

Solvac: First interim gross dividend 2022 at €3.35, an increase of 2,8%

1. The cash revenue¹, driven by dividends from the investment in Solvay amounts to €132.1 million compared to €125.6 million in 2022, and is higher compared to last year thanks to the increase of the unit dividend of Solvay, as indicated in the table below:

	1 st Half 2022	1 st Half 2023
<i>Solvay dividend per share – January (in €)</i>	1.50	1.54
<i>Number of Solvay shares held by Solvac (in million)</i>	32.6	32.6
Solvay dividend received in January (in million €) (a)	48.9	50.2
<i>Solvay dividend per share – May (in €)</i>	2.35	2.51
<i>Number of Solvay shares held by Solvac (in million)</i>	32.6	32.6
Solvay dividend received in May (in million €) (b)	76.7	81.9
Cash revenue (a) + (b)¹ (in million €)	125.6	132.1
Operating expenses (in million €)	-1.1	-1.2
Other operating expenses (in million €) ²	0.0	-0.4
Cost of borrowing (in million €)	-1.5	-1.3
Cash income¹ (in million €)	123.1	129.2

Solvac holds 30.81% in Solvay as of the end of June 2023, unchanged compared to December 31st, 2022. Insofar the company's statutory accounts authorize, it is on the basis of cash income, after covering expenses, that the Board of Directors determines the amounts proposed for distribution by Solvac.

2. The Board of Directors has prepared the Solvac consolidated financial statements on June 30th, 2023. These accounts have been approved by the Board of Directors on August 3rd, 2023. These accounts have been submitted to the Statutory Auditor. They are presented according to IFRS standards as adopted in the European Union.

Consolidated income statement

€ million	1 st Half 2022	1 st Half 2023
<i>Income from investments accounted for under the equity method</i>	327.8	138.9
<i>Operating expenses</i>	-1.1	-1.2
<i>Other operating expense²</i>	0.0	-0.4
<i>Cost of borrowings</i>	-1.4	-1.3
Net income	325.3	136.0
Net income and diluted earnings per share (€)³	15.2	6.4

¹ Solvac uses certain non-IFRS performance indicators that are defined here:

- Cash revenue refers to income received during the period. It is defined as the cash flow obtained by the payment of dividends received from Solvay.
- Cash income means the cash revenue reduced by the interest charges and other income and expenses (financial/operational). It is on the basis of this indicator that the Board of Directors determines the amounts proposed for distribution by Solvac. See detail of calculation in note 8, page 10 of current press release.

² The expenses for the studies and the analysis of the separation project prepared by Solvay ; these expenses mainly consist of external services delivered by financial and juridical advisors.

³ The net income per share and the net diluted income per share are identical. The average weighted number of shares used for the calculation per share was 21,375,033 in June 2023 and in 2022

On June 30th, 2023 Solvac recorded a net consolidated income of €136.0 million (namely, €6.4 per share) versus €325.3 million (namely, €15.2 per share) in the same period in 2022, as a result of the evolution in the equity method applied to Solvay's results, based on IFRS.

It should be noted that the underlying profit for the period attributed to Solvay shareholders increased by 5.6%, from €839 million to €886 million

3. The Board of Directors reports the figures of the statutory accounts relating to Solvac SA (Belgian GAAP) for the 1st half of 2023:

€ million	1 st Half 2022	1 st Half 2023
Financial result	75.2	80.6
Operating result	-1.0	-1.2
Non-recurrent result	0.0	-0.4
Profit before tax	74.2	79.0
Profit after tax	74.2	79.0

The net income after tax is €79.0 million, up by 6.4% compared to the result at the 1st half 2022 (€74.2 million) due to the increase of the unit dividend obtained from Solvay.

4. In accordance with the dividend distribution policy of the company, the Board of Directors decided to set the first interim dividend at 60% of the total dividend of the previous year, being €3.35 gross. This amount is increased by 2.8% compared to the first interim dividend of 2022.

The net amount of the first interim dividend settles at €2.345, after deduction of a withholding tax of 30%⁽¹⁾. This first interim dividend will be paid on August 24, 2023 and will lead to a gross distribution of €71,6 million. The Solvac shares will trade ex-dividend on Euronext Brussels, from Friday August 11, 2023 and transactions must be notified to us on Wednesday August 16, 2023 at the latest. Any transaction not registered on this date must be recovered (purchase) or returned (sale) by the financial intermediary who executed the transaction.

The second interim dividend which will be decided by the Board, will be released on December 14, 2023 and will be paid on December 29, 2023.

With an unchanged dividend policy, Solvay's interim dividend which would be decided in November should increase following the increase of €0.20 gross per share in Solvay's total ex-22 dividend.

In line with its policy of distributing substantially all of Solvay's dividends after deducting its costs and financial charges, the Board of Directors is expected to decide in December to increase the total dividend for the 2023 financial year to €5.81 gross per share. Such a distribution would result in a cash outflow in 2023 of €124.2 million.

The second interim payment should therefore amount to €2.46 gross per share, i.e. €1.722 net per share (after deduction of the withholding tax of 30%).

(1) To our non-resident shareholders, Belgium has entered into international tax treaties with a certain number of foreign countries, which generally limit the burden of this withholding tax to 15% or even 10% (<https://www.solvac.be/actualites/communications-de-dividende/>). The first part of the form 276 DIV-AUT, duly completed, stamped by the foreign service of taxation on which the applicant depends and signed must arrive at Solvac on September 3, 2023.

5. Remarks

Content

This press release contains regulated information and is prepared in accordance with the IAS 34 standard "Interim Financial Statements". The analysis of risk management is presented in the annual report, available on the Internet (www.solvac.be). There are no changes in the identification of risks on June 30th 2023 compared to December 31st, 2022.

Solvac Shares

	December 2022	June 2023
Number of shares outstanding at end of period	21,375,033	21,375,033
Average number of shares for calculating results per share according to IFRS	21,375,033	21,375,033
Average number of shares for calculating diluted results per share according to IFRS	21,375,033	21,375,033

6. Statement of the accountable persons

Mr Jean Marie Solvay, Chairman of the Board of Directors, and Mr Melchior de Vogüé, member of the Board of Directors declare that to their knowledge:

- a. the condensed financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, of the financial position and the results of the issuer and the business included in the consolidation;
- b. the interim report includes a faithful statement on the development of the business, the results and the situation of the issuer and the business included in the consolidation, as well as a description of the main risks and uncertainties they face.
- c. The main risks and uncertainties are in accordance with the assessment disclosed in the Risk Management section of the Solvac 2022 Annual Report, taking into account the current economic and financial environment.

Key financial reporting dates

- d. August 24th, 2023: Payment of the first interim dividend for the 2023 financial year
- e. December 14th, 2023: after 5:40 pm Press Release "Second interim dividend"
- f. December 29th, 2023: Payment of the second interim dividend for the 2023 financial year.

For more information, please contact:

SOLVAC S.A.

Investor Relations

Rue des Champs Elysées, 43 - 1050 Brussels

Tel.: 32/2/639 66 30

Fax: 32/2/639 66 31

Email: investor.relations@solvac.be

Solvac is a public limited company under the Belgian law founded in 1983 and listed on Euronext Brussels under the ISIN code BE0003545531 (**SOLV**). Its assets exclusively consist of a stake of more than 30 % in the capital of Solvay SA. Its titles are exclusively nominative. They may be freely held by natural persons, or subject to the approval of the Board of Directors, by legal persons or assimilated to the conditions set out in its accreditation policy. As of June 30th, 2023 its market capitalization was €2.4 billion.

Dit persbericht is ook in het Nederlands beschikbaar - Ce communiqué de presse est également disponible en français

Solvac – Condensed Half Year Financial Statements IFRS

Condensed Consolidated Statement of Financial Position

€ million	Notes	December 31 st , 2022	June 30 th , 2023
ASSETS			
Tangible fixed assets		0	0
Non-current assets : investment accounted for under the equity method	2	3,676	3,718
Goodwill		343	343
Participation accounted for under the equity method excluding goodwill		3,333	3,375
Current assets : short-term receivables		50	1
Cash and cash equivalents	3	1	68
Total assets		3,727	3,787
EQUITY AND LIABILITIES			
Equity	4	3,511	3,632
Capital		192	192
Reserves		3,319	3,440
Non-current liabilities : long term financial debt	5	150	150
Current liabilities		66	5
Short-term financial debt	5	48	0
Tax liabilities		14	0
Other current liabilities	6	4	5
Total equity and liabilities		3,727	3,787

Condensed Consolidated Income Statement

€ million	Notes	1 st Half 2022	1 st Half 2023
Income from investment accounted for under the equity method	2	327,8	138,9
Operating expenses		-1,1	-1,2
Other operating expenses ²		0	-0,4
Cost of borrowings	5	-1,4	-1,3
Net income		325,3	136,0
Net income and diluted income per share (€)¹		15.2	6.4

¹ The net income per share and the net diluted income per share are identical. The average weighted number of shares used for the calculation per share is 21,375,033 in June 2023 and June 2022.

² Specific for the PO2 project

Condensed Consolidated Statement of Total Comprehensive Income

<i>€ million</i>	<i>1st Half 2022</i>	<i>1st Half 2023</i>
Net income (a)	325	136
Other elements of comprehensive income ¹		
Recyclable components		
Gains and losses on hedging instruments in a cash-flow hedge	53	-19
Currency translation differences (activities abroad)	228	21
Non-recyclable components		
Fair value adjustments	-3	0
Remeasurement of the net defined benefit liability	76	-3
Income tax relating to recyclable and non-recyclable elements		
Income tax relating to components of other comprehensive income.	-37	3
Other elements of comprehensive income net of related tax effects (b)	317	2
Comprehensive income (a) + (b)	642	138

¹ Other elements of the comprehensive income come from the statement of changes in equity of Solvay S.A. More information is available in the latter's press release.

Condensed Consolidated Statement of Changes in Equity

<i>€ million</i>	<i>Capital</i>	<i>Share premiums</i>	<i>Coupon of Perpetual Hybrid Bond</i>	<i>Retained earnings</i>	<i>Other Reserves¹</i>	<i>Total equity</i>
Carrying amount as of 12/31/2021	192	568	543	1,946	-323	2,926
Net income for the first half				325		325
Other elements of comprehensive income					317	317
<i>Comprehensive income</i>				325	317	642
Coupon of Perpetual Hybrid bond				-17		-17
Changes in scope and other				-14		-14
Carrying amount as of 06/30/2022	192	568	543	2,240	-6	3,537
Net income for the second half				269		269
Other elements of comprehensive income					-177	-177
<i>Comprehensive income</i>				269	-177	92
Dividends				-119		-119
Coupon of Perpetual Hybrid bond				17		17
Changes in scope and other				-16		-16
Carrying amount as of 12/31/2022	192	568	543	2,391	-183	3,511
Net income for the first half				136		136
Other elements of comprehensive income					2	2
<i>Comprehensive income</i>				136	2	138
Coupon of Perpetual Hybrid bond				-17		-17
Changes in scope and other				0		0
Carrying amount as of 06/30/2023	192	568	543	2,510	-181	3,632

¹ Other reserves include: Translation differences, fair value, defined benefit pension plans, gains and losses on hedging instruments in a cash flow hedge, translation differences related to foreign operations, profit and losses on equity instruments measured at fair value through other comprehensive income.

More information about the changes related to Solvay are available in Solvay's press release issued August 3rd, 2023.

Condensed Consolidated Statement of Cash Flows

<i>€ million</i>	<i>1st Half of 2022</i>	<i>1st Half of 2023</i>
Net income	325	136
Interests Expenses	1	2
(Profit)/Loss of the participation equity	(327)	(139)
Change in working capital	1	1
Dividends received from Solvay ¹	126	132
Cash flows from operational activities (a)	126	131
Acquisition of Solvay securities	0	0
Sale of Solvay securities	0	0
Cash flows from investment activities (b)	0	0
Acquisition of Own Shares	0	0
New Borrowings	0	0
Refund of borrowings	-50	-48
Interest paid	-2	-1
Changes in taxes linked to dividends paid	-14	-14
Cash flows from financing activities (c)	-66	-63
Net change in cash (a) + (b) + (c)	60	68
Cash and cash equivalent at opening	0	0
Cash and cash equivalent at closing	60	68

¹ For H1 2023, dividends received (in cash) refer to the sum of the first interim dividend received from Solvay in January 2023, but recognized as a receivable in the 2022 accounts (€ million 50.2) and the second interim dividend received from Solvay in May 2023, for an amount of € million 81.9.
For H1 2022, dividends received (in cash) refer to the sum of the first interim dividend received from Solvay in January 2022, but recognized as a receivable in the 2021 financial statements (€ million 48.9) and the second interim dividend received from Solvay in May 2022, for an amount of € million 76.7.

Notes to the consolidated financial statements

1. Conformity Declaration and Accounting Principles

The condensed consolidated financial statements have been prepared in conformity with the IAS 34 *Interim Financial Statements* as adopted by the European Union.

These condensed consolidated financial statements were authorized for issue by the Board of Directors on August 3rd, 2023.

No modification has been brought to the accounting principles as compared to those utilized for the setup of the latest consolidated accounts set at December 31st, 2022, at the exception of the following standards applicable for the annual period open as from January 1st, 2023 and detailed as below :

Standards applicable for the annual period beginning on January 1st, 2023

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after January 1st, 2023)

There is no significant impact on Solvac financial statements following the application of those new standards as at January 1st, 2023.

Standards and interpretations published, but not yet applicable for the annual period beginning on January 1st, 2023:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

The impact of future application of these standards and interpretations on the financial statements of Solvay Group is set out in detail in its half-year report. Their application at the level of Solvac should not have any significant impact on the consolidated financial statements.

The revenues perceived as dividends are generally higher in the first semester of the financial year than in the second semester.

There are no significant events after the half-year closing.

2. Participation accounted for using the equity method

Solvac holds a participation of 31.35 % in Solvay SA (after deduction of the own shares held by Solvay).

The equity value of the investment amounts to €3,718 million (including €343 million of goodwill and €3,375 million of value excluding goodwill). Valued at the stock market price of June 30, 2023 (€102.30), it amounts to €3,337 million.

On the closing date, Solvac considered, in accordance with IFRS, that there was an indication of impairment on its stake in Solvay given that the share price on the closing date (€102.3 per share) was lower than the value of the participation in the consolidated accounts (€113.97 per share). Solvay has closed its accounts as of June 30, 2023 in accordance with IFRS standards, and these accounts have been subject to a limited review by the statutory auditor. On this basis Solvac considers that all necessary impairment losses have been recognized in Solvay's accounts. Solvac is not aware of any other elements that would lead it to recognize an impairment at its level. Based on these elements, Solvac concluded that there was no need to recognize any impairment on its stake in Solvay. Solvay's closing stock price on July 31, 2023 was €109.10 per share.

The changes in equity method, goodwill excepted, are as follows:

€ million	31/12/2022	1 st Half 2023
Value at January 1st	2,751	3,333
Acquisitions of Solvay shares	0	0
Retained Earnings	599	139
Distribution	-127	-82
Currency Translation	96	21
Revaluation Reserve (Fair Value) and Defined Benefit pension plans	44	-20
Changes in perimeter and others	-30	1
Perpetual Hybrid Bond	0	-17
Value at December 31st / June 30th	3,333	3,375

For the first half of 2023, the Solvac share in the net result of the Solvay Group, excluding non – controlling participations, amounts to €139 million (2022 : €599 million and first half of 2022 : €327 million).

3. Cash and Cash equivalents

As the interest rates at the financial markets have become positive, Solvac has decided to place the majority of the dividend received in May 2023 in a term account, for a period of 3 months (from May 22nd 2023 until August 21st, 2023).

4. Equity

At the end of June 2023 the equity amounts to €3,632 million and includes the direct imputations and the own capital (other elements of the comprehensive income). The latter is mainly derived from the currency translations, the fair value adjustments of financial instruments from Solvay and the defined benefit pension plans.

5. Long and short term borrowings

At the end of June 2023, the non – current liabilities (€150 million) are stable compared to end 2022.

At June 30th 2023, the structural long term financial debt is still composed as follows:

- A loan of €50 million at an interest rate of 2.75% - maturing in 2025
- A loan of €50 million at an interest rate of 1.47% - maturing in 2027
- A loan of €50 million at an interest rate of 1.16% - maturing in 2029

The short term borrowings for an amount of €48 million at December 31, 2022 have been reimbursed during the first half of 2023.

6. Other short term liabilities

It mainly concerns the interests paid, the debts to suppliers and the residual amounts to pay back to the shareholders.

7. Fair Value of financial instruments valued at their amortised cost

At the Statement of Financial Position of Solvac on June 30th, 2023 the fair value of its financial instruments does not represent a significant difference with the bookvalue.

Reconciliation between the cash revenue and the consolidated income statement for the first semesters 2023 and 2022

€ million	1 st Half 2022	1 st Half 2023
Cash Income	125,6	132,1
Operational Costs	-1,1	-1,2
Other operational costs ¹	0	-0,4
Finance Costs	-1,4	-1,3
Cash Result	123,1	129,2
Minus the Solvay dividends paid in January 2022 and 2023, accounted for in the net result of 2021 et 2022, respectively	-48,9	-50,2
Cancelation of Solvay dividends, retrenched in consolidation	-76,7	-82,0
Share of the Solvay net result in the semester	327,8	138,9
Solvac Net Income - consolidated accounts	325,3	136,0

¹ Specific for the PO2 project

9. Others - Solvay Power of 2

Solvac has become aware of Solvay's plan to separate into two independent listed companies. In its press release of March 15, 2022 Solvac expressed its full support for this project.

For information: 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 day, S&P Global Ratings Europe Limited and Moody's Deutschland GmbH assigned SpecialtyCo a preliminary rating consistent with a strong Investment Grade rating (BBB+ and Baa1, respectively) and announced Solvay's (EssentialCo) expected Investment Grade rating to the resulting from the partial demerger operation (respectively BBB- and Baa3). On June 30, 2023, Solvay released an Information Statement for EssentialCo and a Registration Document for SpecialtyCo, which provide additional information, including historical financial information, about each company. For more information on EssentialCo and SpecialtyCo, please visit Solvay's website page dedicated to the separation project (www.solvay.com/en/investors/creating-two-strong-industry-leaders).