

**Adjustments:** Adjustments made to IFRS results for elements distorting comparability over time of the Group underlying performance. These adjustments consist of:

- Results from portfolio management and reassessments,
- Results from legacy remediation and major litigations,
- M&A related impacts, mainly including non-cash Purchase Price Acquisition impacts (e.g. inventory step-up and amortization of intangibles) and retention bonuses relative to Chemlogics and other acquisitions,
- Net financial results related to changes in discount rates, hyperinflation, coupons of hybrid bonds considered as dividends 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 and unrealized foreign exchange gains or losses on debt,
- Results from available-for-sale financial assets,
- 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 (Solvay's share) divided by the weighted average number of shares, after deducting own shares purchased to cover stock option programs.

**Capital expenditure (capex):** Cash paid for the acquisition of tangible and intangible assets

**Cash conversion:** (Underlying EBITDA + Capex from continuing operations) / Underlying EBITDA

**CFROI:** Cash Flow Return On Investment, calculated as the ratio between recurring cash flow and invested capital, where:

- Recurring cash flow = Underlying EBITDA + (Dividends from associates and joint ventures – Earnings from associates and joint ventures) + Recurring capex + Recurring income taxes;
- Invested capital = Replacement value of goodwill & fixed assets + Net working capital + Carrying amount of associates and joint ventures;
- Recurring capex is normalized at 2% of the Replacement value of fixed assets net of Goodwill values;
- Recurring income taxes are normalized at 30% of (Underlying EBIT – Earnings from associates and joint ventures);

**CTA:** Currency Translation Adjustment

**Diluted earnings per share:** Net income (Solvay'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.

**EBITDA:** earnings before interest and taxes, depreciation and amortization.

**Extra-financial indicators:** Indicators used that measure the sustainability performance of the company in complement to financial indicators. Based on a materiality analysis, Solvay has selected five indicators on which it has set mid- and long-term targets. These are:

- Greenhouse gas intensity, expressed in kg CO<sub>2</sub> equivalents per € EBITDA;
- Sustainable solutions, expressed in % of the Group's net sales, based on the SPM methodology;
- MTAR or Medical Treatment Accident Rate, expressed in number of accidents with medical treatment per million working hours;
- Employee engagement, which is an index based on a regular employee poll;
- Societal actions, expressed as % of employees involved.

**Free cash flow:** Cash flow from operating activities (excluding cash flow from expenses incurred in connection with acquisitions of subsidiaries) and cash flow from investing activities (excluding cash flows from or related to acquisitions and disposals of subsidiaries and other investments, and excluding loans to associates and non-consolidated investments, as well as related tax elements and recognition of factored receivables).

**GBU:** Global business unit.

**HPPO:** Hydrogen peroxide propylene oxide, new technology to produce propylene oxide using hydrogen peroxide.

**IFRS:** International Financial Reporting Standards.

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

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

**Net debt:** Non-current financial debt + current financial debt – cash & cash equivalents – other financial instrument receivables. Underlying net debt reclassifies as debt 100% of the hybrid perpetual bonds, considered as equity under IFRS.

**Net financial charges:** net cost of borrowings, costs of discounting provisions (namely, related to post-employment benefits and HSE liabilities) and income / loss from available-for-sale financial assets.

**Net pricing:** The difference between the change in sales prices versus the change in variable costs.

**Net sales:** Sales of goods and value added services corresponding to Solvay's know-how and core business. Net sales exclude other revenues primarily comprising commodity and utility trading transactions and other revenue deemed as incidental by the Group.

**Net working capital:** includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

**OCI:** Other Comprehensive Income.

**PA:** Polyamide, polymer type.

**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.

**PVC:** Polyvinyl chloride, polymer type.

**Pricing power:** The ability to create positive net pricing.

**PSU:** Performance Share Unit.

**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.

**Research & innovation intensity:** 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 reassessments:** 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;
- Gains and losses on the sale of real estate not directly linked to an operating activity;
- Restructuring charges driven by portfolio management and reassessment, including impairment losses resulting from the shutdown of an activity or a plant;
- Impairment losses resulting from testing of CGUs;
- It excludes non-cash accounting impact from amortization and depreciation resulting from the purchase price allocation (PPA) from acquisitions

**Results on disposals:** It includes gains/(losses) from activities presented as discontinued operations

**Revenue from non-core activities:** Revenues primarily comprising commodity and utility trading transactions and other revenue, considered to not correspond to Solvay's know-how and core business.

**SOP:** Stock Option Plan.

**SPM:** The Sustainable Portfolio Management tool is integrated into the Solvay Way framework (linked to five practices). It serves as a strategic tool for developing information on our portfolio and analyzing the impacts of sustainability megatrends on our businesses.

**Tax rate:**  $\text{Income taxes} / (\text{Result before taxes} - \text{Earnings from associates \& joint ventures} - \text{interests \& realized foreign exchange results on RusVinyl joint venture})$ . The adjustment of the denominator regarding associates and joint ventures is made as these contributions are already net of income taxes.

**Underlying:** Underlying results are deemed to provide a more comparable indication of Solvay's fundamental performance over the reference periods. They are defined as the IFRS figures adjusted for the "Adjustments" as defined above.

**yoy:** Year on year comparison.