SYENSQO

Financial Report

First Half 2024

Regulated information

Published on August 1, 2024 at 7:00 a.m. CEST

Content

Forenote

In addition to IFRS accounts, Syensqo also presents alternative performance indicators ("underlying") to provide a more consistent and comparable indication of the Group's underlying financial performance and financial position, as well as cash flows. These indicators provide a balanced view of the Group's operations and are considered useful to investors, analysts and credit rating agencies as these measures provide relevant information on the Group's past or future performance, financial position or cash flows. These indicators are generally used in the sector it operates in and therefore serve as a useful aid for investors to compare the Group's performance with its peers. The underlying performance indicators adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds, classified as equity under IFRS but treated as debt in the underlying statements, for impairments and for other elements that would distort the analysis of the Group's underlying performance. The comments on the results made on pages 3 to 9 are on an underlying basis, unless otherwise stated.

UNDERLYING BUSINESS REVIEW

Underlying (€ million)	Q2 2024	Q2 2023	Q1 2024	YoY change	YoY organic	QoQ change	H1 2024	H1 2023	YoY change	YoY organic
Net sales	**1,708**	1,815	1,624	-5.9%	-5.1%	5.2%	3,332	3,628	-8.1%	-6.7%
Gross profit	**582**	635	583	-8.3%	-	-0.2%	1,165	1,298	-10.2%	-
Gross profit margin	**34.1%**	35.0%	35.9%	-90 bps	-	-180 bps	35.0%	35.8%	-80 bps	-
EBITDA	**378**	433	363	-12.8%	-10.9%	4.1%	740	906	-18.3%	-15.8%
EBITDA margin	**22.1%**	23.8%	22.3%	-170 bps	-	-20 bps	22.2%	25.0%	-280 bps	-
Operating cash flow	**43**	245	244	-82.3%	-	n.m.	287	657	-56.3%	-
Op. cash flow excl. €167mn payment to NJDEP	***210***	*245*	*244*	*-14.1%*	-	*n.m.*	*454*	*657*	*-30.9%*	-
Free cash flow	**-120**	13	157	n.m.	-	n.m.	37	267	-86.2%	-
FCF excl. €167mn payment to NJDEP	***47***	*13*	*157*	*n.m.*	-	*n.m.*	*204*	*267*	*-23.7%*	-
Cash conversion (LTM)	**77%**	80%	89%	-310 bps	-	n.m.	77%	80%	-310 bps	-
Cash conv. (LTM) excl. €167mn payment to NJDEP	***88%***	*80%*	*89%*	*800 bps*	-	*-70 bps*	*88%*	*80%*	*800 bps*	-
ROCE (LTM)	**8.8%**	13.1%	9.6%	-430 bps	-	-80 bps	8.8%	13.1%	-430 bps	-

Highlights

- **Net sales** of €1.7 billion increased by 5% sequentially driven by growth in both the Materials and Consumer & Resources segments. On a year-on-year basis, net sales decreased by 5% organically versus Q2 2023, driven by lower prices (5%), most notably in Consumer & Resources and Specialty Polymers. Volumes were flat year-on-year reflecting continued improvement in momentum compared to Q1 2024, most notably in Novecare; strong performance in Composite Materials with 14% year-on-year net sales growth;
- **Underlying EBITDA** of €378 million increased by 4% sequentially;
- **EBITDA margin** of 22.1% was approximately flat sequentially, including net pricing impact of €-24 million in the quarter;
- **Underlying net profit** of €159 million;
- Excluding the previously announced €167 million payment to the New Jersey Department of Environmental Protection (NJDEP), **Operating cash flow** was €210 million and **Free cash flow** was €47 million, with **cash conversion** of 88%;
- **Balance sheet: net debt** of €1.9 billion, in line with expectations, included €154 million in dividend payments, €167 million related to the settlement with NJDEP and €90 million liability recognition related to the share repurchase program; **leverage ratio** of 1.3x;
- Decision to rephase investment timeline for **North American battery materials** by up to two years, aligned with industry demand.

Dr. Ilham Kadri, CEO

"We delivered on our outlook for the second quarter, thanks in particular to improved year-on-year volume momentum, most notably in Novecare, as well as discipline on pricing and control of our costs. We also saw another quarter of double digit growth in Composite Materials and continued to generate robust cash flow.

While we expect to return to year-on-year volume growth in the second half of 2024, we see a slower recovery in certain end markets, as well as ongoing macroeconomic uncertainty. Nevertheless, we remain relentlessly focused on what is within our control, bringing solutions that our customers need, tightly managing our costs and capital expenditure to further improve our operating leverage and returns, which will allow Syensqo to deliver growth and value creation as markets improve."

Register to the webcast scheduled at 14:00 CEST - Financial report - Financial calendar

2024 Outlook

While our second quarter 2024 results benefited from improved volume momentum, we do not expect a broader recovery in overall demand in the second half of the year that would support the higher end of our previous outlook ranges.

More specifically, we now expect a slower recovery in a number of end markets impacted by ongoing macroeconomic uncertainty, most notably Automotive, Agro, Industrial and Medical while we expect continued strong growth in the Aerospace and Defence markets.

For the second half of 2024, we expect to return to year-on-year volume growth, driven by higher volumes in all business units, particularly in Novecare.

As a result, our full year 2024 outlook is now as follows:

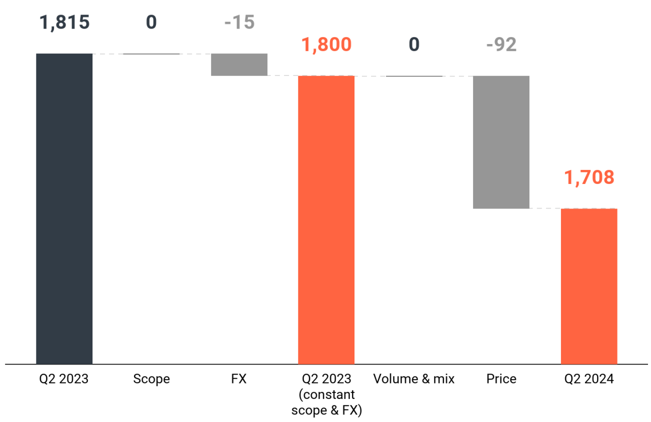
- **Underlying EBITDA** to be in the range of €1.4 billion - €1.475 billion;
- **Capital expenditures** to be in the range of €600 - €650 million;
- **Free Cash Flow** to be in the range of €400 - €450 million, excluding the previously announced €167 million payment to the New Jersey Department of Environmental Protection, which was made in April 2024.

Financial Review

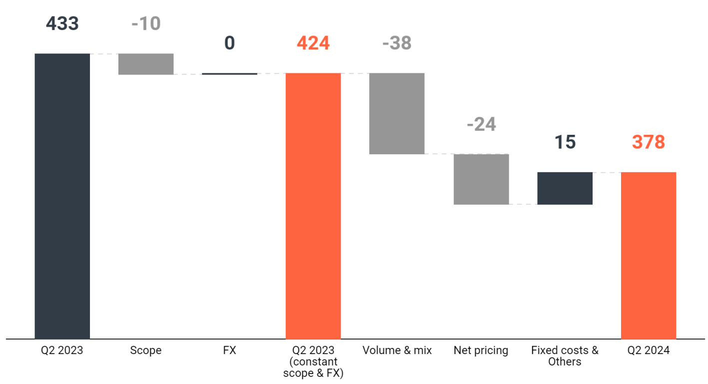
Summary Income Statement

Underlying (€ million)	Q2 2024	Q2 2023	Q1 2024	YoY change	QoQ change	H1 2024	H1 2023	YoY change
Net sales	**1,708**	1,815	1,624	-5.9%	5.2%	**3,332**	3,628	-8.1%
Gross profit	**582**	635	583	-8.3%	-0.2%	**1,165**	1,298	-10.2%
Gross profit margin	**34.1%**	35.0%	35.9%	-90 bps	-180 bps	**35.0%**	35.8%	-80 bps
EBITDA	**378**	433	363	-12.8%	4.1%	**740**	906	-18.3%
EBITDA margin	**22.1%**	23.8%	22.3%	-170 bps	-20 bps	**22.2%**	25.0%	-280 bps
EBIT	**250**	320	252	-22.0%	-0.7%	**501**	677	-25.9%
Net financial charges	**-43**	-33	-35	33.2%	22.2%	**-79**	-67	17.0%
Income tax expenses	**-49**	-75	-60	-34.8%	-18.2%	**-109**	-138	-21.1%
Profit / (loss) attributable to Syensqo shareholders	**159**	212	156	-24.9%	2.3%	**315**	470	-33.0%
Basic EPS	**1.51**	2.00	1.48	-24.5%	2.0%	**2.99**	4.44	-32.6%

Net sales bridge (€ million)



Underlying EBITDA bridge (€ million)



Net sales of €1,708 million in the second quarter of 2024 declined by 6% on a reported basis, or 5% organically, versus the second quarter of 2023. The year-on-year decline in net sales was driven by lower pricing, particularly in the Consumer & Resources segment and Specialty Polymers. Volumes were flat versus the prior year quarter as growth in the Consumer & Resources Segment and Composite Materials were offset by lower volumes in Specialty Polymers.

On a sequential basis, net sales increased by 5% on a reported basis, versus the first quarter of 2024, primarily driven by higher sales in all business units, most notably Technology Solutions, Specialty Polymers and Composite Materials.

Gross profit of €582 million in the second quarter of 2024 declined by 8% on a reported basis, versus the second quarter of 2023, primarily driven by lower Materials gross profit, partially offset by higher Consumer & Resources gross profit.

On a year-on-year basis, gross margin of 34.1% decreased by approximately 90 basis points. This was primarily driven by lower Materials gross margin and a lower mix of Materials gross profit, partially offset by higher Consumer & Resources gross margin.

Underlying EBITDA of €378 million in the second quarter of 2024 declined by 13% on a reported basis, or 11% organically, versus the second quarter of 2023, driven by an unfavorable mix and, as expected, lower net pricing. In addition, the year-on-year underlying EBITDA performance was negatively impacted by approximately €10 million of dissynergies related to the partial demerger from Solvay.

On a sequential basis, underlying EBITDA in the second quarter of 2024 increased by 4% on a reported basis, versus the first quarter of 2024. This was primarily driven by higher underlying EBITDA in the Consumer & Resources segment and lower Corporate & Business services expenses, partially offset by lower underlying EBITDA in the Materials segment.

Underlying EBITDA margin of 22.1% in the second quarter of 2024 decreased by approximately 170 basis points versus the second quarter of 2023, driven by lower Materials underlying EBITDA margin and a lower mix of Materials underlying EBITDA, partially offset by higher Consumer & Resources underlying EBITDA margin.

On a sequential basis, underlying EBITDA margin was approximately unchanged, driven by higher margin in the Consumer & Resources segment, offset by lower margin in the Materials segment as well as a lower mix of Materials underlying EBITDA.

Summary of Cash Flow and Net Debt

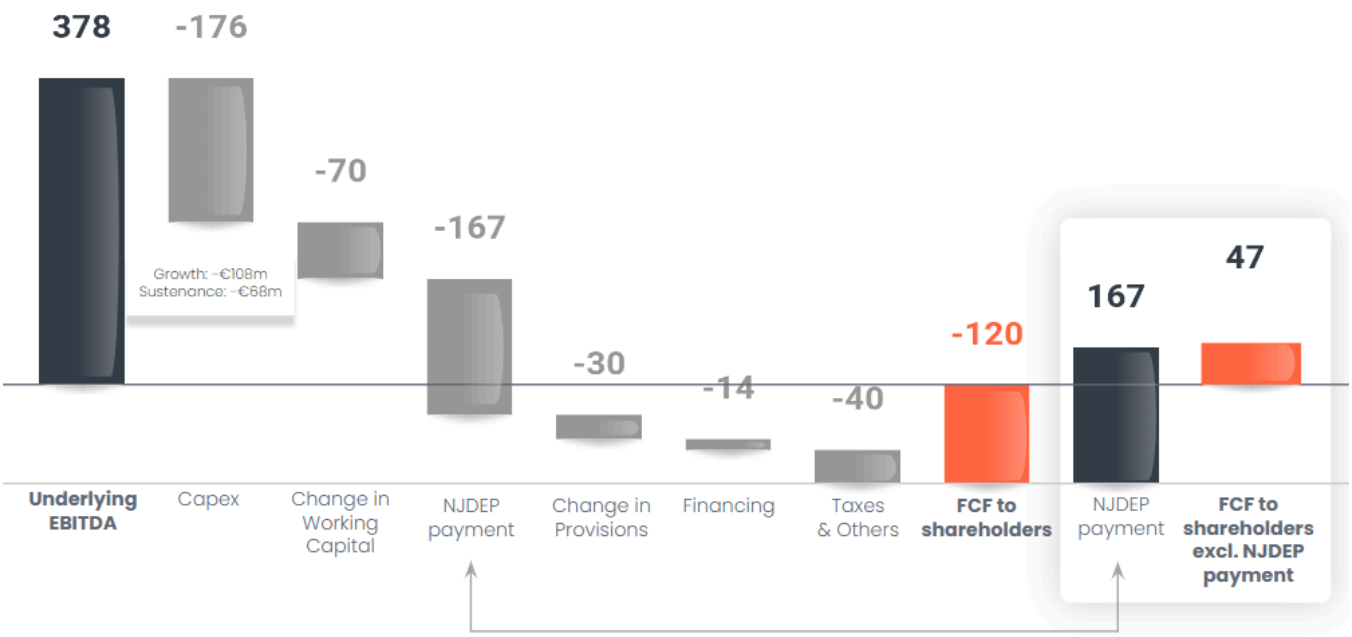
Cash flow from operating activities amounted to €43 million in the second quarter of 2024. Excluding the previously disclosed payment of €167 million to the New Jersey Department of Environmental Protection (NJDEP), cash flow from operating activities amounted to €210 million in the second quarter of 2024. This included a €52 million cash outflow from movements in working capital and €67 million of income tax payments.

Cash conversion defined as (underlying EBITDA +/- changes in working capital - Sustenance Capital Expenditure) / (underlying EBITDA) totaled 77% on a rolling 12-month basis, or 88%, excluding the payment to the NJDEP.

Free cash flow to shareholders was an outflow of €120 million in the second quarter of 2024. Excluding the €167 million related to the previously disclosed payment to the NJDEP, free cash flow to shareholders amounted to €47 million. This included €176 million of capital expenditures, comprising €68 million of sustenance capital expenditure and €108 million of growth capital expenditure.

Including a €14 million cash outflow from interest payments and €154 million related to the dividend payment during the second quarter of 2024, **cash and cash equivalents** totaled €793 million at the end of the second quarter of 2024.

Free cash flow bridge (€ million)



Underlying net financial debt amounted to €1,903 million at the end of the second quarter of 2024, versus €1,584 million at the end of 2023, resulting in a leverage ratio of 1.3x and a gearing ratio of 21%. The increase in underlying net financial debt was primarily driven by the €167 million payment to the New Jersey Department of Environmental Protection and the dividend payment of €154 million, as well as a €90 million liability recognition related to the structured share buyback announced in June 2024.

Underlying (€ million)	Q2 2024	End of 2023	*Change*
Gross debt	**2,789**	2,813	-0.9%
Net debt	**1,903**	1,584	20.1%
Leverage ratio	**1.3x**	1.0x	-
Gearing ratio	**21.2%**	18.2%	300 bps

Provisions decreased by €161 million in Q2 2024 to €915 million, primarily due to the reclassification of the settlement with NJDEP (€167 million) at the end of March as other current liabilities, following the Court approval on March 1, 2024 and then subsequently paid in April 2024.

(in € millions)	31 Dec 2023	Payments	Net new provisions	Unwinding of provisions	Asset return	Remeasure ments	Changes in scope & other	30 Jun 2024	YoY change
Employee benefits	**-373**	19	-15	-49	14	25	0	**-380**	-7
Environment	**-500**	36	-12	-19	0	1	167	**-328**	172
Restructuring and other provisions	**-202**	17	-29	0	0	-2	10	**-206**	-4
Total	**-1076**	**72**	**-57**	**-68**	**14**	**24**	**177**	**-915**	161

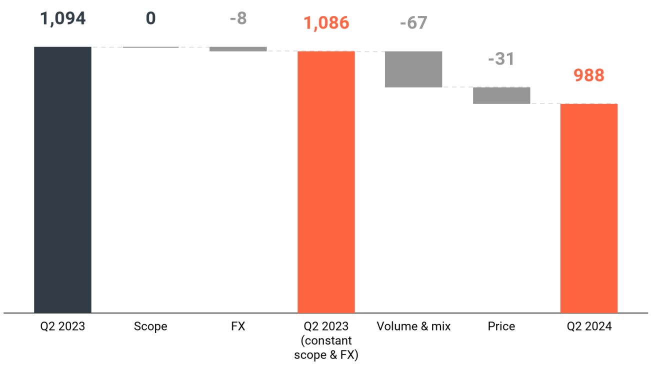
Performance by segments

Materials (58% of Group net sales, 71% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q2 2024	Q2 2023	Q1 2024	YoY change	YoY organic	QoQ change	H1 2024	H1 2023	YoY change	YoY organic
Net sales	**988**	1,094	940	-9.7%	-9.0%	5.1%	**1,928**	2,117	-8.9%	-7.6%
Specialty Polymers	**679**	823	652	-17.6%	-16.5%	4.0%	**1,331**	1,597	-16.6%	-15.0%
Composite Materials	**309**	271	288	14.3%	13.3%	7.4%	**597**	520	14.9%	14.7%
EBITDA	**303**	365	311	-17.1%	-17.3%	-2.8%	**614**	727	-15.5%	-15.3%
EBITDA margin	**30.6%**	33.3%	33.1%	-270 bps	-	-250 bps	**31.8%**	34.3%	-250 bps	-

Materials net sales bridge (€ million)



Net sales of €988 million in the second quarter of 2024 declined by 10% on a reported basis, or 9% organically, versus the second quarter of 2023. On a reported basis, the 9% year-on-year decline was primarily driven by the combination of lower volumes and pricing in Specialty Polymers. This was partially offset by strong net sales growth in Composite Materials, primarily driven by higher volumes and pricing.

On a sequential basis, Materials net sales increased by 5% versus the first quarter of 2024 on a reported basis, driven by higher net sales in both Specialty Polymers and Composite Materials.

Specialty Polymers net sales of €679 million in the second quarter of 2024 declined by 18% on a reported basis, or 17% organically, versus the second quarter of 2023 driven by lower volumes and to a lesser extent, lower prices. Lower year-on-year volumes were primarily driven by the Industrial, Resources & Environment and Healthcare end markets, as well as sales through distributors. Lower year-on-year prices were primarily driven by the Automotive, Food Packaging and Construction end markets.

Composite Materials net sales of €309 million in the second quarter of 2024 increased by 14% on a reported basis, or 13% organically, versus the second quarter of 2023, driven by volume growth and higher prices. The strong year-on-year increase in net sales was driven by sustained growth in both commercial aircraft as well as space and defense applications.

Underlying segment EBITDA of €303 million in the second quarter of 2024 declined by 17% on both a reported and organic basis versus the second quarter of 2023 due to lower underlying EBITDA in Specialty Polymers, primarily driven by lower volumes, unfavorable mix and lower net pricing. This was partially offset by higher underlying EBITDA in Composite Materials, driven by positive net pricing and higher volumes.

At a Materials segment level, net pricing was approximately flat, with positive net pricing in Composite Materials offset by the expected reduction in net pricing in Specialty Polymers.

On a sequential basis, underlying segment EBITDA declined by 3% on a reported basis versus the first quarter of 2024. This was driven by lower underlying EBITDA in Composite Materials.

Underlying EBITDA margin of 30.6% in the second quarter of 2024 decreased by approximately 270 basis points versus the second quarter of 2023. The lower underlying EBITDA margin was driven by lower margin in Materials, as well as an unfavorable sales mix given the stronger year-on-year growth in Composite Materials relative to Specialty Polymers. This was partially offset by strong year-on-year margin improvement in Composite Materials.

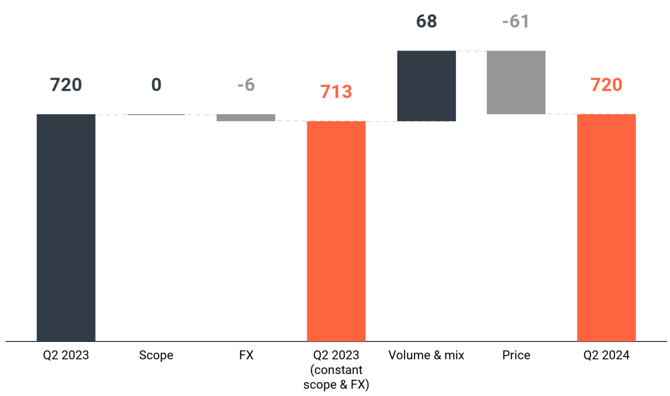
On a sequential basis, underlying EBITDA margin decreased by approximately 250 basis points versus the first quarter of 2024, driven by lower margin in Composite Materials and, to a lesser extent, in Specialty Polymers.

Consumer & Resources (42% of Group net sales, 29% of Group underlying EBITDA*)

* Excluding the contribution of Corporate & Business Services

Underlying (€ million)	Q2 2024	Q2 2023	Q1 2024	YoY change	YoY organic	QoQ change	H1 2024	H1 2023	YoY change	YoY organic
Net sales	**720**	720	684	0.1%	0.9%	5.3%	**1,404**	1,508	-6.9%	-5.3%
Novecare	**350**	338	348	3.5%	4.0%	0.6%	**698**	724	-3.6%	-2.6%
Technology Solutions	**182**	176	153	3.7%	5.0%	18.9%	**336**	357	-6.1%	-4.8%
Aroma Performance	**83**	89	82	-6.3%	-5.6%	2.1%	**165**	188	-12.2%	-10.6%
Oil & Gas	**105**	117	101	-10.6%	-9.1%	3.4%	**206**	238	-13.7%	-10.4%
EBITDA	**125**	107	106	17.1%	19.3%	17.9%	**231**	258	-10.4%	-7.5%
EBITDA margin	**17.4%**	14.8%	15.5%	250 bps	-	190 bps	**16.5%**	17.1%	-60 bps	-

Consumer & Resources net sales bridge (€ million)



Net sales of €720 million in the first quarter of 2024 was flat on a reported basis, but increased 1% organically versus the second quarter of 2023. On a reported basis, the flat year-on-year performance was primarily driven by higher volumes in all business units, most notably in Novecare, offset by lower pricing, most notably in Novecare and Aroma Performance.

On a sequential basis, Consumer & Resources net sales increased by 5% versus the first quarter of 2024 on a reported basis, primarily driven by higher net sales in Technology Solutions.

Novecare net sales of €350 million in the second quarter of 2024 increased by 4% on both a reported and organic basis versus the second quarter of 2023, driven by higher volumes in all major markets, most notably in the Agro, Construction and Consumer markets, partially offset by lower pricing, most notably in Agro.

Technology Solutions net sales of €182 million in the second quarter of 2024 increased by 4% on a reported basis, or 5% organically, versus the second quarter of 2023 driven by higher volumes from polymer additives and mining solutions.

Aroma Performance net sales of €83 million in the second quarter of 2024 declined by 6% on both a reported and organic basis, versus the second quarter of 2023, as higher volumes in the food, flavor & fragrance markets were offset by lower pricing. On a sequential basis, net sales increased by 2% versus the first quarter of 2024.

Oil & Gas net sales of €105 million in the second quarter of 2024 declined by 11% on a reported basis, or 9% organically, versus the second quarter of 2023, driven by lower drilling activity in the United States, lower natural gas demand as well as higher competitive pressure.

Underlying segment EBITDA of €125 million in the second quarter of 2024 increased by 17% on a reported basis, or 19% organically, versus the second quarter of 2023. This was primarily driven by higher underlying EBITDA in Aroma Performance and Technology Solutions.

On a sequential basis, underlying segment EBITDA increased by 18% versus the first quarter of 2024 on a reported basis. This was primarily due to higher underlying EBITDA in Technology Solutions, most notably in mining solutions, as well as in Aroma Performance, which benefited from restructuring measures and actions taken to support the financial performance of the business.

Underlying EBITDA margin of 17.4% increased by approximately 250 basis points versus the second quarter of 2023, primarily due to higher margin in Technology Solutions and, to a lesser extent, Aroma Performance.

On a sequential basis, underlying EBITDA margin increased by approximately 190 basis points, driven by higher margins in most business units, most notably in Technology Solutions and, to a lesser extent, Aroma Performance.

Corporate & Business Services

Underlying (€ million)	Q2 2024	Q2 2023	Q1 2024	YoY change	YoY organic	QoQ change	H1 2024	H1 2023	YoY change	YoY organic
Net sales	**0**	2	0	n.m.	n.m.	n.m.	**0**	4	n.m.	n.m.
EBITDA	**-50**	-39	-54	27.6%	-6.6%	-8.1%	**-105**	-79	32.6%	-10.2%

Corporate and Business services reported a cost of €50 million to Syensqo's EBITDA in the second quarter of 2024, a year-on-year increase of €11 million versus the second quarter of 2023, primarily driven by planned dissynergies related to the partial demerger as well as higher spend on growth platforms.

Key IFRS figures

	IFRS			Underlying			
(€ million)	Q2 2024	Q2 2023	% YoY	Q2 2024	Q2 2023	% YoY	YoY organic
Net sales	**1,708**	1,815	-5.9%	**1,708**	1,815	-5.9%	-5.1%
EBITDA	**336**	155	116.8%	**378**	433	-12.8%	-10.9%
EBITDA margin	**19.7%**	8.5%	n.m.	**22.1%**	23.8%	-170 bps	-
EBIT	**174**	9	n.m.	**250**	320	-22.0%	-
Net financial charges	**-43**	-32	35.0%	**-43**	-33	33.2%	-
Income tax expenses	**-104**	38	n.m.	**-49**	-75	-34.8%	-
Profit / (loss) attributable to Syensqo shareholders	**29**	15	91.3%	**159**	212	-24.9%	-
Basic EPS (in €)	**0.28**	0.14	92.5%	**1.51**	2.00	-24.4%	-

	IFRS			Underlying			
(€ million)	H1 2024	H1 2023	% YoY	H1 2024	H1 2023	% YoY	YoY organic
Net sales	**3,332**	3,628	-8.1%	**3,332**	3,628	-8.1%	-6.7%
EBITDA	**653**	692	-5.7%	**740**	906	-18.3%	-15.8%
EBITDA margin	**19.6%**	19.1%	50 bps	**22.2%**	25.0%	-280 bps	-
EBIT	**347**	395	-12.3%	**501**	677	-25.9%	-
Net financial charges	**-65**	-66	-1.6%	**-79**	-67	17.0%	-
Income tax expenses	**-154**	-28	n.m.	**-109**	-138	-21.2%	-
Profit / (loss) attributable to Syensqo shareholders	**129**	300	-57.1%	**315**	470	-33.0%	-
Basic EPS (in €)	**1.22**	2.83	-56.8%	**2.99**	4.44	-32.6%	-

SUPPLEMENTARY INFORMATION

Reconciliation of alternative performance metrics

Syensqo measures its financial performance using alternative performance metrics, which can be found below. Syensqo 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 tax rate

(in € million)		H1 2024	H1 2023
Profit / (loss) for the period before taxes	a	423	610
Earnings from associates & joint ventures	b	10	10
Income taxes	c	-109	-138
Underlying tax rate	d = -c/(a-b)	**26.4%**	**23.0%**

Free cash flow (FCF)

(in € million)		Q2 2024	Q2 2023	H1 2024	H1 2023
Cash flow from operating activities	a	43	245	287	657
of which cash flow related to the Partial Demerger and portfolio management and excluded from Free Cash flow	b	-18	-2	-63	-3
Cash flow from investing activities	c	-168	234	-267	73
of which change in internal bank accounts with remaining Solvay Group	d	0	268	0	258
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	e	-6	-51	-6	-51
Acquisition (-) of subsidiaries	f	-3	0	-3	-2
Acquisition (-) of investments - Other	g	-1	-2	-2	-7
Loans to associates and non-consolidated companies and related parties	h	0	158	0	147
Sale (+) of subsidiaries and investments	i	3	6	3	5
Corporate costs after taxes	j		-13		-26
Payment of lease liabilities	k	-15	-15	-28	-28
Free cash flow (FCF)	l = a-b+c-d-e-f-g-h-i+j+k	-115	73	63	329
Net interests received/(paid)	m	-14	-61	-22	-62
Coupons paid on perpetual hybrid bonds	n	0	0	-13	0
Capital injections paid / received to / from non-controlling interests	o	9	0	9	0
FCF to Syensqo shareholders	**p = l+m+n+o**	**-120**	**12**	**37**	**267**
FCF to Syensqo shareholders from continuing operations (LTM)	**q**	**218**	**734**	**218**	**734**
Dividends paid to non-controlling interests from continuing operations (LTM)	r	-8	-6	-8	-6
Underlying EBITDA (LTM)	s	1,452	1,843	1,452	1,843
FCF conversion ratio (LTM)	t = (q-r)/s	15.6%	40.2%	15.6%	40.2%

Net working capital

		2024	2023
(in € million)		June 30	December 31
Inventories	a	1,287	1,244
Trade receivables	b	1,040	907
Other current receivables	c	363	385
Trade payables	d	-1,043	-918
Other current liabilities	e	-370	-417
Net working capital	f = a+b+c+d+e	**1,278**	**1,201**
Quarterly total sales	g	1,774	1,601
Annualized quarterly total sales	h = 4*g	7,098	6,404
Net working capital / quarterly total sales	i = f / h	18.0%	18.8%

Capital expenditure (capex) and Cash conversion

(in € million)		Q2 2024	Q2 2023	H1 2024	H1 2023
Acquisition (-) of tangible assets	a	-140	-177	-218	-292
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	b	-6	-51	-6	-51
Acquisition (-) of intangible assets	c	-26	-19	-54	-36
Payment of lease liabilities	d	-15	-15	-28	-28
Capex	e = a-b+c+d	**-176**	**-161**	**-294**	**-305**
Capex (LTM)		-838	-728	-838	-728
of which sustenance capital expenditure (LTM)	f	-337	-319	-337	-319
of which growth capital expenditure (LTM)		-501	-409	-501	-409
Change in Working Capital (LTM)	g	0	-49	0	-49
Underlying EBITDA (LTM)	h	1,452	1,843	1,452	1,843
Cash conversion (LTM)	**i = (f+g+h)/h**	**77%**	**80%**	**77%**	**80%**
Cash conversion (LTM) excl. €167mn payment to NJDEP	**j = (f + g + h + 167) / h**	**88%**	**80%**	**88%**	**80%**

Net financial debt

(in € million)		2024 June 30	2023 December 31
Non-current financial debt	a	-1,793	-2,159
Current financial debt	b	-495	-154
IFRS gross debt	c = a+b	-2,289	-2,313
Underlying gross debt	d = c+h	-2,789	-2,813
Other financial instruments (current + non-current)	e	93	78
Cash & cash equivalents	f	793	1,150
Total cash and cash equivalents	g = e+f	886	1,228
IFRS net debt	i = c+g	**-1,403**	**-1,084**
Perpetual hybrid bonds	h	-500	-500
Underlying net debt	j = i+h	**-1,903**	**-1,584**
Underlying EBITDA (LTM)	k	1,452	1,618
Underlying leverage ratio	l = -j/k	**1.3**	**1.0**

ROCE

(in € million)		H1 2024 As calculated	H1 2023 As calculated
EBIT (LTM)	a	958	1,353
Accounting impact from Novation of energy hedges and amortization & depreciation of purchase price allocation (PPA) from acquisitions	b	-134	-140
Numerator	**c = a+b**	**824**	**1,213**
WC industrial	d	1,376	1,428
WC Other	e	-102	-178
Property, plant and equipment	f	3,380	3,099
Intangible assets	g	1,714	1,838
Right-of-use assets	h	196	202
Investments in associates & joint ventures	i	204	207
Other investments	j	10	4
Goodwill	k	2,624	2,652
Denominator	**l = d+e+f+g+h+i+j+k**	**9,401**	**9,253**
ROCE	**m = c/l**	**8.8%**	**13.1%**

Reconciliation of underlying income statement indicators

In addition to IFRS accounts, Syensqo also presents underlying Income Statement performance indicators to provide a more consistent and comparable indication of Syensqo's economic performance. These figures adjust IFRS figures for the non-cash Purchase Price Allocation (PPA) accounting impacts related to acquisitions, for the coupons of perpetual hybrid bonds classified as equity under IFRS but treated as debt in the underlying statements, and for other elements to generate a measure that avoids distortion and facilitates the appreciation of performance and comparability of results over time.

Consolidated income statement Q2	Q2 2024			Q2 2023		
(in € million)	IFRS	Adjustments	Underlying	IFRS	Adjustments	Underlying
Sales	**1,774**	**-**	**1,774**	**1,893**	**0**	**1,893**
of which revenues from non-core activities	66	-	66	78	-	78
of which net sales	1,708	-	1,708	1,815	-	1,815
Cost of goods sold	-1,192	-	-1,192	-1,259	-	-1,259
Gross profit	**582**	**-**	**582**	**635**	**-**	635
Commercial costs	-80	-	-80	-80	-	-80
Administrative costs	-183	0	-183	-132	-17	-149
Research & development costs	-80	-	-80	-84	-	-84
Other operating gains & losses	-29	34	4	-40	33	-7
Earnings from associates & joint ventures	6	-	6	5	-	5
Result from portfolio management & major restructuring	-32	32	0	-27	27	0
Result from legacy remediation & major litigations	-10	10	0	-268	268	0
EBITDA	**336**	**42**	**378**	**155**	**278**	**433**
Depreciation, amortization & impairments	-161	34	-128	-146	33	-112
EBIT	**174**	**76**	**250**	**9**	**311**	**320**
Net cost of borrowings	-28	3	-25	-27	-	-27
Coupons on perpetual hybrid bonds	0	-3	-3	0	-	0
Cost of discounting provisions	-12	-2	-14	-5	0	-5
Result from equity instruments measured at fair value	-2	2	0	1	-1	0
Profit / (loss) for the period before taxes	**131**	**75**	**207**	**-22**	**310**	**288**
Income taxes	-104	55	-49	38	-113	-75
Profit / (loss) for the period	**28**	**130**	**158**	**16**	**197**	**213**
attributable to Syensqo share	29	130	159	15	197	212
attributable to non-controlling interests	-2	0	-2	1	0	1
Basic earnings per share (in €)	0.28	1.24	1.51	0.14	1.86	2.00
Diluted earnings per share (in €)	0.27	1.23	1.50	0.14	1.86	2.00

EBITDA on an IFRS basis totaled €336 million, versus €378 million on an underlying basis. The difference of €42 million is explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €32 million to adjust for the *"Result from portfolio management and major restructuring"* (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the restructuring of the Aroma Performance GBU and separation costs primarily related to information technology, following the demerger from Solvay
- €10 million to adjust for the *"Result from legacy remediation and major litigations"*, mainly due to adjustment for Legacy remediation and litigations related to accruals to environmental provisions and legal expenses.

EBIT on an IFRS basis totaled €174 million, versus €250 million on an underlying basis. The difference of €76 million is explained by the above-mentioned €42 million adjustments at the EBITDA level and €34 million of *"Depreciation, amortization & impairments"*. The latter consist of the non-cash impact of purchase price allocation (PPA), related to amortization charges on intangible assets, which are adjusted in "*Other operating gains & losses*".

Net financial charges on an IFRS and underlying basis were €-43 million. The adjustments made to IFRS net financial charges mainly consists of:

- €-3 million for the reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results,
- €-2 million related to the impact of increasing discount rates on environmental provisions
- €3 million related to the remeasurement of the Long term incentive plans for which the beneficiaries will receive Solvay shares
- €2 million related to the exclusion of the results from investment at fair value through P&L.

Income taxes on an IFRS basis were €-104 million, versus €-49 million on an underlying basis. The €-55 million adjustment mainly relates to valuation allowances on deferred taxes on losses and deferred taxes on unremitted earnings.

Profit / (loss) attributable to Syensqo shareholders was €29 million on an IFRS basis and €159 million on an underlying basis. The delta of €130 million reflects the above-mentioned adjustments to EBIT, net financial charges and income taxes.

H1 consolidated income statement

(in € million)	H1 2024 IFRS	H1 2024 Adjustments	H1 2024 Underlying	H1 2023 IFRS	H1 2023 Adjustments	H1 2023 Underlying
Sales	**3,496**	**-**	**3,496**	**3,791**	**0**	**3,791**
of which revenues from non-core activities	163	-	163	163	-	163
of which net sales	3,332	-	3,332	3,628	-	3,628
Cost of goods sold	-2,331	-	-2,331	-2,493	-	-2,493
Gross profit	**1,165**	**-**	**1,165**	**1,298**	**-**	**1,298**
Commercial costs	-154	-	-154	-142	-	-142
Administrative costs	-345	0	-344	-264	-35	-299
Research & development costs	-160	-	-160	-171	-	-171
Other operating gains & losses	-99	82	-16	-85	67	-18
Earnings from associates & joint ventures	10	-	10	10	-	10
Result from portfolio management & major restructuring	-46	46	0	-56	56	0
Result from legacy remediation & major litigations	-26	26	0	-194	194	0
EBITDA	**653**	**87**	**740**	**692**	**214**	**906**
Depreciation, amortization & impairments	-306	67	-239	-297	67	-230
EBIT	**347**	**155**	**501**	**395**	**281**	**677**
Net cost of borrowings	-49	2	-47	-57	-	-57
Coupons on perpetual hybrid bonds	0	-6	-6	0	-	0
Cost of discounting provisions	-12	-14	-26	-10	0	-10
Result from equity instruments measured at fair value	-4	4	0	2	-2	0
Profit / (loss) for the period before taxes	**282**	**141**	**423**	**330**	**280**	**610**
Income taxes	-154	46	-109	-28	-110	-138
Profit / (loss) for the period	**128**	**186**	**314**	**302**	**170**	**472**
attributable to Syensqo share	129	186	315	300	170	470
attributable to non-controlling interests	-1	0	-1	2	0	2
Basic earnings per share (in €)	1.22	1.77	2.99	2.83	1.61	4.44
Diluted earnings per share (in €)	1.21	1.76	2.97	2.83	1.61	4.44

EBITDA on an IFRS basis totaled €653 million, versus €740 million on an underlying basis. The difference of €87 million is explained by the following adjustments to IFRS results, which are done to improve the comparability of underlying results:

- €46 million to adjust for the "*Result from portfolio management and major restructuring*" (excluding depreciation, amortization and impairment elements), mainly including costs incurred for the restructuring of the Aroma Performance GBU and separation costs primarily related to information technology after the demerger from Solvay
- €26 million to adjust for the "*Result from legacy remediation and major litigations*", mainly due to adjustment for Legacy remediation and litigations related to accruals to environmental provisions and legal expenses
- €15 million to exclude net losses related to energy hedges, to reflect the related economic hedge (after the gain from novation recorded in 2023), included in *Other operating gains & losses*.

EBIT on an IFRS basis totaled €347 million, versus €501 million on an underlying basis. The difference of €155 million is explained by the above-mentioned €87 million adjustments at the EBITDA level and €67 million of "*Depreciation, amortization & impairments*". The latter consists of €67 million to adjust for the non-cash impact of purchase price allocation (PPA), related to amortization charges on intangible assets, which are adjusted in "*Other operating gains & losses*".

Net financial charges on an IFRS basis were €-65 million versus €-79 million on an underlying basis. The adjustments made to IFRS net financial charges mainly consists of:

- €-6 million for the reclassification of coupons on perpetual hybrid bonds, which are treated as dividends under IFRS, and as financial charges in underlying results,
- €-14 million related to the impact of increasing discount rates on environmental provisions
- €2 million related to the remeasurement of the Long term incentive plans for which the beneficiaries will receive Solvay share
- €4 million relate to the exclusion of the results from investments at fair value through P&L

Income taxes on an IFRS basis were €-154 million, versus €-109 million on an underlying basis. The €46 million adjustment mainly relates to valuation allowances on deferred taxes on losses and deferred taxes on unremitted earnings.

Profit / (loss) attributable to Syensqo shareholders was €129 million on an IFRS basis and €315 million on an underlying basis. The delta of €186 million reflects the above-mentioned adjustments to EBIT, net financial charges and income taxes.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS [1]

Consolidated income statement (in € million)	IFRS Q2 2024	Q2 2023	H1 2024	H1 2023
Sales	**1,774**	**1,893**	**3,496**	**3,791**
of which revenues from non-core activities	66	78	163	163
of which net sales [2]	1,708	1,815	3,332	3,628
Cost of goods sold	-1,192	-1,259	-2,331	-2,493
Gross profit	**582**	**635**	**1,165**	**1,298**
Commercial costs	-80	-80	-154	-142
Administrative costs	-183	-132	-345	-264
Research & development costs	-80	-84	-160	-171
Other operating gains & losses [3]	-29	-40	-99	-85
Earnings from associates & joint ventures	6	5	10	10
Result from portfolio management & major restructuring [4]	-32	-27	-46	-56
Result from legacy remediation & major litigations [5]	-10	-268	-26	-194
EBIT	**174**	**9**	**347**	**395**
Cost of borrowings [6]	-29	-44	-59	-94
Interest on loans & short term deposits [6]	7	24	14	44
Other gains & losses on net indebtedness	-5	-7	-3	-7
Cost of discounting provisions	-12	-5	-12	-10
Result from equity instruments measured at fair value	-2	1	-4	2
Profit / (loss) for the period before taxes	**131**	**-22**	**282**	**330**
Income taxes [7]	-104	38	-154	-28
Profit / (loss) for the period	**28**	**16**	**128**	**302**
attributable to Syensqo share	29	15	129	300
attributable to non-controlling interests	-2	1	-1	2
Weighted average of number of outstanding shares, basic [8]	105,218,808	105,876,417	105,221,210	105,876,417
Weighted average of number of outstanding shares, diluted [8]	106,034,581	105,876,417	105,895,337	105,876,417
Basic earnings per share (in €)	0.28	0.14	1.22	2.83
Diluted earnings per share (in €)	0.27	0.14	1.22	2.83

Consolidated statement of comprehensive income (in € million)	IFRS Q2 2024	Q2 2023	H1 2024	H1 2023
Profit / (loss) for the period	**28**	**16**	**128**	**302**
Gains and losses on hedging instruments in a cash flow hedge	29	-8	36	-6
Currency translation differences from subsidiaries & joint operations [9]	30	-26	109	-103
Share of other comprehensive income of associates and joint ventures	1	1	4	-1
Recyclable components	60	-33	149	-110
Gains and losses on equity instruments measured at fair value through other comprehensive income	1	-	0	-
Remeasurement of the net defined benefit liability [10]	-24	-3	-29	10
Non-recyclable components	-23	-3	-29	10
Income tax relating to recyclable and non-recyclable components	-12	-6	-17	-3
Other comprehensive income/(loss), net of related tax effects	**25**	**-43**	**104**	**-104**
Total comprehensive income/(loss)	**53**	**-27**	**231**	**198**
attributable to Syensqo share	54	-27	232	197
attributable to non-controlling interests	-1	-	0	1

[1] Unaudited. H1 2024 and H1 2023 are subject to a limited review by the auditors.
[2] As more detailed in the Business review, Net sales of €1.7 billion in Q2 2024 increased by 5% sequentially, driven by growth in both the Materials and Consumer & Resources segments. On a year-on-year basis, net sales decreased by 5% organically versus Q2 2023, driven by lower prices, most notably in Consumer & Resources and Specialty Polymers.
[3] Other operating gains and losses in H1 2024 includes €15 million net losses related to energy hedges, "excluded from Underlying EBITDA" to reflect the related economic hedge (after the gain from novation recorded in FY 2023 prior to the Partial Demerger).
[4] The Result from portfolio management & major restructuring in Q2 2024 mainly relate to separation costs incurred in the context of the Group's information systems as well as other costs related to the Partial Demerger, whereas the Q2 2023 costs mainly relate to the restructuring provisions that were recognized as a consequence of the preparation for the Partial Demerger.

[5] The Q2 and H1 2024 Result from legacy remediation & major litigations mainly relates to the periodic updates of the Group's environmental liabilities. In Q2 2023, the Group increased its environmental provisions by €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 Syensqo's claims of environmental breaches by Edison. The remaining amount for Q2 and H1 2023 mainly relates to the periodic updates of the Group's environmental liabilities.
[6] The cost of borrowings and interests on loan & short term deposits in each of the reporting periods presented is not comparable due to the capital structure in the Q2 and H1 2023 combined financial statements being different from the capital structure after the completion of the Partial Demerger.
[7] The change in income taxes in Q2 and H1 2024 compared to Q2 and H1 2023 is mainly due to the recognition, in 2024, of valuation allowances on deferred taxes on losses and unremitted earnings. The Q2 and H1 2023 income taxes include the deferred taxes recognised for the increase in the PFAS provision.
[8] During the prior reporting period presented, Syensqo was not constituted as a Group under a unique holding company and therefore its shares were not publicly traded. For the purposes of disclosing a comparative earnings per share figure and in compliance with IAS 33 Earnings per share, management has based the calculation for both basic and diluted earnings per share on the number of shares in issue at the date of the Partial Demerger (105,876,417).
[9] The Q2 and H1 2024 currency translation differences are mainly due to the strengthening of the USD against the EUR. 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.
[10] The remeasurement of the net defined benefit liability is mainly related to an update in demographic assumptions (mainly in the UK) during Q2 2024. In the prior year, this remeasurement was done in Q3 2023 rather than Q2 2023.

Consolidated statement of cash flows

	IFRS			
(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Profit / (loss) for the period	28	16	128	302
Adjustments to profit / (loss) for the period	316	425	570	719
Depreciation, amortization & impairments	162	146	306	297
Earnings from associates & joint ventures	-6	-5	-10	-10
Additions & reversals of provisions [1]	7	289	57	334
Other non-operating and non-cash items	7	2	-2	5
Net financial charges	43	31	65	66
Income tax expenses	104	-39	154	28
Changes in working capital [2]	-219	-54	-259	-152
Uses of provisions	-35	-36	-82	-62
Dividends received from associates & joint ventures	20	2	20	2
Income taxes paid (excluding income taxes paid on sale of investments)	-67	-107	-89	-152
Cash flow from operating activities	**43**	**245**	**287**	**657**
of which cash flow related to the Partial Demerger and portfolio management and excluded from Free Cash flow [3]	-18	-2	-63	-3
Acquisition (-) of subsidiaries	-3	0	-3	-2
Acquisition (-) of investments - Other	-1	-2	-2	-7
Loans to associates and non-consolidated companies and related parties	0	8	0	-3
of which with remaining Solvay Group	0	8		-3
Loans repayments from associates and non-consolidated companies and related parties	0	150		150
of which with remaining Solvay Group [4]	0	150		150
Sale (+) of subsidiaries and investments	3	6	3	5
Acquisition (-) of tangible and intangible assets	-166	-197	-272	-328
of which property, plant and equipment [5]	-140	-178	-218	-292
of which capital expenditures required for the partial demerger and excluded from Free Cash Flow	-6	-51	-6	-51
of which intangible assets	-26	-19	-54	-36
Sale (+) of property, plant and equipment and intangible assets	0	0	7	0
Change in Internal Bank Accounts with remaining Solvay Group [6]	0	268		258
Cash flow from investing activities	**-168**	**234**	**-267**	**73**
Acquisition (-) / sale (+) of treasury shares	-6	0	-7	
Increase in borrowings [7]	1,256	277	1,256	378
of which Solvay Group	0	273		365
Repayment of borrowings [8]	-1,386	-160	-1,403	-1,499
of which Solvay Group	0	-157		-1,478
Changes in other financial assets	-20	12	-14	7
Payment of lease liabilities	-15	-15	-28	-28
Net interests received/(paid) [9]	-14	-61	-22	-62
Coupons paid on perpetual hybrid bonds	0	0	-13	
Dividends to Syensqo shareholders	-154		-154	
Dividends paid to Solvay Group [6]		-436		-436
Dividends received from Solvay Group [6]	0	246		1,274
Other transactions with Solvay Group [6]	0	-275		-279
Capital injection / reimbursements from non-controlling interests	9	0	9	
Other	0	-2	0	-7
Cash flow from financing activities	**-331**	**-413**	**-377**	**-651**
Net change in cash and cash equivalents	**-455**	**66**	**-357**	**79**
Currency translation differences	**0**	**-12**	**-1**	**-16**
Opening cash balance	1,247	254	1,150	244
Closing cash balance	793	307	793	307

[1] Additions & reversals of provisions in Q2 and H1 2023 is mainly related to the €229 million increase in provisions as a result of the settlement reached with NJDEP resolving certain PFAS related claims in New Jersey, as well as €41 million related to the restructuring provision in the context of the separation plan.
[2] In Q2 and H1 2024, the changes in working capital includes the €167 million payment to the NJDEP. Refer to the Significant Events for further details.
[3] The Q2 and H1 2024 cash flow is mainly due to the payments of separation costs and taxes related to the Partial Demerger.
[4] The Loan repayments from associates and non-consolidated companies and related parties in the prior periods presented was due to the restructuring of the internal financing in preparation for the Partial Demerger.
[5] The acquisition of property, plant and equipment in H1 2024 includes €67 million related to the expansion of the PVDF site in Tavaux.
[6] Refer to note 5 Transactions with the Solvay Group.
[7] The increase in borrowings in Q2 and H1 2024 mainly relate to the issuance of senior bonds for a nominal amount of US$1.2 billion and the issuance of a commercial paper for €150 million. Increase in borrowings in Q2 and H1 2023 mainly relates to structured borrowings and loans with the remaining Solvay Group to finance the day to day operations of the Syensqo Group entities prior to the Partial Demerger and fully settled at the Partial Demerger.
[8] The Repayment of borrowings in Q2 and H1 2024 mainly relate to the repayment of the bridge loan facility (€1,355 million) set up by Syensqo at the end of 2023 in relation to the demerger from Solvay. The Q2 and H1 2023 Repayment of borrowings mainly relates to a transaction in the US, where an entity within the remaining Solvay Group paid a dividend to the Syensqo Group of US$1.1 billion and this reduced for the same amount the internal bank account liability that the Syensqo Group had with that entity belonging to the remaining Solvay Group. The remaining 2023 amounts mainly relate to the settlement of other liabilities with the remaining Solvay Group prior to the Partial Demerger.
[9] The Net interest received/(paid) includes the €7 million cash inflow due to the settlement of the Treasury Lock instruments. See note 4 for further details.

Consolidated statement of financial position	**2024**	**2023**
(in € million)	**June 30**	**December 31**
Intangible assets	1,661	1,659
Goodwill [1]	2,617	2,560
Property, plant and equipment	3,625	3,494
Right-of-use assets	197	188
Equity instruments measured at fair value	91	94
Investments in associates & joint ventures	201	207
Other investments	13	19
Deferred tax assets	539	661
Loans & other assets	165	196
Other financial instruments	30	30
Non-current assets	**9,141**	**9,108**
Inventories	1,287	1,244
Trade receivables	1,040	907
Income tax receivables	50	52
Dividends receivables	0	1
Other financial instruments	63	48
Other receivables	363	385
Cash & cash equivalents	793	1,150
Current assets	**3,596**	**3,786**
Total assets	**12,738**	**12,894**
Share capital	1,352	1,352
Share premiums	1,022	1,022
Other reserves	5,157	5,193
Non-controlling interests	50	42
Total equity	**7,582**	**7,608**
Provisions for employee benefits	380	373
Other provisions [2]	381	405
Deferred tax liabilities	393	428
Financial debt [3]	1,793	2,159
Other liabilities	78	76
Non-current liabilities	**3,026**	**3,442**
Other provisions [2]	154	297
Financial debt [3]	495	154
Trade payables	1,043	918
Income tax payables	53	58
Dividends payables	16	-
Other liabilities	370	417
Current liabilities	**2,131**	**1,844**
Total equity & liabilities	**12,738**	**12,894**

[1] The movement in goodwill is mainly due to foreign exchange fluctuations in 2024.
[2] On March 1, 2024, the settlement with NJDEP, memorialized in a Judicial Consent Order, obtained the court approval and became final and binding. As such, in Q1 2024, the settlement was reclassified from Other provisions to Other current liabilities before being paid in Q2 2024 when the Group made a cash payment of €167 million. As such, in H1 2024, Other provisions have decreased with the settlement amount. Refer to the Significant Events for further details.
[3] Refer to note 6 for further details.

Consolidated statement of changes in equity

(in € million)	Equity attributable to equity holders of the parent						Revaluation reserve (fair value)					
	Share capital	**Share premiums**	**Treasury shares**	**Perpetual hybrid bonds**	**Invested equity attributable to Syensqo / Retained earnings**	**Currency translation differences**	***Equity instruments measured at fair value***	***Cash flow hedges***	**Defined benefit pension plans**	**Total other reserves**	**Non-controlling interests**	**Total equity**
Balance on 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**		**-2**	**4**	**197**	**1**	**198**
Transactions with Solvay Group					1,132					1,132		1,132
Other	-	-	-	-	-	-	-	-	-		-	
Balance on June 30, 2023					**6,434**	**-234**	**4**	**1**	**48**	**6,252**	**23**	**6,275**
Balance on December 31, 2023	**1,352**	**1,022**	**-59**	**494**	**5,079**	**-302**	**8**	**-39**	**12**	**5,193**	**42**	**7,608**
Profit / (loss) for the period	-	-	-	-	129	-	-	-	-	129	-1	128
Items of other comprehensive income	-	-	-	-	-	113	-7	35	-37	103	0	104
Comprehensive income	**-**	**-**	**-**	**-**	**129**	**113**	**-7**	**35**	**-37**	**232**	**0**	**231**
Capital Injection from non-controlling interests	-									-	9	9
Cost of share-based payment plans	-	-	-	-	10	-	-	-	-	10	-	10
Dividends [2]	-	-	-	-	-170	-	-	-	-	-170		-170
Coupons of perpetual hybrid bonds	-	-	-	-	-13	-	-	-	-	-13	-	-13
Sale (acquisition) of treasury shares [1]	-	-	-97	-		-	-	-	-	-97	-	-97
Other	-	-	-	-	3	-	-	-	-	3		3
Balance on June 30, 2024	**1,352**	**1,022**	**-156**	**494**	**5,037**	**-189**	**0**	**-4**	**-25**	**5,157**	**50**	**7,582**

[1] In June 2024, Syensqo repurchased 90,000 Syensqo shares for €8 million in the framework of the Share Buyback Program. The Share Buyback Program will continue until December 20, 2024 for an additional amount of up to €90 million. The Group has recognized a short-term financial liability of €90 million at June 30, 2024 for this Share Buyback Program with a corresponding debit to Treasury Shares. Refer to the General information and significant events for further details.
[2] In compliance with the Belgian tax law, Syensqo SA has withheld an amount corresponding to the tax on the dividends, (at 30% or at a reduced rate in application of the applicable tax treaties), paid to the shareholders usually benefitting from an exemption of withholding tax (under article 264/1 of the Belgian Income Tax Code, Article 106 §5 or Article 106 §6 of the Royal Decree implementing the Income Tax Code). The amount will be provisionally retained, not paid to the Belgian Treasury and released by Syensqo SA once the one-year detention will be reached.

Prior to the Partial Demerger, Syensqo did not constitute a group with a parent company in accordance with IFRS 10 Consolidated Financial Statements. Therefore, share capital, share premium, treasury shares and retained earnings for the year ended December 31, 2022 and period ended June 30, 2023 were presented as Invested equity attributable to Syensqo.
Prior to the Partial Demerger, cumulated exchange differences in currency translation of foreign operations were measured at their carrying amount included in the Solvay Group's consolidated financial statements for Dedicated Entities and pro rata the net assets transferred to Syensqo for the Mixed Entities. The changes in equity that result from transactions deemed to be immediately settled through equity and as such treated as contributions from or distributions to shareholders are included in the line "Transactions with Solvay Group", in the statements of changes in equity. Those contributions from or distributions to shareholders relate to carve-out specific considerations, such as the allocation of costs for shared services, impact of tax results recalculated on separate tax return basis, restructuring charges and employee benefit charges and from the execution of the liability management program.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information and significant events

Syensqo is a public limited liability company governed by Belgian law and listed on Euronext Brussels and Euronext Paris. These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on July 31, 2024.

Environmental liabilities

On June 28, 2023, Solvay Specialty Polymers USA, LLC ("Solvay Specialty Polymers"), a subsidiary of Syensqo SA, and the New Jersey Department of Environmental Protection ("NJDEP") announced an agreement resolving certain PFAS related claims in New Jersey.

The agreement, which is not an admission of liability, was structured as a Judicial Consent Order and it was presented to the US Court for review and approval following a public comment period. The Court Approval was obtained on March 1, 2024 and became final and binding.

Under the terms of the agreement, Solvay Specialty Polymers agreed to 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 Group'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. As a result of this settlement, Solvay Specialty Polymers increased its current provision by around US$250 million (€229 million) in Q2 2023.

Following the approval of the Judicial Consent Order by the US Court, an amount of US$180 million was reclassified from "Other (current) provisions" to "Other (current) liabilities" as of March 31, 2024 and that amount was paid in April 2024 (in the Statement of Cash flow, it is included in the Changes in working capital for Q2 and H1 2024). The balance of the provision will be spent over a 30-year period and is included in Other non-current provisions.

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.

The Group submitted certain claims from its environmental liability insurance and received and recognized €32 million as a preliminary settlement of these insurance policy claims in February 2024. Other unrecognized insurance proceeds and recovery from third-party contributors are still under discussion.

Bond issuance

On June 4, 2024, the Group issued senior bonds for a nominal amount of US$1.2 billion across two tranches:

- US$600 million bond with a 5-year maturity and a 5.65% fixed coupon;
- US$600 million bond with a 10-year maturity and a 5.85% fixed coupon.

Proceeds from the bond issuance will be used for general corporate purposes, including the repayment of the bridge loan facility set up by Syensqo at the end of 2023 in relation to the demerger from Solvay. The bridge loan facility was repaid in June 2024.

The bonds are recognized as long-term financial liabilities and measured at amortized cost in accordance with IFRS 9 Financial Instruments.

Refer to Note 6 for further details.

Share buyback program

On June 25, 2024, the Group launched a Share Buyback Program. The repurchase of Syensqo shares under the Share Buyback Program intends to cover current and future obligations under Syensqo's current Long Term Incentive Plans for its employees and will be carried out under the terms and conditions of the authorization granted by the Extraordinary Shareholders' Meeting of Syensqo SA on December 8, 2023.

Under this program, Syensqo may acquire a maximum of 983,000 Syensqo shares. The Share Buyback Program commenced on June 25, 2024 and will run until December 20, 2024 at the latest. The Share Buyback Program may be suspended or discontinued at any time and any shares acquired under the Share Buyback Program will be held as treasury shares.

The timing of the share buybacks will depend on a variety of factors, including market conditions. Syensqo will provide regular updates on the progress of its share purchases, in accordance with applicable legislation.

During the period June 25, 2024 up to and including June 28, 2024, Syensqo repurchased 90,000 Syensqo shares for €8 million in the framework of the Share Buyback Program.

The remaining purchases will be executed by an independent financial intermediary under the terms of a discretionary mandate agreement by which it is committed to acquire the remaining 893,000 shares for an additional amount of up to €90 million. In accordance with the requirements of IFRS 9 Financial Instruments, the Group has recognized a short-term financial liability (Current financial debt) for the maximum amount of €90 million at June 30, 2024 for this Share Buyback Program.

U.S. Tax Matters Agreement

In connection with the Partial Demerger, Syensqo and Solvay entered into a U.S. Tax Matters Agreement (the "U.S. TMA") intended to (among other things) preserve the tax-free treatment of the Partial Demerger and of the separation of the U.S. Specialty Businesses and the U.S. Essential Businesses (the "U.S. Spin-Off") for U.S. federal income tax purposes.

Under the U.S. TMA, Syensqo and Solvay are prohibited from taking actions that are reasonably expected to cause the Partial Demerger or U.S. Spin-Off (or certain associated transactions) to fail to qualify for their intended U.S. tax treatment, or that could jeopardize the conclusions of, or that are inconsistent with, the IRS ruling or the tax opinion discussed above.

Additionally, the parties are generally prohibited (subject to certain exceptions in the U.S. TMA), for the two-year period following completion of the Partial Demerger, from engaging in certain acquisitions, mergers, liquidations, sales, and redemption transactions with respect to their respective stock and assets that could jeopardize the tax-free status of the Partial Demerger or the U.S. Spin-Off for U.S. federal income tax purposes.

Neither Solvay's nor Syensqo's obligations under the U.S. TMA are limited in amount or subject to any cap.

As of June 30, 2024, Syensqo was not aware of any breach or alleged breach by it of its obligations under the U.S. TMA, and had not received any notice from Solvay relating to a breach or alleged breach thereof.

2. Accounting policies

Syensqo has prepared its interim condensed consolidated financial statements on a quarterly basis, in accordance with IAS 34 Interim Financial Reporting using the same accounting policies as those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2023. They do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. The consolidated financial statements for 2023 were published in April 2024.

In 2023, prior to the Partial Demerger, a Legal Reorganization occurred by: (i) transferring assets, liabilities and activities from legal entities that previously undertook 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. The Legal Reorganization is a business combination under common control that is scoped out of IFRS 3 Business Combinations. In the absence of an IFRS standard specifically applicable to such a transaction, management elected to apply the pooling of interests method in the consolidated financial statements of Syensqo, based on the historical carrying values of the assets and liabilities of the combining entities. Syensqo SA is the continuing entity of the Reporting Entity reflected in the combined financial statements of SpecialtyCo.

The preparation of the figures for the Syensqo Group in 2023 prior to the Partial Demerger date and therefore the figures for the period ended on June 30, 2023, required management to apply accounting methods and policies that are based on judgments. The application of these judgments, including how the entities within the existing Solvay Group were combined, affected the reported amounts of assets and liabilities on June 30, 2023 as well as the reported amounts of income and expenses prior to the Partial Demerger date.

The critical accounting judgments and key sources of estimation uncertainty included in the 2023 consolidated financial statements remain applicable. Relevant updates on specific topics are included in these notes and should be read together with the 2023 consolidated financial statements.

Below are the standards, interpretations and amendments that became effective as of January 1, 2024 and which are relevant to the Group. An assessment was made and these amendments had no material impact on the Group's interim condensed consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers (IFRS 15) to be accounted for as a sale. The amendments had no material impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement;
• That a right to defer must exist at the end of the reporting period;
• That classification is unaffected by the likelihood that an entity will exercise its deferral right;
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no material impact on the Group's interim condensed consolidated financial statements.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, notably in Belgium where the ultimate parent entity is located. The legislation is effective for the Group's financial year beginning January 1, 2024.

Syensqo SA is closely monitoring the laws which the various jurisdictions are adopting following the Organization for Economic Co-operation and Development ('OECD') and EU-initiatives regarding the Pillar Two Global Minimum Tax of 15% and the potential impact thereof.

The Group has performed the Q2 2024 Transitional CbCR Safe Harbour (TCSH) calculations based on June 30, 2024 figures and the Pillar 2 entity classification, under the reasonable assumption that the Group will benefit from the CbCR qualification ('Qualified CbCR') for eligibility under the Pillar 2 Safe Harbour.

Based on our assessment, Chile, UAE and Luxembourg are the only jurisdictions that would fall out of scope for the TCSH. However, based on the full Pillar 2 calculation that was performed, the Top-Up Tax that would be due is immaterial.

The data for non-consolidated entities (including GloBE JVs) has not been captured in the analysis.

Based on the above, no Pillar 2 current tax provision has been recognized as at June 30, 2024 and the Group, to the best of its knowledge, does not anticipate any significant changes due to the phased implementation of Pillar 2 in various jurisdictions going forward.

The Group will continue to conduct tax technical analyses and further develop its tools and processes over the next few months and continue to involve, inform and educate key stakeholders, both internal and external.

3. Segment information

Syensqo is organized into three Reportable Segments:

- **Materials**, consisting of the GBUs Composite Materials and Specialty Polymers. The Materials segment offers a unique portfolio of high-performance polymers and composite technologies used primarily in sustainable mobility applications. Its solutions enable weight reduction and enhance performance while improving CO2 and energy efficiency. Major markets served include next-generation mobility in automotive and aerospace, healthcare and electronics.
- **Consumer & 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 Syensqo activities and new business development (NBD) and the Peroxides activities in the Zhenjiang entity.

Reconciliation of segment, underlying and IFRS data

(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Net sales	**1,708**	**1,815**	**3,332**	**3,628**
Materials	988	1,094	1,928	2,117
Consumer & Resources	720	720	1,404	1,508
Corporate & Business Services	0	1	0	3
Underlying EBITDA	**378**	**433**	**740**	**906**
Materials	303	365	614	727
Consumer & Resources	125	107	231	258
Corporate & Business Services	-50	-39	-105	-79
Underlying depreciation, amortization & impairments	-128	-112	-239	-230
Underlying EBIT	**250**	**320**	**501**	**677**
Accounting impact from Novation of energy hedges and amortization & depreciation of purchase price allocation (PPA) from acquisitions	-34	-33	-82	-67
Corporate costs allocation	-	18	-	35
Result from portfolio management & major restructuring	-32	-27	-46	-56
Result from legacy remediation & major litigations	-10	-268	-26	-194
EBIT	**174**	**9**	**347**	**395**
Net financial charges	-43	-31	-65	-66
Profit / (loss) for the period before taxes	**131**	**-22**	**282**	**330**
Income taxes	-104	38	-154	-28
Profit / (loss) for the period from continuing operations	**28**	**16**	**128**	**302**
Profit / (loss) for the period	**28**	**16**	**128**	**302**
attributable to non-controlling interests	2	-1	1	2
attributable to Syensqo share	**29**	**15**	**129**	**300**
Capex	**-176**	**-161**	**-294**	**-305**
Materials	-127	-110	-205	-206
Consumer & Resources	-32	-43	-56	-80
Corporate & Business Services	-17	-8	-33	-19

Working Capital by Segment	Inventory		Trade Receivables		Trade Payables	
(in € million)	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Materials	814	792	579	485	-471	-392
Consumer & Resources	465	444	419	380	-408	-357
Corporate and Business Services	8	9	42	42	-164	-169
Total Syensqo	**1,287**	**1,244**	**1,040**	**907**	**-1,043**	**-918**

The Group has no material seasonal impacts on its condensed consolidated financial statements. The Group recognized €1.8 million of intersegment sales in H1 2024.

For details on the Underlying to IFRS reconciliations, please refer to the Business Review section. For further details on the performance by segment, please refer to Note 3 of the Business Review section.

4. Financial Instruments

Valuation techniques

Compared to December 31, 2023, 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 Syensqo's consolidated statement of financial position, the fair value of those financial instruments as of June 30, 2024, is not significantly different from their carrying amounts as of March 31, 2024 and is not significantly different from the ones published in Note F32 of the consolidated financial statements for the year ended December 31, 2023.

Financial instruments measured at fair value

(in € million)	June 30, 2024				December 31, 2023				Variation
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Held for trading	**0**	**13**	**0**	**13**	**0**	**12**	**0**	**12**	**1**
Foreign currency risk	0	5	0	5	0	4	0	4	1
Syensqo share price	0	6	0	6	0	8	0	8	-2
Index	0	2	0	2	0	0	0	0	0
Equity instruments measured at fair value through profit or loss	**15**	**0**	**46**	**61**	**19**	**0**	**49**	**68**	**-7**
Solvay Group Share	15	0	0	15	19	0	0	19	-4
New Business Development	0	0	46	46	0	0	49	49	-3
Cash flow hedges	**0**	**9**	**0**	**9**	**0**	**18**	**0**	**18**	**-10**
Foreign currency risk	0	8	0	8	0	9	0	9	-2
Utility risk	0	0	0	0	0	6	0	6	-6
CO2 risk	0	1	0	1	0	3	0	3	-2
Equity instruments measured at fair value through other comprehensive income	**0**	**0**	**26**	**26**	**0**	**0**	**26**	**26**	**0**
New Business Development	0	0	26	26	0	0	26	26	0
Total (assets)	**15**	**21**	**73**	**109**	**19**	**30**	**75**	**124**	**-16**
Held for trading	**0**	**-7**	**0**	**-7**	**0**	**-2**	**0**	**-2**	**-5**
Foreign currency risk	0	-6	0	-6	0	-2	0	-2	-4
Index	0	-2	0	-2	0	0	0	0	-2
Cash flow hedges	**0**	**-16**	**0**	**-16**	**0**	**-49**	**0**	**-49**	**33**
Foreign currency risk	0	-9	0	-9	0	-3	0	-3	-6
Interest rate risk	0	0	0	0	0	-29	0	-29	29
Utility risk	0	-4	0	-4	0	-17	0	-17	13
CO2 risk	0	-3	0	-3	0	0	0	0	-3
Total (liabilities)	**0**	**-23**	**0**	**-23**	**0**	**-51**	**0**	**-51**	**28**

The table "Financial instruments measured at fair value" provides an analysis of financial instruments that, subsequent to their initial recognition, are measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Financial instruments classified as held for trading and as hedging instruments in cash flow hedges are mainly grouped into Levels 1 and 2. They are fair valued based on forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and interest rates of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. The equity instruments measured at fair value through OCI and through profit and loss are presented within Level 1 and 3. The fair value of the instruments presented under Level 3 is measured based on the guidelines recommended by The International Private Equity and Venture Capital Valuation (IPEV).

In accordance with the Group internal rules, the responsibility for measuring the fair value level resides with (a) the Treasury department for the non-utility derivative financial instruments, and the non-derivative financial liabilities, (b) the Sustainable Development and Energy department for the utility derivative financial instruments and (c) the Finance department for non-derivative financial assets.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the quarter, no such transfers have occurred.

For financial instruments measured at fair value in Syensqo's consolidated statement of financial position, the fair value of those instruments as of June 30, 2024 changed compared to December 31, 2023 due to the settlement of the interest rate risk swap (T-Lock instrument, financial liability of €29 million at December 31, 2023) and the settlement of energy contracts. Note that cash flow hedge accounting was applied to the interest rate risk swap, therefore, the related fair value movements were recognized in Other Comprehensive Income. The net interest settlement (€7 million) on these hedging instruments will be recognized in P&L as part of financing costs, thereby reducing the P&L impact of the interest expense generated by the senior bonds (issued in June 2024), over the life of the bonds.

5. Transactions with the Remaining Solvay Group

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

During the prior reporting period presented, Syensqo was not constituted as a Group under a unique holding company and Syensqo 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 Syensqo Condensed Interim Combined Financial Statements for the period ended June 30, 2023. As a result, the cash from dividends paid by Dedicated or Mixed Syensqo Entities to the Remaining Solvay Group or received by Syensqo 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 Consolidated Statements of Cash Flows. They are also included as "Transactions with Solvay Group" in the Consolidated 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 Consolidated Statements of Cash Flows and as part of the "Transactions with Solvay Group" in the Consolidated Statement of Changes in Equity.

Certain operating and investing transactions of Syensqo are presented on a "gross basis":
- operating expenses and income are presented as operating cash flows;
- 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 Syensqo.

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

Current taxes from Syensqo'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 Consolidated 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 became part of Syensqo based on the Legal reorganization, 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 Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity as the related change in "Cash and cash equivalents" is included in the Consolidated Statements of Financial Position.

The details about the "Other transactions with Solvay Group" line and the reconciliation between the related amounts in the Consolidated Statements of Cash Flow and Consolidated Statements of Changes in Equity are presented in the table below.

Transactions with the Remaining Solvay Group

(in € million)	Q2 2024	Q2 2023	H1 2024	H1 2023
Carve out of Mixed Entities	-	30	-	7
Capital increase / decrease, transfer of shares with remaining Solvay Group	-	-298	-	-287
Cash & cash equivalents transferred upon demerger	-	-	-	-
Restructuring costs	-	13	-	17
Current taxes	-	-19	-	-15
Total Other transactions with Solvay Group in the Statement of cash flows	**-**	**-275**	**-**	**-279**
Dividends paid to Solvay Group	-	-436	-	-436
Dividends received from the Solvay Group	-	246	-	1274
Deferred taxes	-	-2	-	-3
Other	-	578	-	576
Total Other transactions with Solvay Group in the Statement of changes in equity	**-**	**111**	**-**	**1,132**

As part of the implementation of the target capital structure (mainly in the US), an entity within the remaining Solvay Group paid a dividend to the Syensqo Group of US$1.1 billion and this reduced for the same amount the internal bank account liability that the Syensqo Group had with that entity belonging to the remaining Solvay Group.

Changes in internal bank accounts with Remaining Solvay Group

Intercompany bank accounts between Syensqo and the Remaining Solvay Group, in place over the prior period presented and eliminated as part of the consolidation procedures applied for the Solvay Group Consolidated Financial Statements, have been reinstated in the Syensqo Consolidated Financial Statements.

When those intercompany bank accounts, part of the cash pooling system, were in a structural asset position for Syensqo, the related changes are presented in the line "Change in internal bank accounts with Remaining Solvay Group" as part of the Cash flow from investing activities.

At the end of December 2023, there are no longer any remaining intercompany bank accounts between Syensqo and the Remaining Solvay Group as the accounts were settled at or prior to the Partial Demerger following the completion of the Legal Reorganization.

Services provided by the Solvay Group

The Solvay Group provided shared services to Syensqo such as, but not limited to: tax, legal, accounting, IT, personnel-related services and treasury. The costs of such services, as historically charged to Syensqo Businesses and included in the Condensed Consolidated Income Statement based on their historical amounts, were €100 million in Q2 2023 and €200 million in H1 2023.

The personnel and activities related to these shared services are provided to Syensqo by the Solvay Group under transitional services agreements, which came into effect at the date of the Partial Demerger.

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 Combined Financial Statements for the period ended June 30, 2023. Those costs amounted to €29 million in Q2 2023 and €60 million in H1 2023 for Solvay Group as a whole. Based on the relative usage of Syensqo compared to the remaining Solvay Group, a portion of these corporate costs has been included in the Underlying EBITDA for €17 million in Q2 2023 and €35 million in H1 2023 (see Reconciliation of alternative performance metrics on page 10 for more information).

6. Net debt

(in € million)	June 30, 2024	December 31, 2023
Bridge-to-bond facilities		1,338
USD 1.2bn bonds issued in 2024	1,116	
EUR 500m 2027 bonds	498	498
Cytec bonds	153	147
Commercial paper	150	0
Lease debt	232	219
Other financial debt	140	111
Total current and non-current financial debt (a)	**2,289**	**2,313**
Cash and cash equivalents (b)	-793	-1,247
Other financial instruments (c)	-93	-71
Total Net Debt (a+b+c)	**1,403**	**995**

Financial debt at the end of June 2024 includes €1,116 million related to the senior bond issue for a nominal amount of US$1.2 billion. The proceeds from the bond issuance were used to repay the bridge-to-bond facilities of €1,338 million.

To mitigate the interest rate risk of the senior bond issue, the Group entered into Treasury Lock instruments in Q4 2023. These instruments were accounted for as cash flow hedges and were subsequently settled following the senior bond issue. The settlement resulted in a cash inflow for the Group of €7 million in Q2 2024.

On September 4 and 5, 2023, the Solvay Group announced the results of liability management transactions relating to certain senior and hybrid bonds denominated in euros. The transactions included a request for consent of bondholders to the substitution, effective upon completion of the Partial Demerger, of Syensqo SA/NV for Solvay as issuer of the €500,000,000 2.750% Fixed Rate Bonds due December 2, 2027 (ISIN: BE6282460615) (the "2027 Bonds"). Syensqo SA/NV was substituted for Solvay as issuer of the 2027 Bonds, effective at the date of the Partial Demerger, and subject to the satisfaction or waiver of certain conditions set out in the consent solicitation notice.

The 3.95% Senior Notes due 2025 issued by Cytec Industries Inc. (CUSIP: 232820 AK6) (the "Cytec 2025 Bonds") will remain outstanding for an amount of US$163,495,000 (nominal). Solvay SA will remain the guarantor of the Cytec 2025 Bonds and, effective at the date of the Partial Demerger, Syensqo will provide a counter-guarantee to Solvay for any payments to be made under the Cytec 2025 Bonds. There is no accounting impact of the counter-guarantee in the Syensqo condensed consolidated financial statements.

The Cytec bonds will mature in June 2025 and are therefore reclassified to current financial debt at June 30, 2024.

A commercial paper for €150 million was issued in June 2024 and will mature in phases in Q3 and Q4 2024.

On June 25, 2024, the Group launched a Share Buyback Program. The Share Buyback Program will continue until December 20, 2024 for an additional amount of up to €90 million. In accordance with the requirements of IFRS 9 Financial Instruments, the Group has recognized a short-term financial liability of €90 million at June 30, 2024 for this Share Buyback Program (included in the "Other financial debt" in the table above).

7. Events after the reporting period

In accordance with Article 8:4 of the Royal Decree of 29 April 2019 executing the Belgian Code of Companies and Associations, Syensqo discloses on its website information related to the execution of its Share Buyback Program, announced on 25 June 2024.

8. Declaration by responsible persons

Ilham Kadri, Chief Executive Officer, and Christopher Davis, Chief Financial Officer, of the Syensqo Group, declare that to the best of their knowledge:

- The condensed consolidated 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 the Syensqo Group;
- The management report contains a faithful presentation of significant events occurring during the first six months of 2024, and their impact on the condensed consolidated financial information;
- The main risks and uncertainties are in accordance with the assessment disclosed in the Risk Management section of the Syensqo 2023 Annual Integrated Report, taking into account the current economic and financial environment.

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
Kouterveldstraat 7B 001
B - 1831 Diegem

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

Statutory auditor's report to the board of directors of Syensqo SA/NV on the review of the condensed consolidated interim financial information as at 30 June 2024 and for the 6-month period then ended

Introduction

We have reviewed the accompanying consolidated statement of financial position of Syensqo SA/NV as at 30 June 2024, the consolidated income statement, the consolidated statement of comprehensive income, of changes in equity and of cash flows for the 6-month period then ended, and notes ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 consolidated interim financial information as at 30 June 2024 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Diegem, 31 July 2024

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Marie Kaisin*
Partner
*Acting on behalf of a BV/SRL

Ref: 25MK0004

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;
- Remeasurement of the long term incentive plans related to Solvay Group shares and of the related hedging instruments;
- Tax effects related to the items listed above and tax expense or income of prior years

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

Basic earnings per share: Net income (Syensqo's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

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

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 according to the formula ((Underlying EBITDA +/- Changes in working capital - Sustenance Capex) / (Underlying EBITDA). Sustenance capital expenditure includes capital expenditures for maintenance, for the implementation of the One Planet strategy and for Digital Transformation initiatives, as well as payment of lease liabilities.

Cash flow from operating activities are those generated from/(used by) the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

CGU: Cash-generating unit

CTA: Currency Translation Adjustment

Diluted earnings per share: Net income (Syensqo's share) divided by the weighted average number of shares adjusted for the effects of dilution.

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.

Extra-financial indicators: Indicators used that measure the sustainability performance of the company in complement to financial indicators. Syensqo has selected 5 indicators that are included in the ONE Planet initiative.

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 external 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. It is a measure of cash generation, working capital efficiency and capital discipline of the Group.

Free cash flow to Syensqo shareholders: Free cash flow after payment of net interests, coupons of perpetual hybrid bonds, dividends to non-controlling interests and capital injections and capital reimbursements from/to non-controlling interests. This represents the cash flow available to Syensqo shareholders, to pay their dividend and/or to reduce the net financial debt.

Free cash flow conversion: Calculated as the ratio between the free cash flow to Syensqo shareholders of the last rolling 12 months (before netting of dividends paid to non-controlling interest) and underlying EBITDA of the last rolling 12 months.

Gearing ratio is a measure of capital structure and is defined as Underlying net debt / (underlying net debt + Equity - Hybrid bonds in equity)

GBU: Global business unit

IFRS: International Financial Reporting Standards

LTM: Last twelve months

Leverage ratio: Net debt / underlying EBITDA of last 12 months. Underlying leverage ratio = underlying net debt / underlying EBITDA of last 12 months.

Mandatory contributions to employee benefits plans: For funded plans, contributions to plan assets corresponding to amounts required to be paid during the respective period, in accordance with agreements with trustees or regulation, as well as, for unfunded plans, benefits paid to beneficiaries.

Net cost of borrowings: cost of borrowings netted with interest on loans and short-term deposits, as well as other gains (losses) on net indebtedness.

Net financial debt: Non-current financial debt + current financial debt – cash & cash equivalents – other financial instruments (current and noncurrent). 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 financial charges: Net cost of borrowings, and costs of discounting provisions (namely, related to post-employment benefits and Health Safety and Environmental liabilities).

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 Syensqo’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.

Operational deleveraging: Reduction of liabilities (net debt or provisions) through operational performance only, i.e. excluding impacts from acquisitions and divestitures, as well as remeasurement impacts (changes of foreign exchange, inflation, mortality and discount rates).

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.

Research & innovation intensity: Ratio of Research & innovation / net sales

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);
- Costs and revenues, gains and losses related to the Partial Demerger project;
- 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 Syensqo'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 semesters.

SOP: Stock Option Plan.

Underlying: Underlying results are deemed to provide a more comparable indication of Syensqo'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.

YoY: Year on year comparison.

Contacts

Investors & Analysts

Sherief Bakr
+44 7920 575 989

Bisser Alexandrov
+33 607 635 280

investor.relations@syensqo.com

Media

Perrine Marchal
+32 478 32 62 72

Laetitia Schreiber
+32 487 74 38 07

media.relations@syensqo.com

Safe harbor

This press release may contain forward-looking information. Forward-looking statements describe expectations, plans, strategies, goals, future events or intentions. The achievement of forward-looking statements contained in this press release is subject to risks and uncertainties relating to a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations, changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals, regulatory approval processes, all-in scenario of R&I projects and other unusual items. Consequently, actual results or future events may differ materially from those expressed or implied by such forward-looking statements. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

About Syensqo

Syensqo is a science company developing groundbreaking solutions that enhance the way we live, work, travel and play. Inspired by the scientific councils which Ernest Solvay initiated in 1911, we bring great minds together to push the limits of science and innovation for the benefit of our customers, with a diverse, global team of more than 13,000 associates.
Our solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices and health care applications. Our innovation power enables us to deliver on the ambition of a circular economy and explore breakthrough technologies that advance humanity.

Investor Relations sources

- Earnings materials
- Strategy
- Share information
- Credit information
- Separation documents
- Webcasts, presentations and podcasts
- 2023 Annual Integrated Report
- Subscribe to our distribution list