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.

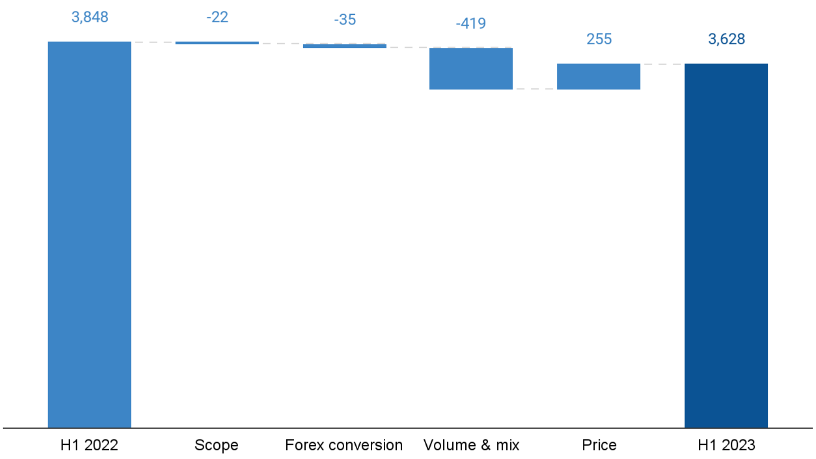
Underlying Key figures

Underlying, (in € million)	**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

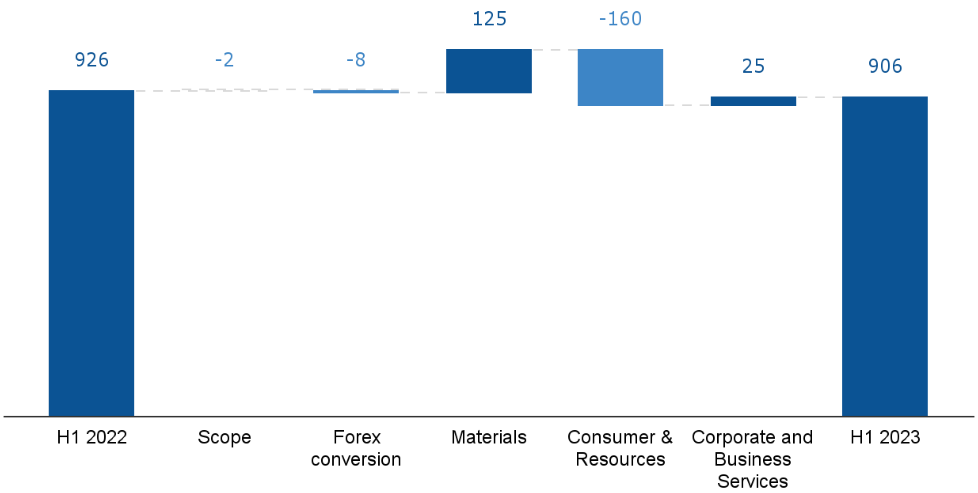
Net sales of €3,628 million in H1 2023 was lower by -5.7% versus H1 2022 (-4.3% organically) due to continued pricing actions more than offset by lower volumes, and modest negative currency effects[1] and scope impact. Lower volumes were due to softer demand across several end markets including batteries/automotive, 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)



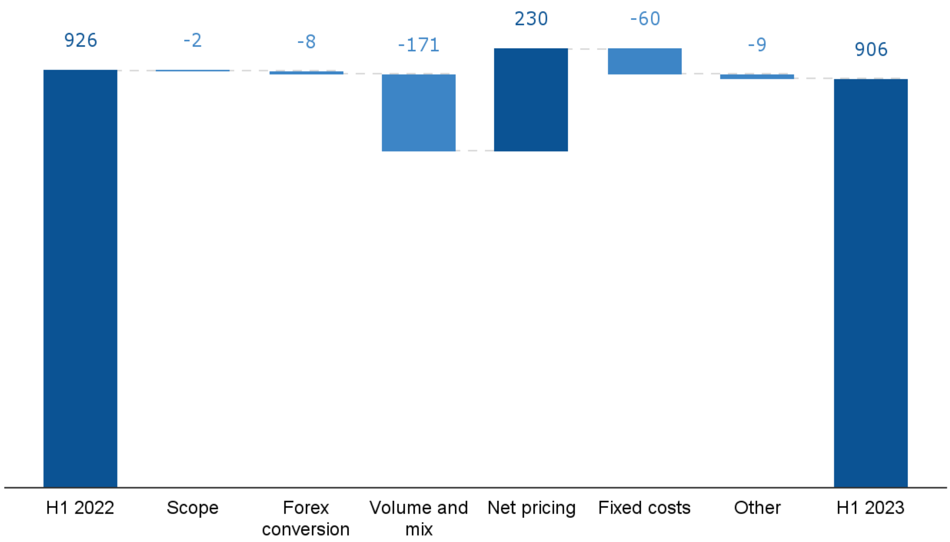
Underlying EBITDA of €906 million in H1 2023 was lower by -2.2% as a result of lower volumes, higher fixed costs and foreign exchange[1], partly offset by higher pricing. On an organic basis, excluding the impacts of foreign exchange, underlying EBITDA was lower by -1.1%. EBITDA margin increased +0.9pp to 25.0% mainly as a result of positive net pricing and mix effects, offsetting lower volumes.

Underlying, (in € million)



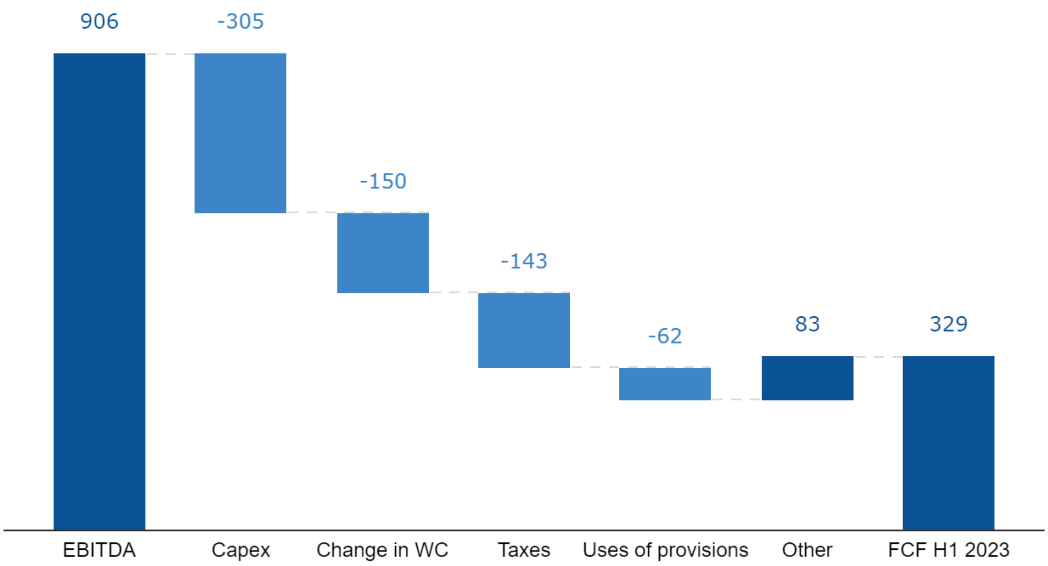
[1] Mainly related to sales in CNY and JPY

Underlying, (in € million)



Free cash flow[2] 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.

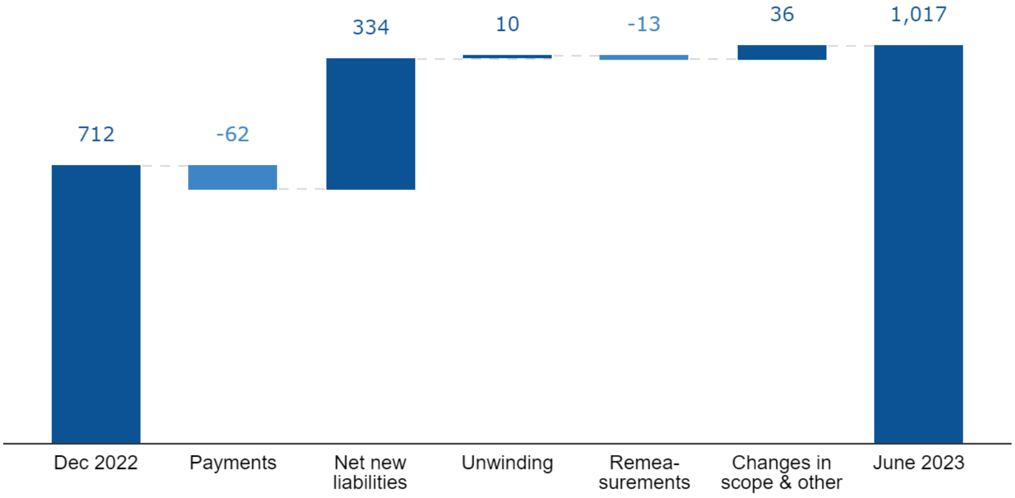
Underlying, (in € million)



[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.

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	Remea- surements	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 Novecare 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

(in € million)	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%***
Novecare	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***	**-**
Materials	*34.3%*	*31.1%*	*3.2pp*	-
Consumer and Resources	*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%**
of which China	464	614	-24.4%
of which Japan	185	166	11.4%
of which South Korea	122	125	-2.4%
North America	**1,191**	**1,228**	**-3.0%**
of which United States	1,138	1,166	-2.4%
Europe	**948**	**899**	**5.5%**
of which Germany	254	240	5.8%
of which Italy	139	143	-2.8%
of which France	124	124	0.0%
of which other European Union	277	234	18.4%
of which other Europe (incl. UK)	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%
of which Aerospace	*513*	*427*	*20.1%*
of which Automotive	*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.

(in € million)	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.

(in € million)		H1 2023	H1 2022
Cash flow from operating activities	a	657	415
of which voluntary pension contributions	*b*	*0*	*0*
of which cash flow 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 IBA 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 and non-consolidated companies	*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*
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

(in € million)		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)

(in € million)		H1 2023	H1 2022
Acquisition (-) of tangible assets	a	-292	-158
of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow	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 *(in € million)*		H1 2023 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 Combined	Adjustments	As of June 30, 2023 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. SeeNote 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	IFRS	
(in € million)	**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

(in € million)	IFRS H1 2023	IFRS 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	IFRS	
(in € million)	**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**
of which cash flow related to internal portfolio management and excluded from Free Cash Flow	*-3*	*-4*
Acquisition (-) of subsidiaries	-2	0
Acquisition (-) of investments - Other	-7	0
Loans to associates and non-consolidated companies	-3	0
of which with remaining Solvay Group	*-3*	*0*
Loans repayments from associates and non-consolidated companies	150	104
of which with remaining Solvay Group	*150*	*104*
Sale (+) of subsidiaries and investments	5	14
Acquisition (-) of tangible and intangible assets [2]	-328	-194
of which property, plant and equipment	*-292*	*-158*
of which capital expenditures associated with the partial demerger and excluded from Free Cash Flow	*-51*	0
of which intangible assets	*-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
of which from related parties	*365*	*151*
Repayment of borrowings	-1,499	-42
of which to related parties	*-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.

Combined statement of financial position

(in € million)	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.

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 CO_2 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. Novecare, 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**
Materials	*2,117*	*1,927*
Consumer & Resources	*1,508*	*1,919*
Corporate & Business Services	*3*	*3*
Underlying EBITDA	**906**	**926**
Materials	*727*	*599*
Consumer & Resources	*258*	*426*
Corporate & Business Services	*-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.

eur million	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, 2023	December 31, 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 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.

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Independent auditor's report on the review of the Condensed Interim Combined Financial Statements of Specialty Co[1] 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 the 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 CO_2 hedges not accounted for as Cash Flow Hedge, deferred in adjustments until the maturity of the economic hedge
- Tax effects related to the items listed above and tax expense or income of prior years

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.

yoy: Year on year comparison.