consideration Solvay SA shares that BlackRock, Inc.’s may acquire upon exercise of equivalent financial instruments.

Based on Solvay SA’s shareholding structure as presented in the above table, and in accordance with the 1:1 exchange ratio determined for purposes of the Partial Demerger (and assuming there will be no Excluded Solvay Share), the table below presents the ownership of the Shares upon completion of the Partial Demerger.

<u>Company shareholders</u>	<u>Number of Shares</u>	<u>% of share capital</u>	<u>Number of voting rights</u>	<u>% of voting rights</u>
Solvay SA ⁽¹⁾	1	0.00%	1	0.00%
Solvac SA	32,621,583	30.81%	32,621,583	31.04%
Solvay Stock Option Management SRL	956,726	0.90%	956,726	0.91%
Syensqo Stock Option Management SA ⁽²⁾	785,476	0.74%	N/A ⁽²⁾	0.00%
BlackRock ^{(3) (4)}	4,168,694	3.94%	4,168,694	3.97%
Public	67,343,937	63.61%	67,343,937	64.08%
Total	105,876,417⁽⁵⁾	100.00%	105,876,417⁽⁵⁾	100.00%

⁽¹⁾ The single Share of the Company held by Solvay SA following completion of the Partial Demerger will be sold by Solvay SA on the market on or after the first day of trading of the Shares on Euronext Brussels and Euronext Paris.

- (2) Syensqo Stock Option Management SA will be incorporated early December 2023 by way of a partial demerger of Solvay Stock Option Management SRL, and will be an indirect, wholly-owned subsidiary of the Company following completion of the Partial Demerger. As a result, voting rights of Shares held by Syensqo Stock Option Management SA will be suspended in accordance with Article 7:217 of the BCCA.
- (3) Entities controlled by BlackRock, Inc.
- (4) Based on the transparency declaration made by BlackRock, Inc. to Solvay SA and the FSMA on September 29, 2023, as explained above.
- (5) Calculations based on total number of issued and outstanding shares of Solvay SA as at the date of this Supplement (105,876,416) plus the single Share of the Company held by Solvay SA, and assuming that there would be no Excluded Solvay Shares.

20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, PROFITS AND LOSSES

20.2 Interim and other financial information

Section 20.2, “Interim and other financial information,” of the Registration Document is replaced and superseded by the following updated version:

“SpecialtyCo’s unaudited condensed combined financial statements as of and for the six-month period ended June 30, 2023 (the “**Unaudited Interim Combined Financial Statements**”) were prepared in accordance with IAS34 “*Interim Financial Reporting*” as adopted by the European Union, and subject to a review by EY conducted in accordance with the International Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.” The Interim Combined Financial Statements and the EY review report with respect thereto are included in this Supplement as Annex I.”

20.3 Auditing of the combined financial information

Section 20.3, “Auditing of the combined financial information,” of the Registration Document should be read in conjunction with the following:

“The limited review report from EY on the Unaudited Interim Combined Financial Statements is attached to such Unaudited Interim Combined Financial Statements included in this Supplement as Annex I.”

20.5 Dividend policy

Section 20.5, “Dividend policy,” of the Registration Document is replaced and superseded by the following updated version:

“Given that it was incorporated on February 27, 2023, the Company has not distributed any dividends. After the completion of the Legal Reorganization and Partial Demerger, the Company will assume a 40% share of the current dividend level of Solvay SA for the 2023 financial year.

Following completion of the Partial Demerger, the Company is expected to adopt a dividend policy that enables it to invest in the growth that will deliver sustainable value creation to shareholders, while preserving the structural capacity to deleverage over time (subject to its liquidity needs, the decision of its Board of Directors and the approval of its shareholders).”

20.8 Significant change in the issuer’s financial position since June 30, 2023

As of the date of this Supplement, there has been no significant change in the financial performance, the financial position and the trading position of SpecialtyCo since June 30, 2023, other than as described in Section 7.6, “*Liability management transactions*,” Section 10.21, “*Target capital structure*,” Chapter 12, “*Trend Information*” and Chapter 13, “*Profit Forecasts or Estimates*.”

21. ADDITIONAL INFORMATION

Chapter 21, “Additional Information,” of the Registration Document is replaced and superseded by the following updated version:

21.1 Introduction

This Chapter 21 summarizes material information relating to the Company’s share capital and Articles of Association as they will be in effect as of the date of the Partial Demerger, unless expressly stated otherwise. It also summarizes certain material rights of the shareholders of a limited liability company under Belgian law whose shares are admitted to trading on an EU regulated market.

This summary does not purport to provide a complete overview of the Company’s Articles of Association, nor of the relevant provisions of Belgian law.

21.2 Share capital

21.2.1 Subscribed share capital and authorized but unissued share capital

As of the date of this Supplement, the share capital of the Company amounts to EUR 61,500 and is represented by one (1) share without nominal value, representing the entire share capital. The Company’s single Share is fully paid-up.

As described in Section 7.4, “*The Partial Demerger*,” as part of the Partial Demerger, Solvay SA will contribute the shares and other interests it holds in the legal entities operating the Specialty 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 the Company. In return, the share capital of the Company will be increased by an amount of EUR 1,351,562,792.82 and New Shares will be issued and allocated directly to Solvay SA’s Existing Shareholders. Upon completion of the Partial Demerger, the share capital of the Company will be EUR 1,351,624,292.82.

See Section 21.3.4, “*Changes to the share capital*,” for a description of the authorization given, subject to the completion of the Partial Demerger, by the shareholders’ meeting of the Company to the Board of Directors to increase the share capital of the Company.

21.2.2 Shares not representing capital

As of the date of this Supplement, the Company has not issued any shares not representing capital.

21.2.3 Shares held in treasury by the Company or for its account

As of the date of this Supplement, the Company does not hold any of its own Shares and does not have any subsidiary. No Shares are held by any third party on behalf of the Company.

21.2.4 Other securities providing access to equity

As of the date of this Supplement, the Company has not issued any stock options or other convertible securities, exchangeable securities or securities with warrants or any other securities giving access to its equity.

21.2.5 Conditions governing any acquisition rights and/or any obligations attached to capital subscribed but not paid up

None.

21.2.6 Share capital of any Group company under option or agreed to be put under option

None.

21.2.7 Changes in the Company's capital since the date of its incorporation (February 27, 2023)

The Company was incorporated on February 27, 2023 by Solvay SA as sole founder, as a private limited company (*société à responsabilité limitée / besloten vennootschap*). At incorporation, the equity (*capitaux propres / eigen vermogen*) of the Company amounted to EUR 1.00 and was represented by one (1) share without nominal value, representing the entire equity. The Company's single Share was fully paid-up on March 23, 2023.

On October 16, 2023, the Company converted into a limited liability company (*société anonyme / naamloze vennootschap*), as described in Section 7.3.2, "Conversion of the Company into a limited liability company" of the Registration Document. Prior to the Conversion, Solvay SA contributed EUR 61,499.00 to the Company's equity, and the Company's equity was converted into fully paid-up share capital upon the Conversion.

21.3 Articles of Association

21.3.1 Corporate profile

Company name:	Syensqo
Form and applicable law:	Limited liability company (<i>société anonyme / naamloze vennootschap</i>) under Belgian law
Registered office:	Rue de la Fusée 98 1130 Brussels Belgium
Telephone number of registered office:	+32 2 264 19 00
Register of legal entities:	0798.896.453 (Brussels)
LEI:	549300060XNJ90PLNS10
Date of incorporation:	February 27, 2023
Financial year:	From January 1 st to December 31 st The first financial year began on February 27, 2023, and will close on December 31, 2023.

21.3.2 Corporate purpose

The corporate purpose of the Company is set forth in Article 3 of the Articles of Association. As of the date of this Supplement, it reads as follows (translation from the original French and Dutch original versions):

"The company's purpose is, both in Belgium and abroad, for its own account or for the account of third parties, or with their participation:

- *to hold and manage, directly or indirectly, interests in companies, enterprises or entities the purpose of which is directly or indirectly linked to the manufacturing, exploitation, marketing, research and development of industrial and commercial activities or services primarily but not exclusively in the chemicals sector, its different disciplines and specialties, and activities connected, derived from and incidental thereto as well as activities in the sector of the exploitation and processing of natural resources, in Belgium as well as abroad;*
- *to conduct, both in Belgium and abroad, on its own behalf or on behalf of third parties, the manufacturing, exploitation, marketing, research and development, handling, processing, transportation and management activities in the business sectors noted above.*

The company also has the following purpose:

- a) exclusively in its own name and for its own account: the construction, development and management of real estate; all operations, whether or not subject to VAT, relating to real estate and real estate rights, such as buying and selling, construction, renovation, interior design and decoration, renting or taking on rent, exchange, subdivision and, in general, all operations that are directly or indirectly related to the management or operation of real estate or real estate rights;*
- b) exclusively in its own name and for its own account: the construction, development and management of movable property; all operations relating to movable property and rights of any kind, such as the sale and purchase, rental and leasing, exchange, in particular the management and valuation of all negotiable assets, shares, bonds, state funds;*
- c) exclusively in its own name and for its own account: to make loans and grant loans, credits, financing and the negotiation of leasing contracts, within the framework of the purposes described above.*

The company may give security for its own commitments as well as for the commitments of third parties, inter alia by mortgaging or pledging its assets, including its own business assets. It may act as guarantor or provide security for companies or private persons in the broadest sense.

In general, it has full legal capacity to carry out all acts and operations directly or indirectly related to its purpose or which are likely to facilitate directly or indirectly, in whole or in part, the realization of this purpose.

It may take an interest by way of association, contribution, merger, financial intervention or in any other way whatsoever in any company, association or enterprise whose object is identical, similar or related to its own or which is likely to promote the development of its business or to constitute a source of outlets for it.

It may act as director or liquidator in other companies.

In the event that the performance of certain acts is subject to prerequisites for access to the profession, the company shall make its action in respect of the performance of such acts conditional upon the fulfilment of such prerequisites.”

21.3.3 Form and transferability of the Shares

The Shares can take the form of registered Shares or dematerialized Shares. Holders of registered Shares may request, at any time, that their registered Shares be converted into dematerialized (book-entry) Shares, and vice versa. Any costs incurred in connection with the conversion of Shares into another form will be borne by the shareholders. A register of registered Shares (which may be held in electronic form) is maintained at the Company's registered address.

As of the date of this Supplement, the Company's single Share is fully paid-up and freely transferable. Upon completion of the Partial Demerger, the Shares will be freely transferable, and there will be no restrictions on the transferability of the Shares in the Articles of Association or under Belgian law.

21.3.4 Changes to the share capital

21.3.4.1 *Share capital increases decided by the shareholders*

In principle, changes to the share capital are decided by the shareholders. The shareholders' meeting may at any time decide to increase or decrease the share capital. Such resolution must satisfy the quorum

and majority requirements that apply to an amendment of the Articles of Association (*see* Section 21.3.6.12, “*Quorum and majority requirements*”).

21.3.4.2 *Share capital increases decided solely by the Board of Directors*

Subject to the same quorum and majority requirements, the shareholders’ meeting may authorize the Board of Directors, within certain limits, to increase the share capital without any further approval of the shareholders. Such authorization is generally referred to as “authorized capital.” This authorization needs to be limited in time (*i.e.*, it can only be granted for a renewable period of maximum five years) and in scope (*i.e.*, the authorized capital may not exceed the amount of the share capital at the time of the authorization).

The shareholders’ meeting of the Company of November 13, 2023 (the “**Preparatory EGM**”) authorized the Board of Directors to increase the share capital, in one or several instances, by a maximum amount of one hundred thirty-five million euro (EUR 135,000,000) (excluding any issue premium), corresponding to approximately 10% of the Company’s share capital following completion of the Partial Demerger. Any capital increase decided by the Board of Directors could take any and all forms, by contributions in cash, by contributions in kind, by incorporation of reserves, whether available or unavailable for distribution or by incorporation of issuance premium, with or without the issuance of new shares, whether preferred or not, with or without voting right, issued below, above or at par value, within the limits permitted by law. The Board of Directors would be allowed, in the framework of such authorization, to issue subscription rights, convertible bonds or other securities, within the limits foreseen by the BCCA.

Any decision to use the authorization granted to the Board of Directors to increase the capital would require a majority of three quarters of the votes (rounded up to the nearest unit) of the directors present or represented.

21.3.4.3 *Preferential subscription rights*

In accordance with the BCCA, in the event of a share capital increase for cash with issue of new Shares or in the event of an issue of convertible bonds or subscription rights, the existing shareholders have a preferential right to subscribe, pro rata the part of the share capital represented by the Shares they hold, to the new Shares, convertible bonds or subscription rights. The preferential subscription rights may be exercised during a period determined by the shareholders’ meeting or by the Board of Directors (as the case may be), with a legal minimum of 15 days. The preferential subscription rights may be traded during the subscription period.

The shareholders’ meeting may, subject to substantive and reporting requirements, limit or cancel the preferential subscription rights of shareholders. Such decision must satisfy the same quorum and majority requirements as the decision to increase the Company’s share capital. The shareholders can also decide to authorize the Board of Directors to limit or cancel the preferential subscription rights for any capital increase or issuance of convertible bonds or subscription rights when issuing securities within the framework of the authorized capital, subject to the terms and conditions set forth in the BCCA.

Within the framework of the authorized capital approved by the Preparatory EGM, the Board of Directors would be allowed to limit or cancel the preferential subscription rights of existing shareholders. This authorization would include the restriction or cancellation of preferential subscription rights for the benefit of one or more specific persons other than employees of the Company. The authorization to limit or cancel the preferential subscription rights (including for the benefit of one or more specific persons) would also apply to any capital increase effected by issuance of convertible bonds or of subscription rights. The authorization would be valid for a term of five years as from the date of the publication in the Annexes to the Belgian State Gazette (*Belgisch Staatsblad / Moniteur belge*) of the authorization granted by the Preparatory EGM.

Generally, unless expressly authorized in advance by the shareholders' meeting, the authorization of the Board of Directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential subscription rights of shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the financial instruments of the Company.

The Preparatory EGM has expressly authorized the Board of Directors to carry out capital increases in the event of a takeover bid on securities issued by the Company, under the conditions and within the limits as provided for in Article 7:202 of the BCCA. However, this authorization shall only apply if the EGM of Solvay SA shall have approved a substantially equivalent authorization to the board of directors of Solvay SA. It would be valid provided that the FSMA's notice of a takeover bid on the Company is received within a period of two years from the date of the notarial deed recording the satisfaction of the condition precedent of the abovementioned approval by Solvay SA of a substantially equivalent authorization.

21.3.5 Share buy-backs

In accordance with the BCCA, the shareholders' meeting may authorize the Board of Directors, within certain limits, to acquire or sell the Company's own Shares. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the Articles of Association (*see* Section 21.3.6.12, "*Quorum and majority requirements*"). This authorization must be limited in time (*i.e.*, it can only be granted for a renewable period of maximum five years) and determine the conditions under which Share buy-backs may occur (including, as the case may be, the maximum number of Shares that may be purchased or the minimum or maximum Share purchase price).

As from the completion of the Partial Demerger, the Articles of Association will authorize the Board of Directors, in accordance with Articles 7:215 and following of the BCCA and within the limits set out in these provisions, to, directly or through a person acting in his or her own name but on behalf of the Company, acquire or pledge the Company's own shares at a unit price which may not be lower than one euro (EUR 1.00) and which may not be higher than ten percent (10%) higher than the highest price of the last twenty (20) trading days preceding the transaction, without the Company at any time holding more than ten per cent (10%) of the total number of Shares issued. This authorization would be valid for five years from the date of the publication in the Annexes to the Belgian State Gazette (*Belgisch Staatsblad / Moniteur belge*) of the authorization granted by the Preparatory EGM.

The authorization would extend to the acquisition or pledging of Shares by any direct subsidiary or, insofar as is necessary, indirect subsidiaries, of the Company, and by any person acting in his or her own name but on behalf of such companies.

In addition, the Board of Directors would be authorized, subject to compliance with the applicable provisions of the BCCA, to acquire and pledge own Shares if such acquisition or pledge is necessary to avoid serious and imminent harm to the Company, including in case of a takeover bid on the Company. However, this authorization shall apply only if the EGM of Solvay SA shall have approved a substantially equivalent authorization to the board of directors of Solvay SA. It would be valid for two years as from the date of the publication in the Annexes to the Belgian State Gazette (*Belgisch Staatsblad / Moniteur belge*) of the notarial deed recording the satisfaction of the condition precedent of the abovementioned approval by Solvay SA of a substantially equivalent authorization.

In accordance with the BCCA, an offer to purchase shares must in principle be made to all shareholders. This obligation does not apply to:

- the acquisition of Shares by the Company executed in the central order book of Euronext Brussels or Euronext Paris or, if the transaction is not so executed in the central order book of Euronext Brussels or Euronext Paris, in case the offered price is lower than or equal to the highest actual independent bid price in the central order book of Euronext Brussels or Euronext Paris; or

- the acquisition of Shares that has been unanimously decided by the shareholders at a meeting where all shareholders were present or represented.

Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders pursuant to Article 7:212 of the BCCA (*see* Section 21.3.7, “*Dividend rights*”).

Further, the Board of Directors is authorized to dispose, at any time and at a price it determines, of all or part of the Shares held by the Company from time to time, including, to one or more specific persons who are not members of the personnel. This authorization also covers the disposal of Shares by any direct subsidiary and, insofar as is necessary, any indirect subsidiary of the Company, and by any person acting in his or her own name but on behalf of such companies. The authorization is valid without any time restriction.

In addition, the Preparatory EGM authorized the Board of Directors to dispose of Shares held by the Company to prevent any serious and imminent harm to the Company. However, this authorization shall apply only if the EGM of Solvay SA shall have approved a substantially equivalent authorization to the board of directors of Solvay SA. It would be valid for two years as from the date of the publication in the Annexes to the Belgian State Gazette (*Belgisch Staatsblad / Moniteur belge*) of the notarial deed recording the satisfaction of the condition precedent of the abovementioned approval by Solvay SA of a substantially equivalent authorization.

21.3.6 Right to attend and vote at the shareholders’ meeting

Holding Shares gives its holder the right to attend and vote at the shareholders’ meeting of the Company.

21.3.6.1 *Annual shareholders’ meeting*

The Articles of Association of the Company provide that the annual shareholders’ meeting is held at 10:30 a.m. CET on the first Tuesday of May each year, at the registered office of the Company or any other location indicated in the convening notice of the meeting. If this date is a legal holiday, the meeting is held on the next business day (excluding Saturday) at the same time.

Exceptionally, the annual shareholders’ meeting of the Company to be held in 2024 to resolve on the Company’s financial statements for the financial year ended December 31, 2023 will take place on May 28, 2024.

21.3.6.2 *Special and extraordinary shareholders’ meetings*

The Board of Directors or the statutory auditor (or the liquidators, if appropriate) may, whenever the interest of the Company so requires, convene a special or extraordinary shareholders’ meeting. Such shareholders’ meeting must also be convened every time one or more shareholders holding at least one-tenth of the Company’s share capital so request.

21.3.6.3 *Authority of the shareholders’ meeting*

Generally, the shareholders’ meeting has sole authority with respect to:

- the approval of the statutory financial statements of the Company (prepared in accordance with Belgian GAAP);
- the appointment and dismissal of directors and the statutory auditors of the Company;
- the granting of discharge of liability to the directors and the statutory auditors;
- the determination of the remuneration of the directors and of the statutory auditors for the exercise of their mandate;
- the distribution of profits;

- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganizations of the Company; and
- the approval of amendments to the Articles of Association.

21.3.6.4 *Notices convening shareholders' meetings*

The notice convening the shareholders' meeting must be published in the Belgian State Gazette (*Moniteur belge / Belgisch Staatsblad*), in a newspaper with national distribution (except for those ordinary shareholders' meetings which take place at the location, place, day and hour indicated in the Articles of Association and the agenda of which is limited to the approval of the annual accounts, the annual reports of the Board of Directors and the statutory auditor, discharge to be granted to the members of the Board of Directors and statutory auditor, the remuneration report and termination provisions for executive directors), in media that can be reasonably considered having effective distribution with the public in the European Economic Area and that is accessible swiftly and in a non-discriminatory manner, and on the Company's website. The notices are published at least thirty calendar days prior to the meeting. If a new convocation is required for lack of quorum and the date of the second meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least seventeen (17) days in advance of that second meeting.

The convening notices must also be communicated by regular mail to the holders of registered Shares and to the other persons which must receive the convening notice in accordance with the BCCA (or by email if the relevant persons agreed to receive the communication of the Company by email).

As from the publication of the notice, the Company shall make the information required by law available on the Company's website (www.syensqo.com) for a period of five years after the relevant shareholders' meeting.

21.3.6.5 *Admission to meetings*

In order to be able to attend a shareholders' meeting, a holder of Shares must satisfy two criteria: be registered as holder of Shares on the registration date for the meeting, and notify the Company:

- Firstly, the right to attend shareholders' meetings applies only to persons who are registered as owning Shares on the 14th day prior to the shareholders' meeting at midnight (CET) (the **"Record Date for a Shareholders' Meeting"**) via registration, in the applicable register book for the securities concerned (for registered securities) or in the accounts of a certified account holder or relevant settlement institution for the securities concerned (for dematerialized securities or securities in book-entry form).
- Secondly, in order to be admitted to the shareholders' meeting, holders of Shares must notify the Company at the latest on the sixth day prior to the shareholders' meeting whether they intend to attend the meeting and indicate the number of Shares in respect of which they intend to do so. For the holders of dematerialized Shares or Shares in book-entry form, the notice should include a certificate confirming the number of Shares that have been registered in their name on the Record Date for a Shareholders' Meeting. The certificate can be obtained by the holder of the dematerialized Shares or Shares in book-entry form with the certified account holder or the applicable settlement institution for the Shares concerned.

The convening notices for a shareholders' meeting will specify the formalities for shareholders to communicate to the Company (or the person designated by the Company) their intention to participate in the shareholders' meeting.

The holders of non-voting Shares, non-voting profit-sharing certificates, convertible bonds, subscription rights or certificates issued with the cooperation of the Company, if any, may participate in the shareholders' meeting in consultative capacity only. If they intend to participate, such holders are

subject to the same conditions and formalities concerning admission and access as those imposed on shareholders.

21.3.6.6 *Voting rights*

Each Share is entitled to one vote, subject to legal restrictions.

Voting rights can mainly be suspended in relation to Shares:

- that are not fully paid up, notwithstanding the request thereto of the Board of Directors;
- to which more than one person has rights *in rem*, until a single person has been designated as the holder of the voting right vis-à-vis the Company;
- that entitle their holder to voting rights above the threshold of 3%, 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not complied with its notification obligations under the Transparency Law at least twenty (20) calendar days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of significant shareholdings (*see* Section 21.4.1, "*Notification of significant shareholdings*"); and
- upon a decision by a competent court to suspend such voting rights.

Pursuant to Article 7:217 of the BCCA, the voting rights attached to Shares owned (directly or through a subsidiary) by the Company (also known as "treasury shares") are suspended.

21.3.6.7 *Voting by Proxy*

Any shareholder has, subject to compliance with the conditions for admission, the right to attend and to vote at shareholders' meetings in person or through a proxy holder, who need not be a shareholder. A shareholder may designate, for a given meeting, only one person as proxyholder, save for the exceptions allowed by the BCCA. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the meeting.

21.3.6.8 *Remote voting in relation to the Shareholders' meeting*

The Articles of Associations provide that if expressly allowed by the relevant convening notice, the shareholders who have fulfilled the conditions for admission may vote remotely before the shareholders' meeting, by letter or via the Company's website, through a form which shall be made available by the Company in accordance with the instructions mentioned in the convening notice. In case of voting by letter, the signed form must be received by the Company at the latest on the sixth day preceding the date of the meeting. Voting via the Company's website may occur until the last day before the meeting.

If voting remotely via the Company's website is allowed, the Company shall ensure that the capacity and the identity of the shareholders can be verified through the system used, in such way as determined by the Board of Directors.

In calculating the rules on quorum and majority, the Company will only take into account the votes cast remotely by shareholders who have fulfilled the conditions for admission and insofar as the form made available by the Company, has been validly completed and returned to the Company in a timely manner.

21.3.6.9 *Remote participation in the shareholders' meeting*

The Articles of Association allow the shareholders to participate remotely in the shareholders' meeting by way of electronic means of communication which shall be made available by the Company. Regarding compliance with the quorum and majority conditions, the shareholders who participate in the shareholders' meeting in such way are deemed to be present at the place where the shareholders' meeting is physically being held. For the calculation of the rules concerning quorum and majority, only the shareholders who have fulfilled the conditions for admission are to be taken into account.

If the convening notice allows remote participation in the shareholders' meeting, the Board of Directors shall determine the conditions and modalities relating thereof.

The Company will ensure that, when arranging remote participation in the shareholders' meeting, the Company is able, through the electronic means of communication used, to verify the identity and capacity of the shareholder, in such a way as the Board of Directors determines.

21.3.6.10 *Right to request items to be added to the agenda*

One or more shareholders (together) holding at least 3% of the Company's share capital may, in accordance with the applicable provisions of the BCCA, require that items be placed on the agenda of any shareholders' meeting and submit proposals for resolutions concerning items on or to be placed on the agenda for a meeting already convened, provided that: (i) they prove ownership of such shareholding as at the date of their request; (ii) they record their Shares representing such shareholding on the Record Date for a Shareholders' Meeting; and (iii) their requests with, as the case may be, the text of the agenda items to be added and the corresponding resolutions proposals, or the text of the resolution proposals to be added to the agenda, have been received in writing by the Company at the latest on the 22nd day preceding the date of the relevant shareholders' meeting. The shareholding must be proven by, as far as registered Shares are concerned, a certificate evidencing the registration of the relevant Shares in the share register of the Company or, as far as dematerialized Shares are concerned, a certificate issued by an authorized account holder or a settlement institution certifying the book-entry of the relevant number of dematerialized Shares in the name of the relevant shareholder(s) in one or several accounts held by such account holder or settlement institution.

If additional agenda items are so requested, the Company shall publish a revised agenda of the shareholders' meeting, at the latest on the 15th day preceding the shareholders' meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in the case of a second extraordinary shareholders' meeting that must be convened after a first extraordinary shareholders' meeting with the same agenda during which no decisions could be taken about the agenda because the quorum was not obtained.

21.3.6.11 *Right to ask questions at the shareholders' meeting*

Within the limits of Article 7:139 of the BCCA, the members of the Board of Directors and the statutory auditor shall answer, during the shareholders' meeting, the questions raised by shareholders in connection with the items on the agenda. Shareholders can ask questions either during the meeting or prior to the meeting (in paper or electronic form), provided that the Company receives the written question at the latest on the sixth day preceding the shareholders' meeting.

21.3.6.12 *Quorum and majority requirements*

In general, there is no attendance quorum requirement for a shareholders' meeting, except as provided for by law in relation to decisions regarding certain matters. Decisions are taken by a majority of the votes cast, except where the law or the Articles of Association provide for a special majority.

Matters requiring special legal quorum and majority requirements include, among others, amendments to the Articles of Association, issuances of new Shares (other than within the framework of the authorized capital), convertible bonds or subscription rights and decisions regarding statutory reorganizations (including mergers and demergers), which require at least 50% of the share capital to

be present or represented and the affirmative vote of the holders of at least 75% of the votes cast. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply. The special majority requirements, however, remain applicable.

21.3.7 Dividend rights

All Shares participate equally in the Company's profits (if any).

In principle, the Company may only pay dividends with the approval of the shareholders' meeting, although the Articles of Association authorize the Board of Directors to declare interim distributions or dividends without prior shareholder approval in accordance with the provisions of the BCCA.

The calculation of amounts available to be distributed as dividends or otherwise distributed to shareholders must be made on the basis of the statutory financial statements prepared in accordance with Belgian GAAP, taking into account the limits set out by Article 7:212 of the BCCA. According to Article 7:212 of the BCCA, no dividend may be distributed if the net assets, as set forth in the statutory financial statements prepared in accordance with Belgian GAAP, are lower than the amount of the paid-up share capital or, if this amount is higher, of the called share capital, increased with all reserves which may not be distributed according to the law or the Articles of Association, or if the net assets would fall below this amount as a result of such a distribution.

In accordance with Article 7:211 of the BCCA, the Company must allocate, each year, at least 5 percent of its annual net profits to a legal reserve until this reserve reaches 10 percent of the Company's share capital.

In accordance with Belgian law, the right to collect dividends declared on ordinary shares expires five years after the date the Board of Directors has declared the dividend payable, whereupon the Company is no longer under an obligation to pay such dividends.

21.3.8 Liquidation rights

The Company can only be dissolved by the shareholders' meeting pursuant to a resolution adopted with the quorum and majority required for the amendment of the Articles of Association (*see* Section 21.3.6.12, "*Quorum and majority requirements*").

If as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, the Board of Directors must convene an extraordinary shareholders' meeting within two months of the date upon which the Board of Directors discovered or should have discovered this. At this shareholders' meeting the Board of Directors needs to propose either the dissolution or the continuation of the Company, in which case the Board of Directors must propose measures to restore the Company's financial situation. The Board of Directors must motivate its proposals in a special report to the shareholders. A majority of at least 75% of the votes validly cast at this meeting can decide to dissolve the Company, provided that at least 50% of the Company's issued shares is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event the shareholders representing at least 25% of the votes at this meeting can decide to dissolve the Company. If the amount of the Company's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a Belgian limited liability company), any interested party is entitled to request the competent court to dissolve the Company. The court can order the Company's dissolution or grant a grace period for the Company to remedy the situation.

If the Company is dissolved for any reason, the liquidation must be carried out by one or more liquidators appointed by the shareholders' meeting. If the shareholders' meeting does not appoint any liquidator(s) then the directors who were in office at the time of the resolution for dissolution shall be regarded as liquidators towards third parties.

All assets of the Company are realized, unless the shareholders' meeting decides otherwise. The positive balance of the liquidation, after payment of all debts, charges and costs of the liquidation, shall be distributed among the shareholders pro rata to the number of Shares held by each shareholder.

21.4 Legislation and jurisdiction

21.4.1 Notification of significant shareholdings

Pursuant to the Transparency Law, a notification to the Company and to the FSMA is required by all natural persons and legal entities on the occurrence of, among other things, any one of the following triggering events, subject to limited exceptions:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the reaching of a threshold by persons or legal entities acting in concert;
- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold;
- the passive reaching of a threshold;
- the holding of voting securities in the Company upon first admission of them to trading on a regulated market;
- where a previous notification concerning financial instruments treated as equivalent to voting securities is updated;
- the acquisition or disposal of the control of an entity that holds the voting securities in the Company;
- where the Company introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on in increments of 5% or, as the case may be, of the additional thresholds provided in the Articles of Association. The Company has provided for an additional threshold of 3% in the Articles of Association.

The notification must be made as soon as possible, and at the latest within four trading days following the occurrence of the triggering event. Where the Company receives a notification of information regarding the reaching of a threshold, it must publish such information through a press release within three trading days following receipt of the notification. Furthermore, the Company must state its shareholder structure (as it appears from the notifications received) in the notes to its annual accounts. The Company must also publish the total share capital, the total number of securities and voting rights and the total number of voting securities and voting rights for each class (if any) at the end of each calendar month in which one of these numbers has changed. In addition, the Company must, where appropriate, publish the total number of bonds convertible into voting securities (if any) as well as the total number of rights, whether or not included in securities, to subscribe for not yet issued voting securities (if any), the total number of voting securities that can be obtained upon the exercise of these conversion or subscription rights, and the total number of shares without voting rights (if any).

All transparency notifications received by the Company will be accessible on the Company's website (www.syensqo.com), where they will be published in their entirety.

21.4.2 Right to identify shareholders and facilitation of exercise of shareholders' rights

The Company is entitled, pursuant to the Transparency Law, to request information from intermediaries (such as investment firms, credit institutions and central securities depositories) regarding the identity and holding of its shareholders. If multiple intermediaries are involved in the relationship between the Company and a shareholder, the Company is entitled to address a request for information to any intermediary in the chain. Intermediaries are required to respond to the Company's requests without delay.

The following information regarding its shareholders can be requested by the Company:

- name and contact details, including the full address, the email address (where available) and the registration number (if the shareholder is a legal entity); and
- the number and classes (if any) of Shares held and the date from which the Shares have been held.

The Company is required to provide in due time to intermediaries all information necessary to allow shareholders to exercise the rights attached to their Shares. Alternatively, the Company may make such information available on its website, in which case it is required to provide to intermediaries a notice regarding the location on its website where the information can be found. Intermediaries have a duty to relay the information so received from the Company to the shareholders on behalf of whom they are holding Shares.

21.4.3 Public takeover bids

Public takeover bids for shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA beforehand.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of April 21, 2004) in the Takeover Law and the Belgian Royal Decree of April 27, 2007 on public takeover bids (the "**Takeover Royal Decree**"). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly, holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities is traded on a regulated market. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in certain cases set out in the Takeover Royal Decree such as in the case of: (i) an acquisition if it can be shown that a third party exercises control over the company or that such party holds a larger stake than the person holding more than 30% of the voting securities; (ii) a capital increase with preferential subscription rights decided by the shareholders' meeting; or (iii) an enforcement of security, provided that the acquirer disposes of the securities in excess of the 30% threshold within twelve (12) months and does not exercise the voting rights attached to those excess securities.

In principle, any authorization of the Board of Directors to increase the share capital of the Company through contributions in kind or in cash, with the cancellation or limitation of the preferential subscription rights of the existing shareholders, is suspended upon the notification to the Company by the FSMA of a public takeover bid for the securities of the Company. The shareholders' meeting may, however, subject to certain conditions and within the limits set out in Article 7:202 of the BCCA, expressly authorize the Board of Directors to increase the share capital of the Company in such a case by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. Such authorization was granted to the Board of Directors, provided that the EGM of

Solvay SA shall have approved a substantially equivalent authorization to the board of directors of Solvay SA.

21.4.4 Squeeze-out

Pursuant to Article 7:82 of the BCCA or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own, together with the company (*i.e.*, treasury shares), at least 95% of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) so as to safeguard the interests of the transferring shareholders.

A squeeze-out offer is also possible upon completion of a public takeover bid, provided that the bidder holds at least 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all of the remaining shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

21.4.5 Sell-out right

Within three months following the expiration of an offer period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights who own at least 95% of the voting capital and 95% of the voting securities in a public company following a takeover bid may require the offeror, acting alone or in concert, to buy their securities from them at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

21.4.6 Change of control clauses

Under Article 7:151 of the BCCA, only the shareholders' meeting is competent to approve provisions granting, to third parties, rights that have a material impact on the assets, liabilities or results of the Company or cause a substantial debt or liability for the Company, if the exercise of such rights depends on the launch of a public takeover bid on the shares of the Company or a change of control over the Company.

The Preparatory EGM approved, in accordance with Article 7:151 of the BCCA, the following provisions of the Separation Agreement and of the U.S. Tax Matters Agreement:

- Section 4.2 of the Separation Agreement, to the extent this section gives Solvay SA the right to terminate (for the future) its indemnification undertakings towards the Company for environmental liabilities related to the Specialty Businesses for which the Company would remain liable notwithstanding the Partial Demerger, in the event of a change of control over the Company (defined as the case where a third party reaches or crosses, alone or in concert, the threshold of 25% of the voting securities of the Company, irrespective of whether this threshold is reached or crossed as a result of an acquisition of voting securities or otherwise, and subject to certain exceptions relating to Solvac SA), as further described in Section 7.5.1, "*Separation Agreement*";
- Section 3.02 of the U.S. Tax Matters Agreement, insofar as it provides that the Company may be required to indemnify Solvay SA for certain adverse U.S. federal income tax consequences that may result from (i) certain future actions or omissions 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, including actions or omissions which lead to or may lead to a change of control over the Company (within the meaning of Article 1:14 and following of the BCCA), or (ii) the acquisition by one or more persons of a 50% or greater interest (measured by vote or value) in the capital of the Company, including for the avoidance of doubt pursuant to a takeover bid (even if the Company does not participate in or otherwise facilitate the acquisition), as further described in Section 7.5.3, “*U.S. Tax Matters Agreement*.”

23. DOCUMENTS AVAILABLE

Pursuant to Article 21 of the Prospectus Regulation, an electronic version of this Supplement is available on the website of the Group (www.syensqo.com/en/investors/spinoff).

24. GLOSSARY

Chapter 24, “Glossary” of the Registration Document should be read in conjunction with the following additional defined terms:

- “CEO” Chief executive officer.
- “CET” Central European Time.
- “Executive Leadership Team” The *ad hoc* executive committee of the Company.
- “Partial Demerger Proposal” The joint partial demerger proposal adopted by the boards of directors of the Company and Solvay SA in preparation of the Partial Demerger, which is available on the Company’s website (www.syensqo.com/en/investors/spinoff).
- “Preparatory EGM” The extraordinary general meeting of the Company held on November 13, 2023.
- “Prospectus” The prospectus related to the admission to trading of the Shares on the regulated markets of Euronext in Brussels and Paris, which includes this Supplement, the Registration Document, and other documents.
- “Supplement” This document, the supplement to the registration document dated June 29, 2023 of the Company, within the meaning of Article 10(1) of the Prospectus Regulation.
- “Unaudited Interim Combined Financial Statements” The unaudited condensed combined financial statements of SpecialtyCo as of and for the six-month period ended on June 30, 2023, prepared in accordance with IAS34 “*Interim Financial Reporting*” as adopted by the European Union, and presented in Annex I to this Supplement, together with the statutory auditors’ review report thereon.

Further, the following defined terms in Chapter 24, “Glossary” of the Registration Document should be replaced and superseded as follows:

- “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 the Company and Solvay SA 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.

25. CROSS-REFERENCE TABLE WITH ANNEX 1 TO DELEGATED REGULATION (EU) 2019/980

The cross-reference table below shows the headings provided for in Annex 1 to Delegated Regulation (EU) 2019/980 of March 14, 2019, as amended, and provides references to the chapters, sections and sub-sections in which the relevant information appears in the Registration Document and/or this Supplement, as the case may be. Except for Part 1, “*Persons responsible, third-party information, experts’ reports and competent authority approval,*” and Part 21, “*Documents available*” of this cross-reference table, where this cross-reference table includes references to both the Registration Document and this Supplement, the relevant chapter, section or sub-section of the Registration Document should be read in conjunction with the relevant chapter, section or sub-section of this Supplement. Where this cross-reference table includes references to this Supplement but not to the Registration Document, the relevant chapter, section or sub-section of this Supplement shall be deemed to replace and supersede the chapter, section or sub-section with the same numbering in the Registration Document.

Headings of Annex 1 to Delegated Regulation (EU) 2019/980 of March 14, 2019		Reference in the Registration Document	Reference in this Supplement
1. Persons responsible, third-party information, experts’ reports and competent authority approval			
1.1	Identification of responsible persons	3.1	3.1
1.2	Statement by responsible persons of exactitude and absence of omission	3.2	3.2
1.3	Identification of experts whose statement or reports are included in the registration document	N/A	N/A
1.4	Confirmation that third-party sourced information is accurately reproduced and that the issuer is not aware of any omission rendering the reproduced information inaccurate or misleading	3.3	3.3
1.5	Statement of approval of the registration document by a competent authority and information on the extent of this approval	Cover page	Cover page
2. Statutory Auditors			
2.1	Names and addresses of the auditors, including membership of a professional body	4.1 and 4.2	
2.2	Material details of any resignation, removal or re-appointment of auditors	N/A	
3. Risk factors			
3.1	Description of the material risks specific to the issuer, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first	1	
4. Information about the issuer			
4.1	Legal and commercial names		5.1
4.2	Place of registration, registration number and legal entity identifier	5.2	
4.3	Date of incorporation and term	5.3	
4.4	Registered office, legal form, applicable law, country of incorporation, address and phone number of its registered office, and website		5.4 and 21.3.1
5. Business Overview			
5.1	Principal activities		
5.1.1	Nature of the operations and main activities	6.1	
5.1.2	Any significant products and/or services introduced or in development	6.1	
5.2	Principal markets, including a breakdown of total revenues by operating segment and geographical market	6.7, 9.5.4 and 10.11	
5.3	Important events in the development of the issuer’s business	7.5.4	7.4 and 7.5

Headings of Annex 1 to Delegated Regulation (EU) 2019/980 of March 14, 2019		Reference in the Registration Document	Reference in this Supplement
5.4	Strategy and objectives, both financial and non-financial	6.1.3	6.1.3
5.5	Degree of dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing process	6.5	
5.6	Basis for statements made by the issuer regarding its competitive position	6.1.2 and 6.6	
5.7	Investments		
5.7.1	Material investments for each financial year for the period covered by the historical financial information	10.4	10.16
5.7.2	Material investments in progress or committed, including the geographical distribution of these investments and their method of financing	6.1.3, 6.10 et 10.4	6.1.3, 10.16
5.7.3	Significant joint ventures and undertakings	N/A	
5.7.4	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	N/A	
6. Organizational structure			
6.1	Brief description of the Group and the issuer's position within the Group, accompanied by a diagram of the organizational structure if appropriate	8.1	
6.2	Identification of significant subsidiaries, issuer's ownership interest and voting power held	8.2	
7. Operating and financial review			
7.1	Financial condition		
7.1.1	Fair review of the development and performance of the issuer's business as a whole for each financial year for the period covered by the historical financial information, including an analysis of the development and performance of the issuer's business and position	9.1, 9.2, 9.4 and 9.5	9.6 and 9.7
7.1.2	Indication of (a) the issuer's likely future development and (b) activities in the field of research and development	6.4, 9.4.5 and 12.2	12.4
7.2	Operating results		
7.2.1	Significant factors materially affecting the income	9.4, 9.5 and 12	9.7, 12.3, 12.4 and 12.5
7.2.2	Narrative discussion of material changes in net sales or revenues, if applicable	N/A	N/A
8. Capital resources			
8.1	Capital resources, both short term and long term	10.1, 10.2 and 10.7	10.13, 10.14 and 10.17
8.2	Sources and amounts of the issuer's cash flows	10.2	10.14
8.3	Borrowing requirements and funding structure of the issuer	10.7	10.17
8.4	Restrictions on the use of capital resources	N/A	N/A
8.5	Anticipated sources of funds needed to perform material investments of the issuer that are in progress or for which firm commitments have already been made	10.4	10.16
9. Regulatory environment			
9.1	Regulatory environment that the issuer operates in and that may materially affect its business, and any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	11	

Headings of Annex 1 to Delegated Regulation (EU) 2019/980 of March 14, 2019		Reference in the Registration Document	Reference in this Supplement
10. Trend information			
10.1	(a) Most significant recent trends in production, sales and inventory, and costs and selling price and (b) any significant change in the financial performance of the group	12	12.312, 12.4 and 12.5
10.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	N/A	N/A
11. Profit forecasts or estimates			
11.1	Profit forecast or estimate, if published		13
11.2	Assumptions upon which the issuer has based its forecasts or estimates		13
11.3	Statement validating the forecasts and estimates contained in pending prospectuses		13
12. Administrative, management and supervisory bodies and senior management			
12.1	Identification and details about members of the administrative, management or supervisory bodies, partners with unlimited liability, founders and any relevant senior manager		14.3 and 14.5
12.2	Administrative, management and supervisory bodies and senior management conflicts of interest		14.3.12 and 14.5.7
13. Remuneration and benefits			
13.1	Remuneration and benefits in kind paid to members of the administrative, management or supervisory bodies, and senior managers		14.5.5 and 15
13.2	Amounts set aside or accrued to provide pension, retirement or similar benefits		15.2.1, 15.3.1.2 and 15.4
14. Board Practices			
14.1	Current terms of office of members of the administrative, management and supervisory bodies		14.3.8
14.2	Members of the administrative, management supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment		15.3.1.3
14.3	Information about the issuer's audit committee and remuneration committee, including the names of its members and terms of reference		14.4.1 and 14.4.2
14.4	"Comply or explain" statement related to corporate governance		14.1
14.5	Potential material impact on the corporate governance, including future changes in the board's and committees' composition, as already decided by the board or shareholders meeting		N/A
15. Employees			
15.1	Number of employees, including a breakdown of persons employed by main category of activity and geographic location if appropriate, and number of temporary employees if significant	17.1.1	
15.2	Shareholdings and stock options		14.3.10
15.3	Arrangements for involving the employees in the capital of the issuer		17
16. Major Shareholders			
16.1	Identification of major shareholders, <i>i.e.</i> , any person with an interest in the issuer's capital or voting rights notifiable under the issuer's national law	18.1	18
16.2	Voting rights of major shareholders	18.2	
16.3	Ownership and control of the issuer	18.3	

Headings of Annex 1 to Delegated Regulation (EU) 2019/980 of March 14, 2019		Reference in the Registration Document	Reference in this Supplement
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	18.5	
17. Related party transactions			
17.1	Details of related party transactions entered into during the period covered by the historical financial information	19	
18. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses			
18.1	Historical financial information		
18.1.1	Audited historical financial information covering the last three financial years and respective audit report	20.1	
18.1.2	Change of accounting reference date, if applicable	20.1	
18.1.3	Accounting standard	20.1	
18.1.4	Change of accounting framework, if applicable	20.1	
18.1.5	Audited financial information including at least (a) the balance sheet, (b) the income statement, (c) the changes in equity statement, (d) the cash flow statement and (e) the accounting policies and explanatory notes	20.1	
18.1.6	Consolidated financial statements	20.1	
18.1.7	Age of financial information	20.1	
18.2	Interim and other financial information		
18.2.1	Quarterly or half yearly financial information and related audit reports		20.2
18.3	Auditing of historical annual financial information		
18.3.1	Independent auditing of financial information	20.3	20.3
18.3.1a	Refusals of audit reports, or qualifications, modifications, disclaimers or emphasis of matter contained in audit reports.	20.3	20.3
18.3.2	Indication of other audited information	20.3	20.3
18.3.3	Source of non-audited financial information in the registration document	N/A	N/A
18.4	<i>Pro forma</i> financial information		
18.4.1	Description of how a transaction might have affected the assets, liabilities and earnings of the issuer, had the transactions taken place at the beginning of the financial year	20.4	
18.5	Dividend policy		
18.5.1	Issuer's policy on dividend distributions and any restriction thereon		20.5
18.5.2	Amount of dividend per share for each financial year covered by the historical financial information		20.5
18.6	Legal and arbitration proceedings		
18.6.1	Any significant governmental, legal or arbitration proceedings	20.6	
18.7	Significant change in the issuer's financial position		
18.7.1	Any significant change in the financial position of the group	20.7	20.8
19. Additional information			
19.1	Share capital		
19.1.1	Issued capital and breakdown by class of share capital		21.2.1
19.1.2	Shares not representing capital		21.2.2

Headings of Annex 1 to Delegated Regulation (EU) 2019/980 of March 14, 2019		Reference in the Registration Document	Reference in this Supplement
19.1.3	Treasury shares held by the issuer, on its behalf or by its subsidiaries		21.2.3
19.1.4	Convertible, exchangeable securities or securities with warrants		21.2.4
19.1.5	Acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital		21.2.5
19.1.6	Options on share capital of the members of the Group		21.2.6
19.1.7	Historical information on share capital		21.2.7
19.2	Memorandum and Articles of Association		
19.2.1	Corporate purpose		21.3.121.3.2
19.2.2	Rights, privileges and restrictions attaching to each class of existing shares		21.3
19.2.3	Provisions likely to defer, delay or prevent a change in control of the issuer		21.3, 21.4.3, 21.4.4, 21.4.5 and 21.4.6
20. Material contracts			
20.1	Material contracts, other than contracts entered into in the ordinary course of business of the latest two financial years, and any other contract entered into by any member of the group containing any material provision to the group	7.5.4	7.5
21. Documents available			
21.1	Statement of availability	23	23

ANNEX I
FINANCIAL INFORMATION

1. Unaudited Condensed Interim Combined Financial Statements of SpecialtyCo, prepared in accordance with IAS34 “*Interim Financial Reporting*” as adopted by the European Union, as of and for the Six-Month Period Ended June 30, 2023.

Unaudited Condensed Interim Combined Financial Statements of SpecialtyCo prepared in accordance with IFRS as adopted by the EU on Interim Financial Reporting (IAS 34) as of and for the Six-Month Period Ended June 30, 2023

This financial report for the first half of 2023 provides unaudited combined financial information for SpecialtyCo (which will be renamed Syensqo upon completion of the Partial Demerger) in its configuration after Partial Demerger described herein. The financial report is for information only in connection with the Partial Demerger and certain transactions relating to the possible transfer of Solvay’s outstanding bonds to SpecialtyCo, as described herein. The combined 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 Registration Document dated 30 June 2023 of SpecialtyCo, which provides information about the business, financial condition, results of operations and risk factors relating to SpecialtyCo.

Forenote

In addition to IFRS accounts, SpecialtyCo also 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 SpecialtyCo 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.

SpecialtyCo first half 2023

Underlying business review

Highlights

- **Net sales** in the first half of 2023 decreased by -4.3% organically versus H1 2022 driven by -11% lower volumes (-€419 million) in a weaker macro environment, which were partly offset by +7% higher prices (+€255 million). The lower year over year volumes were broad-based across various end markets, including batteries, agro, construction, and consumer-facing industries.
- **Underlying EBITDA** of €906 million in H1 2023 only decreased by -1.1% organically year-on-year, reflecting the quality of earnings. The year-on-year decline is due to the drop in volumes, partly offset by sustained net pricing, cost discipline and positive portfolio mix effects.
- The underlying **EBITDA margin** of 25.0% in H1 2023 is +90 basis points higher than in H1 2022, mainly as a result of pricing despite lower volumes in a highly competitive environment.
- **Free Cash Flow** of €329 million in H1 2023 significantly increased year-on-year despite €86 million higher capex, reflecting working capital discipline including inventory reduction and low overdues.
- **ROCE** was 13.1% in H1 2023.

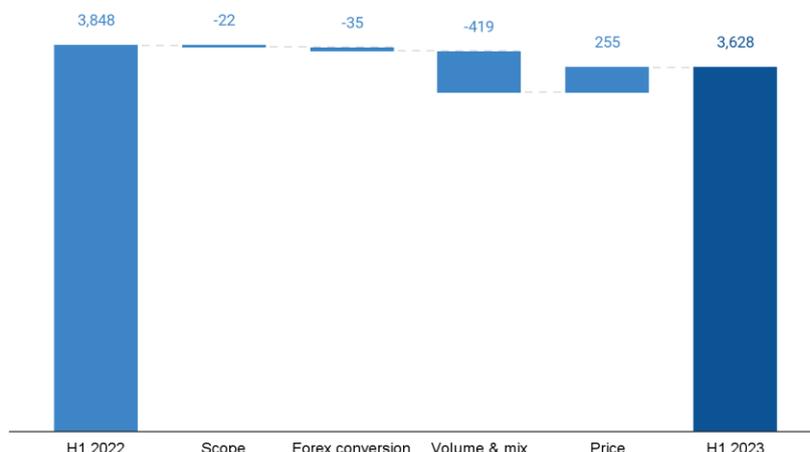
Underlying Key figures

<i>Underlying, (in € million)</i>	H1 2023	H1 2022	% yoy	% organic
Net sales	3,628	3,848	-5.7%	-4.3%
EBITDA	906	926	-2.1%	-1.1%
EBITDA margin	25.0%	24.1%	0.9pp	-
Free Cash Flow	329	174	89.0%	-

Group's performance

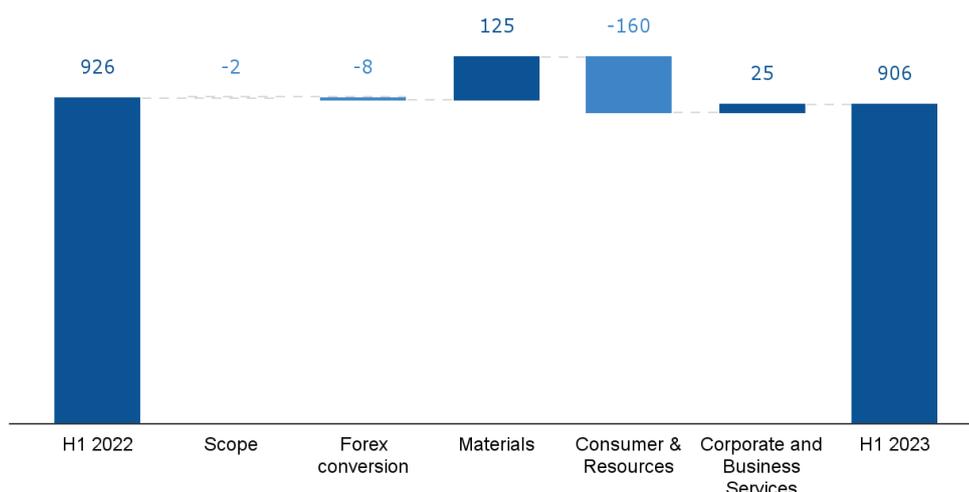
Net sales of €3,628 million in H1 2023 was lower by -5.7% versus H1 2022 (-4.3% organically) due to continued pricing actions more than offset by lower volumes, and modest negative currency effects¹ and scope impact. Lower volumes were due to softer demand across several end markets including batteries/automotive, construction, and consumer-driven industries. Volumes declined most notably in Aroma and Novecare, consistent with a pronounced market wide decline in the consumer sector.

Underlying, (in € million)



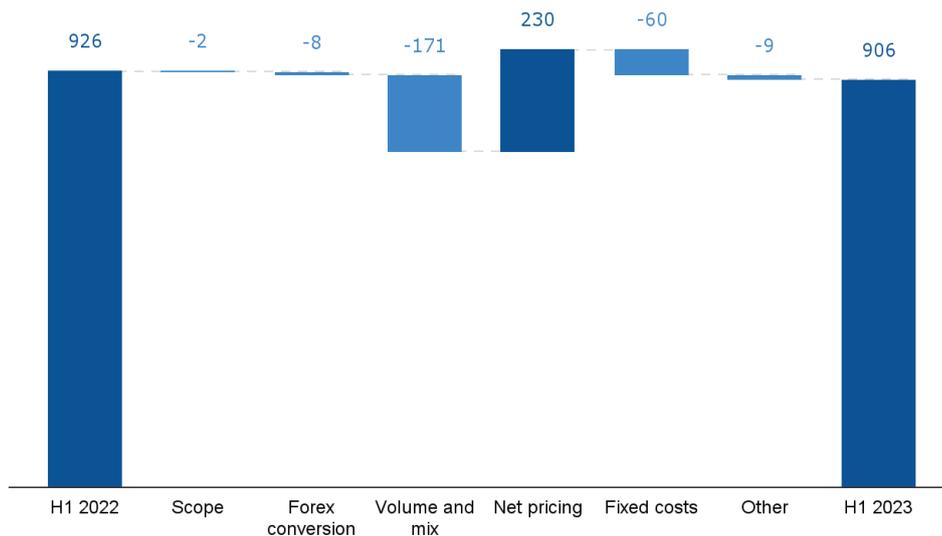
Underlying EBITDA of €906 million in H1 2023 was lower by -2.2% as a result of lower volumes, higher fixed costs and foreign exchange¹, partly offset by higher pricing. On an organic basis, excluding the impacts of foreign exchange, underlying EBITDA was lower by -1.1%. EBITDA margin increased +0.9pp to 25.0% mainly as a result of positive net pricing and mix effects, offsetting lower volumes.

Underlying, (in € million)



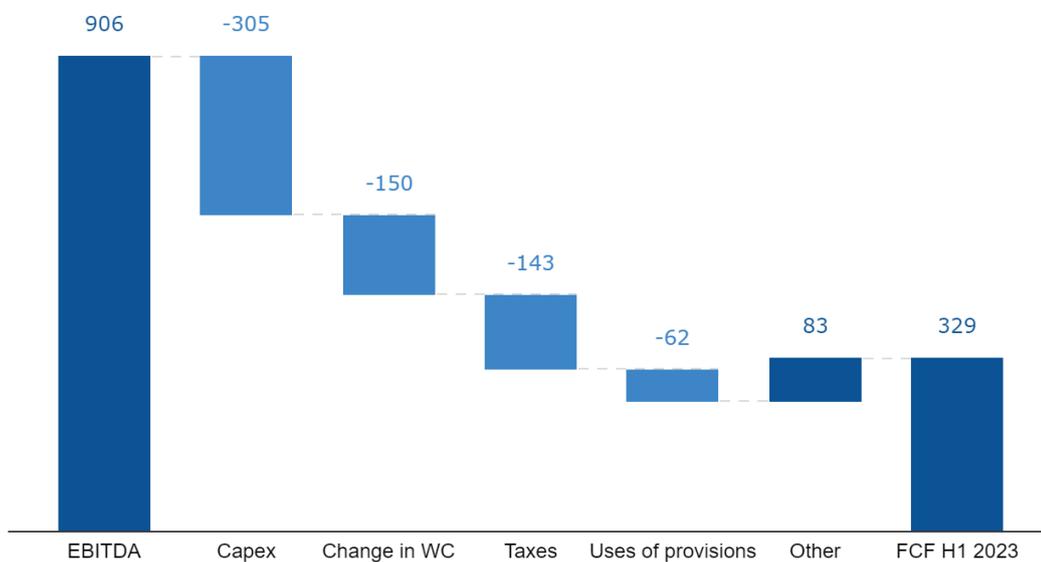
¹ Mainly related to sales in CNY and JPY
August 28, 2023

Underlying, (in € million)



Free cash flow² increased from €174 million in H1 2022 to €329 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 +89% higher compared to prior year.

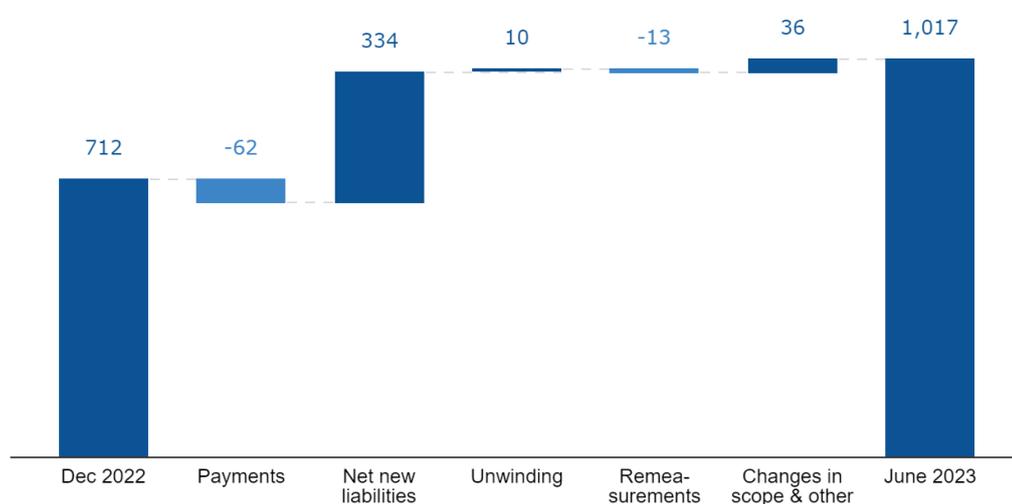
Underlying, (in € million)



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.
August 28, 2023

Provisions increased by €305 million in H1 2023, primarily reflecting an additional €229 million provision resulting from the PFAS settlement agreement reached in June with the NJ Department of Environmental Protection. The PFAS provision represents the estimated expense and does not reflect expected recoveries from third party contributors or potential insurance proceeds, the combination of which could significantly reduce the resultant costs. Restructuring provisions increased in H1 2023 (€41 million) following the new plan launched to mitigate the expected dissynergies as a result of the Group's separation project.

Underlying, (in € million)



(in € million)	Dec 2022	Payments	Net new liabilities	Unwinding	Remeasurements	Changes in scope & other	June 2023
Employee benefits	-338	21	-12	-5	8	-37	-363
Environment	-270	10	-258	-4	4	1	-517
Restructuring and other provisions	-104	31	-64	-1	1	0	-137
Total	-712	62	-334	-10	13	-36	-1,017

Performance by Segment

Net sales bridge by Segment

(in € million)	H1 2022	Scope	Forex	Volume	Price	H1 2023	Yoy %	Organic %
Materials	1,927	0	-25	-30	245	2,117	9.9%	11.3%
Consumer & Resources	1,919	-22	-10	-389	10	1,508	-21.4%	-20.1%
Corporate and Business Services	3		0	1		3	24.6%	30.4%
SpecialtyCo	3,848	-22	-35	-419	255	3,628	-5.7%	-4.3%

Materials

Segment sales in H1 2023 increased +9.9% (+11.3% organically) driven by higher prices (+13%) more than offsetting lower volumes (-2%).

Sales in Specialty Polymers increased +7.8% (+9.7% organically) compared to H1 2022 driven by sustained pricing power. Volumes were slightly down mainly due to batteries for auto related to customer destocking, while polymers in other markets such as semiconductors grew.

Sales in Composite Materials were up +16.7% (+16.6% organically) compared to H1 2022 supported by both higher volumes and prices as the aerospace market recovery continues. Volume growth was driven by increased build rates of commercial aircraft as well as growth in space & defense.

Segment EBITDA increased +21.3% (+20.9% organically) compared with H1 2022. The improvement was driven by higher prices in the context of increased fixed and variable costs. This led to an EBITDA margin of 34.3% in H1 2023 or +3.2 points year on year.

Consumer & Resources

Sales in H1 2023 were down -21.4% (-20.1% organically) mostly as a result of lower volume with prices essentially flat.

Aroma Performance sales decreased -39.1% (-38.9% organically), as volume declined due to lower demand for vanillin used in the food, flavors and fragrance market as well as increased competition.

Sales in Novincare were lower by -24.5% (-22.3% organically) year on year. While pricing remained flat, reduced demand in agro, coatings, and consumer markets weighed on volumes.

Technology Solutions sales were slightly lower -1.2% (-1.7% organically) as lower volumes were offset by higher prices as the mining market remained resilient.

Oil & Gas Solutions sales decreased -17.9% (-16.1% organically) versus the previous year mainly driven by lower natural gas drilling activity in the US due to a significant decline in natural gas prices.

EBITDA in the segment fell -39.5% (-38.3% organically) year over year reflecting the lower volumes. EBITDA margin for the segment in H1 2023 was 17.1%, lower by -5.1 points year on year due to the impact of lower volumes on a stable fixed cost base.

Corporate and Business Services

Corporate and Business Services contributed -€79 million to EBITDA, an improvement of 20.7% compared to H1 2022.

Key Segment Figures

<i>(in € million)</i>	Underlying			
	H1 2023	H1 2022	% yoy	% organic
Net sales	3,628	3,848	-5.7%	-4.3%
Materials	2,117	1,927	9.9%	11.3%
Specialty Polymers	1,597	1,481	7.8%	9.7%
Composite Materials	520	446	16.7%	16.6%
Consumer and Resources	1,508	1,919	-21.4%	-20.1%
Novelcare	724	958	-24.5%	-22.3%
Technology Solutions	357	362	-1.2%	-1.7%
Aroma Performance	188	308	-39.1%	-38.9%
Oil & Gas	238	290	-17.9%	-16.1%
Corporate & Business Services	3	3	24.6%	30.4%
EBITDA	906	926	-2.2%	-1.1%
Materials	727	599	21.3%	20.9%
Consumer and Resources	258	426	-39.5%	-38.3%
Corporate & Business Services	-79	-99	-20.7%	-24.4%
EBITDA margin	25.0%	24.1%	0.9pp	-
<i>Materials</i>	34.3%	31.1%	3.2pp	-
<i>Consumer and Resources</i>	17.1%	22.2%	-5.1pp	-

Supplementary information

Net Sales by destination

(in EUR million)	H1 2023	H1 2022	% YoY
Asia and the rest of the world	1,204	1,413	-14.8%
<i>of which China</i>	464	614	-24.4%
<i>of which Japan</i>	185	166	11.4%
<i>of which South Korea</i>	122	125	-2.4%
North America	1,191	1,228	-3.0%
<i>of which United States</i>	1,138	1,166	-2.4%
Europe	948	899	5.5%
<i>of which Germany</i>	254	240	5.8%
<i>of which Italy</i>	139	143	-2.8%
<i>of which France</i>	124	124	0.0%
<i>of which other European Union</i>	277	234	18.4%
<i>of which other Europe (incl. UK)</i>	154	158	-2.5%
Latin America	286	308	-7.1%
Total Net Sales	3,628	3,848	-5.7%

Net sales by end-market

(in EUR million)	H1 2023	H1 2022	% YoY
Automotive & Aerospace	1,092	1,061	2.9%
<i>of which Aerospace</i>	513	427	20.1%
<i>of which Automotive</i>	579	634	-8.7%
Resources & Environment	601	543	10.7%
Industrial Applications & Chemical Industry	514	636	-19.2%
Consumer Goods, Healthcare & HPC	502	544	-7.7%
Agro, Feed & Food	347	477	-27.3%
Electronics	326	294	10.9%
Building	207	277	-25.3%
Other	39	16	n.m.
Total Net Sales	3,628	3,848	-5.7%

Reconciliation of alternative performance metrics

SpecialtyCo measures its financial performance using alternative performance metrics, which can be found below. SpecialtyCo 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.

<i>(in € million)</i>	H1 2023	H1 2022
EBIT	395	630
Results from portfolio management and major restructuring	56	7
Results from legacy remediation and major litigation	194	40
Amortization of intangible assets resulting from Purchase price allocation (PPA)	67	68
Corporate costs allocation	-35	-38
Underlying EBIT	677	706
Depreciation and amortization (other than amounts reflected above)	230	220
Underlying EBITDA	906	926

Free cash flow

The following table presents the calculations of Free Cash Flow for the first half of 2023 and the first half of 2022.

<i>(in € million)</i>		H1 2023	H1 2022
Cash flow from operating activities	a	657	415
<i>of which voluntary pension contributions</i>	b	0	0
<i>of which cash flow related to internal portfolio management and excluded from Free Cash Flow</i>	c	-3	-4
Cash flow from investing activities	d	73	-137
<i>of which Change in IBA* with remaining Solvay Group</i>	e	258	-62
<i>of which Acquisition of subsidiaries</i>	f	-2	0
<i>of which Acquisition (-) of investments - Other</i>	g	-7	0
<i>of which Net loans to associates and non-consolidated companies</i>	h	147	104
<i>of which Sale of subsidiaries and investments</i>	i	5	14
<i>of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow</i>	j	-51	0
Payment of lease liabilities	k	-28	-25
Corporate costs Allocation after taxes	l	-26	-29
Free Cash Flow (FCF)	m=a-b-c+d-e-f-g-h-i-j+k+l	329	174

* Internal Bank Accounts

Net Working capital

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

<i>(in € million)</i>		June 30, 2023	December 31, 2022
Inventories	a	1,275	1,392
Trade receivables	b	1,032	1,027
Other current receivables	c	339	306
Trade payables	d	-818	-972
Other current liabilities	e	-473	-538
Net working capital	f = a+b+c+d+e	1,355	1,215

Capex

The following table presents SpecialtyCo's capital expenditures for the first half of 2023 and the first half of 2022.

Capital expenditure (capex)		H1 2023	H1 2022
<i>(in € million)</i>			
Acquisition (-) of tangible assets	a	-292	-158
<i>of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow</i>	b	-51	0
Acquisition (-) of intangible assets	c	-36	-36
Payment of lease liabilities	d	-28	-25
Capex	e = a-b+c+d	-305	-219
Underlying EBITDA	f	906	926
Cash conversion	g = (f+e)/f	66%	76%

ROCE

ROCE		H1 2023
<i>(in € million)</i>		As calculated
Underlying EBIT (LTM)	a	1,353
Accounting impact from EUAs and amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-140
Numerator	c = a+b	1,213
WC industrial	d	1,428
WC Other	e	-178
Property, plant and equipment	f	3,099
Intangible assets	g	1,838
Right-of-use assets	h	202
Investments in associates & joint ventures	i	207
Other investments	j	4
Goodwill	k	2,652
Denominator	l = d+e+f+g+h+i+j+k	9,253
ROCE	m = c/l	13.1%

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 SpecialtyCo following the Partial Demerger will be significantly different from that shown in the Unaudited Condensed Interim Combined Financial Statements. In addition to changes arising in the ordinary course of business, the structure of SpecialtyCo'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, mentioned above, which if successful will have the effect of transferring certain financial debt of EssentialCo entities to the SpecialtyCo group. 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 that will be treated as equity in SpecialtyCo's consolidated balance sheet. The liability management transactions will also seek the release of Solvay's guarantees of bonds issued by SpecialtyCo entities and their replacement by guarantees from SpecialtyCo, although this will not impact the principal amount of SpecialtyCo's consolidated financial debt.
- 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 SpecialtyCo's capital structure (financial debt, cash and equity) as of June 30, 2023 as set forth in the Unaudited Condensed Interim Combined Financial Statements, 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, and transferring EUR 900 million of cash to SpecialtyCo.

The table is hypothetical and is presented solely for illustration. It does not represent the actual capital structure that SpecialtyCo would have had if it had already been separated from Solvay and these transactions had taken place on June 30, 2023. SpecialtyCo'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.

Investors should read this table together with the Unaudited Condensed Interim Combined Financial Statements as well as this Financial Report. For purposes of this table, EssentialCo entities are referred to as the "Remaining Solvay Group."

in EUR million	As of June 30, 2023	Adjustments	As of June 30, 2023
	Combined		Adjusted
External financial debt			
Senior US\$ Note Cytec (US\$ 250 million)	150	0	150
Senior US\$ Notes 144A (US\$ 800 million)	736	0	736
Other borrowings from third parties	61	0	61
EUR Senior bond 2027		497	497
EUR Senior bond 2029		597	597
Total external financial debt	946	1,094	2,040
Perpetual hybrid bonds		500	500
Total external underlying financial debt (incl. hybrid bonds) (a)	946	1,594	2,540
Financial assets and debts owed by or to Remaining Solvay Group			
Non current loans to Remaining Solvay Group	-19	19	0
Current loans to Remaining Solvay Group	-27	27	0
Internal bank accounts – receivables, Remaining Solvay Group	-1,281	1,281	0
Non current borrowings from Remaining Solvay Group	569	-569	0
Current borrowings and internal bank accounts - related party	2,379	-2,379	0
Net financial assets and debt owed by or to Remaining Solvay Group (b)	1,620	-1,620	0
Lease debt (c)	222		222
Other financial instruments (current and non-current) (d)	-57		-57
Cash and cash equivalents			
Held by SpecialtyCo as of June 30, 2023	-307	0	-307
Cash transferred by EssentialCo		-900	-900
Total cash and cash equivalents (e)	-307	-900	-1,207
Underlying Net financial debt (a+b+c+d+e)	2,425	-926	1,498
Total Business Equity Combined Financial Statements SpecialtyCo	6,275	926	7,201

- (1) USD 250 million principal amount of Senior Notes due May 2025 issued by Cytec Industries Inc. See Note F32 to the 2020 - 2022 Combined Financial Statements. These Notes are currently guaranteed by Solvay. Cytec Industries Inc. will offer to exchange new Notes with substantially similar terms for these Notes, except that the guarantee of Solvay will be released and replaced by a guarantee from SpecialtyCo upon completion of the Partial Demerger.
- (2) USD 800 million principal amount of Senior US\$ Notes due December 2025 issued by Solvay Finance (America), LLC. See Note F32 to the 2020 - 2022 Combined Financial Statements. Solvay Finance (America), LLC will offer to exchange new Notes with substantially similar terms for these Notes, except that the guarantee of Solvay will be released and replaced by a guarantee from SpecialtyCo upon completion of the Partial Demerger.
- (3) EUR 500 million principal amount (EUR 497 million carrying value) of Senior Notes due December 2027 issued by Solvay, for which bondholder consent solicitation is ongoing.

- (4) EUR 600 million principal amount (EUR 597 million carrying value) of Senior Notes due September 2029 issued by Solvay, for which bondholder consent solicitation is ongoing.
- (5) EUR 500 million of perpetual hybrid bonds, callable as from December 2025, treated as equity in the consolidated financial statements of Solvay, but treated as debt for purposes of determining underlying financial debt for which bondholder consent solicitation is ongoing

Condensed interim combined financial statements^[1]

Combined income statement <i>(in € million)</i>	IFRS	
	H1 2023	H1 2022
Sales	3,791	3,944
of which revenues from non-core activities	163	96
of which net sales [2]	3,628	3,848
Cost of goods sold	-2,493	-2,657
Gross margin	1,298	1,287
Commercial costs	-142	-113
Administrative costs	-264	-298
Research & development costs	-171	-138
Other operating gains & losses	-85	-69
Earnings from associates & joint ventures	10	8
Result from portfolio management & major restructuring [3]	-56	-7
Result from legacy remediation & major litigations [4]	-194	-40
EBIT	395	630
Cost of borrowings	-94	-56
Interest on loans & short term deposits	44	8
Other gains & losses on net indebtedness	-7	-7
Cost of discounting provisions	-10	4
Result from equity instruments measured at fair value	2	-9
Profit / (loss) for the period before taxes	330	570
Income taxes	-28	-56
Profit / (loss) for the period	302	515
attributable to SpecialtyCo share	300	506
attributable to non-controlling interests	2	9

[1] Subject to a limited review by the auditors for H1 2023 only.

[2] Please refer to the Business review for further information on net sales.

[3] The H1 2023 Result from portfolio management & major restructuring mainly relates to €41 million restructuring provision that was recognized in the context of the separation plan.

[4] In H1 2023, the Reporting Entity increased its environmental provisions by €258 million, of which €229 million as a result of the settlement reached with NJDEP resolving certain PFAS related claims in New Jersey. The H1 2023 amount is partly offset by the €92 million final settlement of litigation in relation to the Reporting Entity's claims of environmental breaches by Edison.

Combined statement of comprehensive income <i>(in € million)</i>	IFRS	
	H1 2023	H1 2022
Profit / (loss) for the period	302	515
Gains and losses on hedging instruments in a cash flow hedge	-6	-11
Currency translation differences from subsidiaries & joint operations [1]	-103	327
Share of other comprehensive income of associates and joint ventures	-1	4
Recyclable components	-110	320
Gains and losses on equity instruments measured at fair value through OCI	0	-9
Remeasurement of the net defined benefit liability	10	-43
Non-recyclable components	10	-52
Income tax relating to recyclable and non-recyclable components	-3	-15
Other comprehensive income/(loss), net of related tax effects	-104	254
Total comprehensive income/(loss)	198	768
attributable to SpecialtyCo share	197	759
attributable to non-controlling interests	1	9

[1] The H1 2023 losses from currency translation differences from subsidiaries & joint operations are mainly related to the weakening of USD against the EUR in the period. The H1 2022 gains from currency translation differences from subsidiaries & joint operations are mainly related to the revaluation of the USD against the EUR in the period.

Combined Statements of Cash Flow

(in € million)	IFRS	
	H1 2023	H1 2022
Profit / (loss) for the period	302	515
Adjustments to profit / (loss) for the period	719	430
Depreciation, amortization & impairments	297	290
Earnings from associates & joint ventures	-10	-8
Additions & reversals of provisions [1]	334	32
Other non-operating and non-cash items	5	1
Net financial charges	66	60
Income tax expenses	29	56
Changes in working capital	-152	-367
Uses of provisions	-62	-60
Use of provisions for additional voluntary cash contributions (pension plans)	0	0
Dividends received from associates & joint ventures	2	2
Income taxes paid (excluding income taxes paid on sale of investments)	-152	-104
Cash flow from operating activities	657	415
<i>of which cash flow related to internal portfolio management and excluded from Free Cash Flow</i>	-3	-4
Acquisition (-) of subsidiaries	-2	0
Acquisition (-) of investments - Other	-7	0
Loans to associates and non-consolidated companies	-3	0
<i>of which with remaining Solvay Group</i>	-3	0
Loans repayments from associates and non-consolidated companies	150	104
<i>of which with remaining Solvay Group</i>	150	104
Sale (+) of subsidiaries and investments	5	14
Acquisition (-) of tangible and intangible assets [2]	-328	-194
<i>of which property, plant and equipment</i>	-292	-158
<i>of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow</i>	-51	0
<i>of which intangible assets</i>	-36	-36
Sale (+) of property, plant and equipment & intangible assets	0	1
Dividends from equity instruments measured at fair value through other comprehensive income	0	1
Change in Internal Bank accounts with remaining Solvay Group [3]	258	-62
Changes in non-current financial assets	0	0
Cash flow from investing activities	73	-137
Increase in borrowings	378	181
<i>of which from related parties</i>	365	151
Repayment of borrowings	-1,499	-42
<i>of which to related parties</i>	-1,478	-9
Changes in other financial assets	7	24
Payment of lease liabilities	-28	-25
Net interests paid	-62	-62
Dividends paid to non-controlling interests	0	-2
Dividends paid to Solvay Group [3]	-436	-8
Dividends received from Solvay Group [3]	1,274	5
Other transactions with Solvay Group [4]	-279	-139
Other	-7	-5
Cash flow from financing activities	-651	-73
Net change in cash and cash equivalents	79	205
Currency translation differences	-16	6
Opening cash balance	244	139
Closing cash balance	307	351

[1] Additions & reversals of provisions includes €41 million recognized in H1 2023 related to the restructuring provision in the context of the separation plan as well as €229 million related to the settlement reached with NJDEP resolving certain PFAS related claims in New Jersey.

[2] The increase in acquisition of property, plant and equipment in H1 2023 is mainly related to the acquisition of the new corporate headquarters in Belgium and capex in relation to the expansion of production capacity for PVDF at the Group's Tavaux site.

[3] The evolution of the Internal Bank Accounts with remaining Solvay Group as well as the dividends paid to and received from the remaining Solvay Group are the result of the measures put in place to implement the target capital structure of SpecialtyCo and disentangle the financing relations with the remaining Solvay Group.

[4] Please refer to note 7 Related Party Transactions.

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Combined statement of financial position

<i>(in € million)</i>	June 30, 2023	December 31, 2022
Intangible assets	1,718	1,817
Goodwill	2,647	2,671
Property, plant and equipment	3,249	3,152
Right-of-use assets	201	196
Equity instruments measured at fair value	79	71
Investments in associates & joint ventures	203	204
Other investments	4	4
Deferred tax assets	675	623
Loans to remaining Solvay Group [1]	19	54
Other Loans & other assets	122	89
Other financial instruments	30	30
Non-current assets	8,947	8,910
Inventories	1,275	1,392
Trade receivables	1,032	1,027
Income tax receivables	40	20
Other financial instruments with third parties	27	36
IBA (*) receivables with remaining Solvay Group [1]	1,281	1,555
Other receivables	339	306
Loans to remaining Solvay Group [1]	27	144
Cash & cash equivalents	307	244
Current assets	4,328	4,723
Total assets	13,275	13,633
Owner's net investment	6,252	4,922
Non-controlling interest	23	24
Total equity	6,275	4,946
Provisions for employee benefits	364	338
Other provisions [2]	422	256
Deferred tax liabilities	414	479
Borrowings from remaining Solvay Group [1]	569	773
Other non-current Financial debt	1,066	1,078
Other liabilities	19	23
Non-current liabilities	2,854	2,948
Other provisions [2]	231	118
Borrowings and IBA (*) liabilities from remaining Solvay Group [1]	2,379	3,929
Financial debt	102	96
Trade payables	818	972
Income tax payables	144	85
Other liabilities	473	538
Current liabilities	4,147	5,739
Total equity & liabilities	13,275	13,633

*Internal Bank Accounts

[1] Please refer to note 7 Related Party Transactions.

[2] The increase in Other provisions is mainly related to the recognition of a €41 million restructuring provision in the context of the Partial Demerger, as well as €229 million related to the settlement reached with NJDEP resolving certain PFAS related claims in New Jersey.

Combined statement of changes in equity

In € million	Invested equity attributable to SpecialtyCo	Currency translation differences	Equity instruments measured at fair value through other comprehensive income	Cash flow hedges	Defined benefit pension plan	Owner's net investment	Non-controlling interests	Total equity
December 31, 2021	4,468	-292	23	-3	118	4,315	18	4,333
Profit/(loss) for the period	506					506	9	515
Items of other comprehensive income		331	-7	-9	-62	253	1	254
Comprehensive income	506	331	-7	-9	-62	759	9	768
Transactions with Solvay Group	-142					-142		-142
Dividends							-2	-2
Other	7		0			7	0	7
June 30, 2022	4,840	39	17	-12	56	4,939	26	4,965
December 31, 2022	5,002	-130	4	3	44	4,922	24	4,946
Profit/(loss) for the period	300					300	2	302
Items of other comprehensive income		-104		-2	4	-102	-1	-104
Comprehensive income	300	-104	0	-2	4	197	1	198
Transactions with Solvay Group	1,132					1,132		1,132
Dividends						0	-2	-2
June 30, 2023	6,434	-234	4	1	48	6,252	23	6,275

Notes to the condensed interim combined financial statements

1. General information and significant events

Background

Solvay SA/NV ("Solvay SA") is a public limited liability company governed by Belgian law. The shares of Solvay SA are admitted to trading on the regulated market of Euronext in Brussels ("Euronext Brussels"), which is its primary listing, and on the regulated market of Euronext in Paris ("Euronext Paris") as its secondary listing. Solvay SA is the Solvay Group's ultimate parent, with its registered office located at Rue de Ransbeek 310, B-1120 Brussels, Belgium.

Solvay SA 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: Novecare, Technology Solutions, Aroma Performance, and Oil and Gas (together the "Specialty Business").
- "EssentialCo", which would comprise the leading mono-technology business in the Solvay Group's Chemicals segment and the Special Chem business (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 SA's shareholders would retain their current shares of Solvay SA. The separation would be effected by means of a partial demerger ("scission partielle") of Solvay SA, 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 SA 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 SA's shareholders in key jurisdictions. The Partial Demerger remains subject to general market conditions and customary closing conditions, including final approval by Solvay SA's Board of Directors, consent of certain financing providers and shareholders' approval at an extraordinary general meeting. Solvay SA expects to complete the process by 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 legal 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's 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.

According to the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 (as amended, the "Delegated Prospectus Regulation"), Annex I, items 18.1.1 and 18.1.3, supplementing Regulation (EU) 2017/1129 of June 14, 2017 (as amended, the "Prospectus Regulation"), an issuer must present audited historical financial information covering the latest three fiscal years, compliant with International Financial Reporting Standards as endorsed by the European Union ("IFRS"), in its prospectus prepared in connection with the contemplated admission of its securities to trading on a regulated market.

Furthermore, according to Commission Delegated Regulation (EU) 2019/980 of March, 14, 2019, Article 18 para 1 in connection with Article 18 para 3, the issuer is required to prepare additional financial information. Therefore, in addition to the Combined Financial Statements for the fiscal years ended December 31, 2022, 2021 and 2020, SpecialtyCo presents Condensed Interim Combined Financial Statements for the six month period ended June 30, 2023.

These Condensed Interim Combined Financial Statements comprise the Combined Statements of Financial Position as of June 30, 2023 and December 31, 2022, Combined Income Statements, Combined Statements of Comprehensive Income, Combined Statements of Cash Flows, Combined Statement of Changes in Equity for the six-month period ended June 30, 2023 and 2022 and selected explanatory notes. The Condensed Interim Combined Financial Statements have been prepared on a going concern basis despite the fact that current liabilities were higher than the current assets at the end of 2022. As of June 30, 2023, current assets were in excess of current liabilities. The capital structure presented in the Condensed Interim Combined Financial Statements does not reflect the target capital structure at the time of the partial demerger which will best support SpecialtyCo's value creation objectives. SpecialtyCo will have full financial flexibility at the time of separation to fund its growth plan.

Significant events of H1 2023

Edison

In February 2023, Solvay Specialty Polymers Italy S.p.A., an entity in the combination scope, received compensation of €91.6 million after decisions by the International Chamber of Commerce's arbitration tribunal, the Swiss Supreme Court, and the Milan Court of Appeal, all of which ruled in favor of Solvay. The outcome follows more than 10 years of legal proceedings in relation to Solvay's claims of environmental breaches by Edison, a subsidiary of EDF, in the context of Solvay's acquisition of the Italian company Ausimont in 2002.

The compensation relates to costs, losses and damages suffered by Solvay up to the end of 2016. Additional arbitration procedures are currently ongoing regarding costs, losses and damages suffered by Solvay from January 2017 onwards. Solvay is confident in the merits of its claim for additional significant compensation for damage in this second phase and expects proceedings to conclude in 2024.

Environmental liabilities

On June 28, 2023, Solvay Specialty Polymers USA, LLC ("Solvay Specialty Polymers"), an entity in the combination scope of the Reporting Entity, and the New Jersey Department of Environmental Protection (NJDEP) announced an agreement resolving certain PFAS related claims in New Jersey.

Under the terms of the agreement, Solvay Specialty Polymers will pay US\$75 million to NJDEP for Natural Resource Damages (NRDs) and US\$100 million to fund NJDEP PFAS remediation projects in areas of New Jersey near the Reporting Entity's West Deptford site. The settlement includes commitments for Solvay Specialty Polymers to complete remediation activities that began in 2013, including testing water and soil near the West Deptford site. Solvay Specialty Polymers has agreed to establish a remedial funding source in the amount of US\$214 million to fund those activities. The agreement, structured as a Judicial Consent Order, will be presented to the US Court for review and approval later this year, following a public comment period. This agreement is not an admission of liability.

As a result of this settlement, Solvay Specialty Polymers has increased its current provision by around US\$250 million (€229 million) at the end of H1 2023, with US\$175 million expected cash out by 2024 and the balance over a 30-year period.

The environmental provision recorded is based on the net present value of the cash flow forecast needed, for current and future years, to settle the remediation obligations. This provision represents the estimated cash out and does not reflect expected recoveries from third-party contributors nor does it reflect the potential insurance proceeds, the combination of which could significantly reduce the resultant costs.

This liability was recorded in "Other non-current provisions" in the Combined Statement of Financial Position and the associated impact in the Combined Income Statement was recorded in "Results from legacy remediation and major litigations" together with all the other remediation impacts that relate to legacy activities. Legacy remediation costs are considered Adjustments to our IFRS results.

Restructuring provision

In the context of Solvay SA'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 the Reporting Entity by the end of 2023. As a consequence, €41 million accruals to restructuring provisions were recognized in H1 2023.

Target capital structure

On June 16, 2023 Solvay SA announced the target capital structures of the independent publicly traded companies, SpecialtyCo and EssentialCo, that will result from its planned separation into two industry leaders. Solvay SA has developed targeted capital structures for each independent company based on their respective growth trajectories, investment objectives, and dividend policies. SpecialtyCo - A Specialties Leader with superior growth potential develops innovative, value-added solutions that support a more sustainable world. SpecialtyCo will seek to drive above-market growth, industry-leading margins, and compelling returns.

- SpecialtyCo will maintain disciplined capital allocation and will be committed to a strong investment-grade rating.
- The current dividend level of Solvay SA for the 2023 financial year will, after completion of the separation, be apportioned between the two companies, with SpecialtyCo assuming 40% of the dividend share.
- SpecialtyCo is expected to adopt a dividend policy that enables the Reporting Entity to invest in the growth that will deliver sustainable value creation to shareholders, whilst preserving a structural capacity to deleverage over time.

SpecialtyCo will be renamed SYENSQO following the partial demerger.

2. Basis of Preparation

These Condensed Interim Combined Financial Statements are prepared on the same basis of preparation as the Combined Financial Statements for the fiscal years ended December 31, 2022, 2021 and 2020, unless stated otherwise, and should therefore not be read separately but only in combination with each other. These Condensed Interim Combined Financial Statements are in accordance with IAS 34 interim financial reporting as adopted by the European Union.

The Condensed Interim Combined Financial Statements are presented in millions of euros (€ million), except where otherwise indicated. Rounding differences may occur in respect of individual amounts or percentages.

The Condensed Interim Combined Financial Statements were authorized for issuance on August 28, 2023 by the Audit Committee of Solvay S.A. on behalf of its Board of Directors.

Scope of combination

The full list of Dedicated and Mixed entities included in the combined scope of the Reporting Entity are highlighted in the Notes to the Combined Financial Statements for the fiscal years ended December 31, 2022, 2021 and 2020 as it did not change compared to those periods.

For sake of clarity, the terminology 'subsidiaries', 'control', 'joint control', 'significant influence', 'joint venture' and 'associate' are used throughout this report as if the Legal Reorganization would already have been completed and thus the SpecialtyCo parent entity would have obtained full or partial legal ownership over these entities. This terminology corresponds to the way these Mixed and Dedicated Entities were included in the Combined Financial Statements and these Condensed Interim Combined Financial Statements, i.e. full consolidation for subsidiaries (for the part related to SpecialtyCo activities if Mixed Entity) and equity method for joint ventures and associates. As a result:

- entities controlled by the Solvay Group (including through its subsidiaries) and that are a part of the SpecialtyCo scope qualify as subsidiaries;
- arrangements over which the Solvay Group (including through its subsidiaries) exercises joint control and are a part of the SpecialtyCo scope qualify as joint ventures.
- arrangements over which the Solvay Group (including through its subsidiaries) has significant influence, and are a part of the SpecialtyCo scope qualify as an associate.

Intercompany transactions

Within the Solvay Group, intercompany transactions have occurred historically with entities over which Solvay SA exercised control, or significant influence, or with joint ventures. Transactions with entities over which Solvay SA 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 Consolidated Financial Statements.

Transactions that were previously eliminated in the Solvay Group need to be reinstated and will be disclosed under IAS 24 *Related Party Disclosures* in the Combined Financial Statements, to the extent they are between SpecialtyCo entities and entities in the Remaining Solvay Group.

Transactions between a SpecialtyCo entity and entities in the Remaining Solvay Group mainly comprise structured borrowings and loans as well as intercompany bank accounts between SpecialtyCo and the Remaining Solvay Group, in place over the periods presented, which were eliminated as part of the consolidation procedures applied for the Solvay Group Consolidated Financial Statements, and which were reinstated in the Combined Financial Statements. This does not reflect the expected situation after the Partial Demerger as no financing relation is expected to exist between SpecialtyCo and the Remaining Solvay Group once the transaction is completed.

For the balances resulting from transactions between Mixed Entities, the following carve-out approach has been followed in the Combined Financial Statements:

1. The balance is classified as an intragroup transaction and eliminated in the Combined Financial Statements if such a transaction is between two entities that are both part of SpecialtyCo.
2. The balance is classified as a transaction with related parties in the Combined Financial Statements if such transaction after the Partial Demerger, is a transaction between an entity that is part of SpecialtyCo and an entity that is part of the Remaining Solvay Group.

For further details please also refer to Note 7 *Related party transactions*.

3. Accounting policies

The accounting policies applied in the preparation of the Condensed Interim Combined Financial Statements as of and for the six-month period ended June 30, 2023 are consistent with those used in the preparation of the Combined Financial Statements for fiscal year ended 2022, 2021 and 2020. The Combined Financial Statements for fiscal year ended 2022, 2021 and 2020 were published on June 30, 2023.

There are three amendments that became effective as of January 1, 2023, which applies to the Reporting Entity. An assessment was made and these amendments had no material impact on the Condensed Interim Combined Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Reporting Entity is currently assessing the impact of the amendments and will implement these for the year end report.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 (not yet endorsed by the EU)

On May 23, 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments) to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes).

The Amendments introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

The Reporting Entity confirms that it intends to apply the mandatory temporary exception to the accounting for deferred taxes. Management is currently assessing the accounting implications and the jurisdictions that could give rise to additional taxation as a result of the implementation of the Pillar Two Model Rules in national laws, which is not expected to be material for the Reporting Entity.

There are other IFRS amendments applicable for the first time in 2023, but do not have a material impact on or are not relevant for, the condensed interim combined financial statements of the Reporting Entity and therefore have not been disclosed.

August 28, 2023

4. Segment information

During the reporting periods under consideration there was no separate chief operating decision maker (CODM) who regularly reviewed the operating results of SpecialtyCo. As such, the segment reporting in the Condensed Interim Combined Financial Statements reflects the historical segment information as was presented in the Solvay Group Consolidated Financial Statements, renaming the portion of the "Solutions" segment in the Specialty Businesses as "Consumer and Resources".

SpecialtyCo is organized into three Operating Segments, which are 3 of the segments currently defined at Solvay Group level:

- Materials, consisting of the GBUs Composite Materials and Specialty Polymers. The Materials segment offers a unique portfolio of high-performance polymers and composite technologies used primarily in sustainable mobility applications. Its solutions enable weight reduction and enhance performance while improving CO₂ and energy efficiency. Major markets served include next-generation mobility in automotive and aerospace, healthcare and electronics.
- Consumer and Resources offer a unique formulation & application expertise through customized specialty formulations for surface chemistry & liquid behavior, maximizing yield and efficiency of the processes they are used in while minimizing the eco-impact. Novicare, Technology Solutions, Aroma, and Oil & Gas focus on specific areas such as resources (improving the extraction yield of metals, minerals and oil), industrial applications (such as coatings) or consumer goods and healthcare (including vanillin and guar for home and personal care).
- Corporate & Business Services includes corporate and other business services, such as research & innovation, cogeneration units dedicated to the SpecialtyCo activities and new business development (NBD).

in € million	H1 2023	H1 2022
Net Sales	3,628	3,848
<i>Materials</i>	2,117	1,927
<i>Consumer & Resources</i>	1,508	1,919
<i>Corporate & Business Services</i>	3	3
Underlying EBITDA	906	926
<i>Materials</i>	727	599
<i>Consumer & Resources</i>	258	426
<i>Corporate & Business Services</i>	-79	-99
Underlying depreciation, amortization and impairments	-230	-220
Underlying EBIT	677	706
Accounting impacts from amortization & depreciation of purchase price allocation (PPA) from acquisitions	-67	-68
Corporate costs allocation	35	38
Results from portfolio management & major restructuring	-56	-7
Results from legacy remediation & major litigations	-194	-40
EBIT	395	630
Net financial charges	-66	-60
Profit / (loss) for the period before taxes	330	570
Income taxes	-28	-56
Profit / (loss) for the period from continuing operations	302	515
Profit / (loss) for the period from discontinued operations	0	0
Profit / loss for the period	302	515
attributable to non-controlling interests	2	9
attributable to Solvay share	300	506

5. Dividends paid to / received from the Solvay Group and other transactions with Remaining Solvay Group

During the reporting periods presented, SpecialtyCo was not constituted as a Group under a unique holding company and SpecialtyCo Dedicated and Mixed entities held investments in subsidiaries of the Remaining Solvay Group and vice-versa.

These investments in subsidiaries of the Remaining Solvay Group were eliminated against equity in the Condensed Interim Combined Financial Statements. As a result, the cash from dividends paid by Dedicated or Mixed SpecialtyCo Entities to the Remaining Solvay Group or received by SpecialtyCo from subsidiaries of the Remaining Solvay Group are presented in the line "Dividends paid to Solvay Group" and "Dividends received from Solvay Group", respectively, in the Combined Statements of Cash Flows. They are also included as "Transactions with Solvay Group" in the Combined Statement of Changes in Equity.

Cash flows associated with capital increases, capital reimbursements or transfers of those investments in subsidiaries of the Remaining Solvay Group are also presented in the "Other Transactions with Solvay Group" in the Combined Statements of Cash Flows and as part of the "Other transactions with Solvay Group" in the Combined Statement of Changes in Equity.

Certain operating and investing transactions of SpecialtyCo are presented on a "gross basis":

- (1) operating expenses and income are presented as operating cash flows;
- (2) acquisitions and sales of property, plant and equipment, intangible assets, subsidiaries and other investments are presented as investing cash flows and,

simultaneously, contributions from / distributions to the Remaining Solvay Group are presented in the cash flow from financing activities as "Other Transactions with Solvay Group", whenever those transactions do not ultimately result in movements of "Cash and cash equivalents" for SpecialtyCo.

This happens for the carve-out of the above SpecialtyCo transactions in Mixed Entities that will be part of the Remaining Solvay Group as the "Cash and cash equivalents" of those entities is not included in the Combined Statements of Financial Position.

Current taxes from SpecialtyCo's results in Mixed Entities of the Remaining Solvay Group, restructuring costs related to provisions settled by the Remaining Solvay Group, employee benefit charges for defined benefit obligations kept by the Remaining Solvay Group and charges for the usage of shared assets of Mixed Entities are additional examples of transactions considered to be immediately settled by the Remaining Solvay Group and grossed-up in the Combined Statement of Cash Flows.

The presentation on a "gross basis" is considered to better reflect the business performance in terms of cash flow generation.

Movements of cash and cash equivalents resulting from operating and investing cash flows of the businesses of the Remaining Solvay Group, which occurred in Mixed Entities that will be part of SpecialtyCo based on the Legal reorganization plan, are not included in the cash flows from operating and investing activities. Rather they are presented in the line "Other Transactions with the Solvay Group" in the Combined Statement of Cash Flows and the Combined Statement of Changes in Equity as the related change in "Cash and cash equivalents" is included in the Combined Statements of Financial Position. Details about the "Other transactions with Solvay Group" line and the reconciliation between the related amounts in the Combined Statements of Cash Flow and Combined Statements of Changes in Equity are presented in the table below.

<i>eur million</i>	June 2023	June 2022
Carve out of Mixed Entities	7	-18
Capital increase / decrease, transfer of shares with remaining Solvay Group	-287	-113
Restructuring costs	17	6
Current Taxes	-15	-14
Total Other transactions with Solvay Group in Statements of cash flow	-279	-139
Dividends paid to Solvay Group	-436	-8
Dividends received from Solvay Group	1,274	5
Deferred taxes	-3	
Other	576	
Total Transactions with Solvay Group in Statement of changes in equity	1,132	-142

The increase in the amount of dividends received from and paid to the remaining Solvay group for the period ended June 2023, when compared to the prior period is mainly driven by the implementation of the target capital structure and the disentanglement of the financial relations between SpecialtyCo and the remaining Solvay Group.

The amount of € 576 million presented in the line "Other" in the table above mainly reflects the settlement of a SpecialtyCo financial debt vis à vis the remaining Solvay Group realized via the transfer of EssentialCo shares held by a SpecialtyCo subsidiary in France.

6. Financial Instruments

Valuation techniques

Compared to December 31, 2022, there are no changes in valuation techniques.

Fair value of financial instruments measured at amortized cost

For all financial instruments not measured at fair value in the Reporting Entity's Combined statement of financial position, the fair value of those financial instruments as of June 30, 2023, is not significantly different from the ones published in Note F31 of the combined financial statements for the year ended December 31, 2022.

Financial instruments measured at fair value

For financial instruments measured at fair value in the Reporting Entity's Combined statement of financial position, the fair value of those instruments as of June 30, 2023, is not significantly different from the ones published in Note F31 of the combined financial statements for the year ended December 31, 2022.

7. Related Party Transactions

Balances and transactions between SpecialtyCo and its subsidiaries have been eliminated in the combination and are not disclosed in this note.

Related parties are deemed to be associated companies, joint ventures of SpecialtyCo and associated companies, joint ventures, joint operations and subsidiaries of the Remaining Solvay Group, since the SpecialtyCo Group was controlled by Solvay SA for the periods under consideration. The main transactions with the remaining Solvay Group, consisting in shared services, guarantees and cross-financing relations in the forms of loans, borrowings and internal bank accounts are presented in the tables below.

Services provided by the 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 costs of such services, as historically charged to Specialty Businesses and included in the Combined 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.

The costs related to corporate functions incurred for the benefit of the Solvay Group as a whole, including but not limited to costs for Solvay SA's Board of Directors, Executive Leadership Team, Investor Relations and Corporate Communications have not been included in the Condensed Interim Combined Financial Statements. Those costs amounted to €60 million in H1 2023 for Solvay Group as a whole. Based on the relative usage of SpecialtyCo compared to the remaining Solvay Group, a portion of these corporate costs has been included in the Underlying EBITDA for €35 million (see Reconciliation of alternative performance metrics on page 9 for more information).

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.

The related amounts are presented in the table below:

eur million	June 30, December 31,	
	2023	2022
Bonds Solvay Finance America LLC	737	750
Bonds Cytec Industries Inc.	150	152
Rhodia UK Pension fund	309	317
Total	1,196	1,219

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

Financing with related parties

In € million	June 30, 2023	December 31, 2022
Non current Loans to related parties	19	54
Current Loans to related parties	27	144
Current financial instruments - Internal bank accounts with related parties	1,281	1,555
Non current borrowings from related parties*	-569	-773
Current borrowings and internal bank accounts liabilities with related parties	-2,379	-3,929
Total	-1,620	-2,949

	June 2023	June 2022
Interest charges paid to related parties	-67	-25
Interest revenue from related parties	40	-8

For the periods under consideration, SpecialtyCo was integrated in the cash pooling and financing system of the Solvay Group. The financing instruments with the Remaining Solvay Group 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 Partial Demerger so that no financing relation will continue to exist between SpecialtyCo and the Remaining Solvay Group after the Partial Demerger. The evolution between December 31, 2022 and June 30, 2023 reflects the ongoing disentanglement of the financing relations between SpecialtyCo and the remaining Solvay Group.

8. Events after the reporting period

On August 4, 2023, Solvay SA announced that it has launched consent solicitation exercises (the "Consent Solicitations") in relation to its

- €500,000,000 Undated Deeply Subordinated Fixed to Reset Rate Perp-NC5.5 Bonds with first call date on December 2, 2025 (ISIN: BE6324000858),
- €500,000,000 2.750 per cent. Fixed Rate Bonds due December 2, 2027 (ISIN: BE6282460615), and
- €600,000,000 0.500 per cent. Fixed Rate Bonds due September 6, 2029 (ISIN: BE6315847804) (together the "Bonds")

in connection with the planned separation of Solvay into two independent publicly traded companies and industry leaders, SpecialtyCo and EssentialCo, that is intended to take place by means of a partial demerger of Solvay under Belgian Law.

As part of the separation, Solvay is offering the holders of certain of its outstanding debt securities the opportunity to transfer their securities to SpecialtyCo (preliminary ratings: Baa1/BBB+), the stronger rated of the two entities post separation.

The purpose of the Consent Solicitations is to invite eligible holders of the Bonds to consider and, if thought fit, approve (i) the substitution of SpecialtyCo in place of Solvay in respect of each series of the Bonds and (ii), in respect of certain series of the Bonds, certain modifications to the conditions of the Bonds, all as further described in the Consent Solicitation Memorandum dated August 4, 2023. The Bondholders' meetings will be held on September 5, 2023, at the offices of Solvay at Rue de Ransbeek, 310 1120 Brussels, Belgium. As a August 28, 2023

consequence, those debts are not included in the scope of combination and are not presented in the condensed interim combined financial statements.

Lastly, exchange offers and consent solicitations in relation to the U.S.\$800,000,000 4.450% Senior Notes due 2025 issued by Solvay Finance (America), LLC (CUSIPs: 834423 AB1 (144A) / U8344P AB5 (Reg S)) and U.S.\$250,000,000 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) are expected to be launched in early September 2023. Solvay Finance (America) and Cytec Industries Inc. are subsidiaries in the scope of combination. Those debts are therefore included in the condensed interim combined financial statements.

9. Declaration by responsible persons

Ilham Kadri, Chief Executive Officer, and Karim Hajjar, Chief Financial Officer, of the Solvay Group, declare that to the best of their knowledge:

- The condensed combined financial information, prepared in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the European Union, reflects a faithful image of the assets and liabilities, financial situation and results of SpecialtyCo. ;
- The management report contains a faithful presentation of significant events occurring during the first six months of 2023 and 2022, and their impact on the condensed combined financial information;
- The main risks and uncertainties are in accordance with the assessment disclosed in the Risk Management section of SpecialtyCo Registration Document, taking into account the current economic and financial environment.

Statutory auditor's report to the board of directors of Solvay SA/NV on the review of the condensed consolidated interim financial information as at 30 June 2023 and for the 6-month period then ended

Independent auditor's report on the review of the Condensed Interim Combined Financial Statements of Specialty Co¹ as at 30 June 2023 and for the 6-month period then ended, to be transferred to Specialty Holdco Belgium BV/SRL

To the Board of Directors of Solvay SA/NV

Introduction

We have reviewed the accompanying condensed interim combined statement of financial position of Specialty Co ("the Reporting Entity") as at 30 June 2023, the condensed interim combined income statement, the condensed interim combined statement of comprehensive income, the condensed interim combined statements of changes in equity and cash flows, as of and for the 6 month period then ended, and notes ("the Condensed Interim Combined Financial Statements"). The Board of directors is responsible for the preparation and presentation of these Condensed Interim Combined Financial Statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these Condensed Interim Combined Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim combined financial statements as at 30 June 2023 and for the 6-month period then ended are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

¹ Specialty Co consists of the combined business units of Solvay SA, as defined in the notes of the of the Condensed Interim Combined Financial statements that will form part of Specialty Holdco Belgium BV/SRL after completion of the Legal Reorganization and the Partial Demerger.



Emphasis of matter

Without modifying our conclusion, we draw attention to the sections "Background" and "Basis of preparation" in the Condensed Interim Combined Financial Statements, which describe, and contain references to the Combined Financial Statements for the fiscal years ended 31 December 2022, 2021, and 2020 as to, the definition of the Reporting Entity, the key assumptions underlying the preparation of the Condensed Interim Combined Financial Statements and the fact that the Reporting Entity has not existed as a separate group in the periods presented. Consequently, the Condensed Interim Combined Financial Statements may not necessarily be indicative of the financial position and results that would have been achieved if the Reporting Entity had operated as a separate group, nor may they be indicative of the financial position and results of the Reporting Entity for any future period.

Diegem, 28 August 2023

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Marie Kaisin*
Partner
*Acting on behalf of a SRL

Ref: 24MK0005

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 CO2 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

The costs of certain central functions ("corporate costs") of the Solvay group as a whole, such as the Board of Directors, Executive Leadership Team, Investor Relations and Corporate Communication, were not reflected in the Combined Financial Statements. An adjustment is also made to reflect the addition of a portion of these corporate costs, based on the relative usage of SpecialtyCo compared to the remaining Solvay Group.

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.

Cash conversion: Is a ratio used to measure the conversion of EBITDA into cash. It is defined as (Underlying EBITDA + Capex from continuing operations) / Underlying EBITDA.

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). 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.

Pricing power: The ability to create positive net pricing.

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.

ROCE: Return on Capital Employed, calculated as the ratio between underlying EBIT (before adjustment for the amortization of PPA) and capital employed. Capital employed consists of net working capital, tangible and intangible assets, goodwill, rights-of-use assets, investments in associates & joint ventures and other investments, and is taken as the average of the situation at the end of the last 4 periods.

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.

August 28, 2023

SpecialtyCo First half 2023 financial report

34/35

[EMEA_ACTIVE 405220980_1]

yoy: Year on year comparison.

ANNEX II
DELOITTE LIMITED ASSURANCE REPORT



Syensqo SA/NV

Independent assurance report on selected environmental, social and governance performance indicators published in the supplement to the Registration Document of Syensqo SA/NV

Independent assurance report on selected environmental, social and governance performance indicators published in the supplement to the Registration Document of Syensqo SA/NV

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 Registration Document of Syensqo SA/NV 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 “6.10.2 Selected Historical ESG Information” and “6.10.3 Definitions” in the section “Environmental, Social and Governance” of the supplement to the Registration Document of Syensqo SA/NV. 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	Years
Category	Indicator	Description	Standard	
Climate	GHG Scope 1-2	Greenhouse gas Scope 1-2 (Mt eq CO2)	GHG Protocol	2018,2019, 2020, 2021
Business Solutions	Circular economy	Circular economy sales as a % of sales	GRI	2020, 2021
Better Life	Diversity	% of women in senior and middle management	GRI	2018,2019, 2020, 2021
	RHIR	Occupational safety – RHIR (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 Registration Document of the Syensqo SA/NV, 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 Registration Document of Syensqo SA/NV 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 Registration Document of Syensqo SA/NV. 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 Signed By: Corine Magnin (Signature)
Signing Time: 15-nov.-2023 | 15:51 CET
 **DocuSign** C: BE
Issuer: Citizen CA
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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Corine Magnin

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

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Tom Renders

Deloitte.

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Member of Deloitte Touche Tohmatsu Limited

ANNEX III
EY LIMITED ASSURANCE REPORT

Independent assurance report on selected environmental and social performance indicators published in the supplement to the Registration Document of Syensqo SA/NV

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 Registration Document dated 29 June 2023" of Syensqo SA¹ (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 "6.11.2 Selected Historical ESG Information" and "6.11.3 Definitions" in the section "Environmental, Social and Governance" of the supplement to the Registration Document of Syensqo 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.

¹ Syensqo consists of the combined business units of Solvay SA, that will form part of SYENSQO SA after completion of the Legal Reorganization and the Partial Demerger.



We conducted our limited assurance engagement in accordance with the 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 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 inquiries, 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

A handwritten signature in blue ink, appearing to read 'Kaisin', with a large, sweeping underline.

Marie Kaisin*
Partner
* Acting on behalf of a SRL

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Appendix 1

Domain	Indicator
Business solutions	Circular economy sales as a % of sales
Climate	GHG Scope 1-2 (Mt eq CO ₂)
Better Life	Occupational safety - RIIR (per 200,000 hours)
	% women in senior and middle management