



October 19, 2023

CERTAIN TAX CONSIDERATIONS ON THE TAX TREATMENT OF THE PARTIAL DEMERGER FOR INDIVIDUAL SHAREHOLDERS

Tax Disclaimer:

This document has been prepared by Solvay SA/NV (“**Solvay**”) in connection with its contemplated partial demerger (the “**Partial Demerger**”). As a reminder, it is expected that pursuant to the Partial Demerger, Solvay shareholders will receive one share of Syensqo SA/NV (“**Syensqo**”) for each Solvay share they own on the relevant date.

This document provides a very high-level overview of the tax treatment under current law and published tax authority practice of the Partial Demerger that may impact existing individual shareholders of Solvay who are tax resident and (where appropriate) domiciled in the following jurisdictions: Belgium, France, the United States, the United Kingdom, Italy, the Netherlands, Germany, Luxembourg, Switzerland, and Australia. This document only addresses the potential general tax treatment of individual shareholders (i) who hold their Solvay shares directly and beneficially as an investment and part of their private estate, (ii) who do not (x) trade on the markets on a regular basis and/or (y) hold their shares through a personal holding company or other vehicle, trust, fiduciary arrangement, foundation, insurance contract or mutual fund or as a commercial asset or on a commercial balance sheet, and (iii) who have not acquired their shares through a company or group share plan or as part of an employee incentive scheme (*e.g.*, performance share units, restricted share units or shares acquired pursuant to the exercise of stock options or pursuant to an employee share purchase plan).

This overview does not take account of various specific pertinent factors particular to individuals, and these could materially impact outcomes for different individual investors even within the same jurisdiction. The overview is not meant to be a comprehensive description and does not address all potential tax consequences of the Partial Demerger. The tax treatment described herein may be impacted by changes in legislation and regulations which might apply retroactively or apply to the current year or fiscal year, or by possible changes in their interpretation by the relevant tax authorities or tax courts.

This overview is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular shareholder. It does not address all of the tax considerations that may be relevant to specific shareholders in light of their particular circumstances or to shareholders subject to special treatment under relevant tax law.

In line with normal market practice, shareholders are encouraged to consult their own tax advisor with respect to the tax regime applicable to their own situation.

This overview does not address the tax consequences of the Partial Demerger for shareholders other than individual shareholders as described above (*e.g.*, legal entities, pension funds, companies in the insurance and financial sectors, investment funds, trusts, *etc.*). Such shareholders are encouraged to consult their own tax advisor with respect to the tax regime applicable to their specific situation.

Please note that this overview is also subject to the legal disclaimer herein attached.



Overview:

JURISDICTION	CERTAIN TAX CONSIDERATIONS
<p>Belgium</p>	<ul style="list-style-type: none"> Pursuant to a ruling issued on September 26, 2023, the Belgian Ruling Commission has confirmed that the Partial Demerger will not give rise to any deemed dividend distribution for Solvay’s existing shareholders. Consequently, no Belgian withholding tax will be levied in connection with the Partial Demerger. For Belgian resident individuals holding Solvay shares as part of their private estate, any capital gain realized on the Solvay shares upon the Partial Demerger should be exempt from Belgian capital gains tax pursuant to the capital gains tax exemption for transactions that fall within the normal management of a private estate provided for in Article 90, 9°, of the Belgian Income Tax Code 1992 (“BITC 1992”), or pursuant to the roll-over relief provided for in Articles 95 and 96 of the BITC 1992. Capital losses realized on Solvay shares upon the Partial Demerger are not tax deductible. If the Belgian individual shareholders opt for the roll-over relief provided for in Articles 95 and 96 of the BITC 1992, the capital gain realized on Solvay shares upon the Partial Demerger will be temporarily exempt and the taxation of the capital gain will be deferred until the disposal of the shares or unless the taxpayer will no longer provide proof that Syensqo shares received in exchange for the Partial Demerger are still part of his/her estate and have not been repaid in full or in part.
<p>France</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>French tax consequences</p> <ul style="list-style-type: none"> <u>French resident individuals who hold their Solvay shares through a share savings plan (<i>Plan d’épargne en actions - PEA</i>):</u> <p>French resident shareholders holding their Solvay shares through a PEA would receive their Syensqo shares on the securities account of their PEA and the Partial Demerger would not be a taxable event. Only subsequent withdrawals or closure of the PEA would be a triggering event for social levies and, as applicable, income tax, depending on the timing of such withdrawal or closure. Shareholders should consult with their usual tax advisor to assess consequences resulting from a withdrawal from, or closure of, their PEA.</p> <u>French resident individuals who do not hold their Solvay shares through a share savings plan (<i>Plan d’épargne en actions -PEA</i>):</u> <p>Solvay expects that the Partial Demerger will be a taxable event and will not qualify for the rollover regime of Article 115-2 of the French Tax Code.</p>



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	<p>Pursuant to these rules, the fair market value of Syensqo shares allocated to the French-resident shareholders as a result of the Partial Demerger may qualify, for French income tax purposes, as a mix of (i) a taxable distribution, and (ii) a tax-free return of capital (<i>remboursement d'apport</i>) that will reduce the tax basis of the Solvay shares.</p> <p>The breakdown between the taxable component and the tax-free component would depend, among other conditions, on the fair market value of Syensqo shares on the completion date of the Partial Demerger but the return of capital component is not expected to be significant and a substantial portion of the value of the Syensqo allocated shares is therefore expected to be taxable as a distribution. Such allocation will be communicated after the initial listing of Syensqo.</p> <p>The distribution component would generally be subject to a 30% flat tax (unless the shareholder opts for a taxation under the standard progressive income tax regime). Such flat tax is composed of personal income tax at a 12.8% and social levies at a 17.2% rate. Subject to certain exceptions, the distribution component will be subject to a non-discharging 12.8% levy at the time of the distribution (and a final taxation as part of the settlement of the income tax).</p> <p>Both the non-discharging 12.8% levy and the social levies will be levied at the time of the distribution, generally by the paying agent, except where the paying agent is located outside the EU, in which case the taxpayer is responsible for the payment.</p> <p>Further details will be included in the securities note prepared by Syensqo in relation to the admission to trading of Syensqo's shares on the regulated markets of Euronext in Brussels and Paris in connection with the Partial Demerger. Please refer to "<i>Legal Disclaimer</i>" below for additional information.</p>
<p>The United States</p>	<ul style="list-style-type: none"> U.S. Federal Income Tax Consequences of the Partial Demerger will be described in the U.S. shareholder document to be published on the website of Solvay on or around November 14, 2023.
<p>The United Kingdom</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> No Belgian withholding tax will be levied in connection with the Partial Demerger.



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	<p>UK tax consequences</p> <ul style="list-style-type: none"> • Although the Partial Demerger is not a form of transaction that has an equivalent in the UK, and the position is accordingly uncertain, it may be possible to argue that individual shareholders of Solvay who are both UK tax resident and UK domiciled should not be regarded for UK capital gains tax purposes as having disposed of any of their Solvay shares in the Partial Demerger. • The acquisition cost of the original Solvay shares should, in such a case, be apportioned for UK capital gains tax purposes between the Solvay shares and the new Syensqo shares, such apportionment to be made, in general terms, by reference to the respective market values of the Solvay Shares and the Syensqo shares on the first day after the Partial Demerger on which market values are listed or published. • It is assumed for these purposes that no UK resident shareholder of Solvay who participates in the Partial Demerger holds (together with their connected persons) more than 5% of the Solvay shares.
<p>Italy</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> • No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>Italian tax consequences</p> <ul style="list-style-type: none"> • As confirmed by the Italian tax authorities with a ruling issued on June 8, 2023, the Partial Demerger should benefit from the Italian domestic tax neutrality regime and, as a result, the Partial Demerger should not be treated as a taxable event for Italian tax resident individual shareholders of Solvay. • The tax cost of the Solvay shares would likely be apportioned between the Solvay shares and the new Syensqo shares on the basis of the “effective net equity value” of Solvay prior to the Partial Demerger and the portion of such net equity interest attributed to Syensqo.

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<p style="text-align: center;">Netherlands</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> • No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>Dutch tax consequences</p> <ul style="list-style-type: none"> • <u>Shareholders taxable under the Box 3 regime:</u> <p>The Partial Demerger will not be a taxable event for Dutch tax purposes. The trading value of the shares in Solvay and Syensqo shares held generally as of January 1st of a given year will be used to assess the notional taxable yield for the given year that will be taxed at the applicable Box 3 flat tax rate, after application of available allowances.</p> <ul style="list-style-type: none"> • <u>Shareholders not subject to the Box 3 regime:</u> <p>The relevant shareholders are urged to consult with their usual tax adviser to determine the tax treatment applicable to them.</p>
<p style="text-align: center;">Germany</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> • No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>German tax consequences</p> <ul style="list-style-type: none"> • For German tax resident individual shareholders who hold (and have continuously held during the preceding 5 years) less than 1% (directly or indirectly) of the share capital of Solvay, the Partial Demerger is not expected to be a taxable event for German tax purposes. • The acquisition cost of the Solvay shares for German tax purposes is expected to be apportioned between the Solvay shares and the new Syensqo shares. Shareholders are encouraged to consult their own tax advisor to determine how such allocation is to be made. • For German tax resident individual shareholders who hold or held at any point in time during the preceding 5 years 1% or more (directly or indirectly) of the share capital of Solvay, the above does not apply and such individual shareholders are urged to consult with their tax adviser to determine the tax treatment applicable to them.



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<p style="text-align: center;">Luxembourg</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>Luxembourg tax consequences</p> <ul style="list-style-type: none"> <u>For Luxembourg individual shareholders who hold their Solvay shares, representing not more than 10% in Solvay, for more than six months at the time of the Partial Demerger</u> <p>The Partial Demerger should not be a taxable event. Please note that there should be no tax base for the Syensqo shares in this case.</p> <ul style="list-style-type: none"> <u>For Luxembourg individual shareholders who hold their Solvay shares for less than six months at the time of the Partial Demerger</u> <p>Although not entirely free from doubt, individual shareholders should be eligible to rollover relief pursuant to article 102 (10) of the Luxembourg Income Tax Law, provided that they do not waive the benefit of such regime. In such case, the tax acquisition cost of the Solvay shares should be reduced proportionally with the reduction of the nominal capital reduction of the Solvay shares, and the corresponding value should be the tax acquisition cost of the Syensqo shares. In the event of a latent loss, a waiver of the rollover relief may or may not be beneficial depending on circumstances. Individual shareholders are urged to consult with their own tax advisor to determine the tax treatment applicable to them.</p>
<p style="text-align: center;">Switzerland</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>Swiss tax consequences</p> <ul style="list-style-type: none"> <u>Swiss individual shareholders who hold their Solvay shares in their private wealth:</u> <p>The Partial Demerger should not be a taxable event.</p>

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	<p>The trading value of the shares in Solvay and Syensqo shares held as of December 31 of a given year will be used to assess the wealth tax due by the individual.</p> <ul style="list-style-type: none"> • <u>Swiss professional investors (i.e., individuals who hold their Solvay shares in their commercial wealth or qualify as a professional securities dealer):</u> <p>The relevant shareholders are urged to consult with their usual tax adviser to determine the tax treatment applicable to them.</p>
<p>Australia</p>	<p>Belgian tax consequences</p> <ul style="list-style-type: none"> • No Belgian withholding tax will be levied in connection with the Partial Demerger. <p>Australian tax consequences</p> <ul style="list-style-type: none"> • The tax treatment of the Partial Demerger is uncertain. There is a sound basis to conclude that the Partial Demerger is not a taxable event (in which case the tax basis in the new Syensqo shares would be nil). However, there is a possibility that the fair market value of the Syensqo shares will be taxed as ordinary income for Australian tax purposes and shareholders are urged to obtain their own advice on this matter.



Legal Disclaimer:

This document is for informational purposes only and is not intended to, and does not, constitute an offer or invitation to sell or solicitation of an offer to subscribe for or buy, or an invitation to purchase or subscribe for, any securities of Solvay or Syensqo, any part of the business or assets described herein, or any other interests or the solicitation of any vote or approval in any jurisdiction in connection with the transactions described herein or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. This document should not be construed in any manner as a recommendation to any reader thereof.

This document is not a prospectus or other offering document for the purposes of Regulation (EU) 2017/1129 of June 14, 2017 (as amended, the “**Prospectus Regulation**”), and the allocation of shares of Syensqo to Solvay’s shareholders as part of the Partial Demerger of Solvay is expected to be carried out in circumstances that do not constitute an “offer of securities to the public” within the meaning of the Prospectus Regulation. Syensqo has prepared a registration document which will become a constituent part of Syensqo’s prospectus for purposes of the admission to trading of Syensqo’s shares on the regulated markets of Euronext in Brussels and Paris in connection with the Partial Demerger of Solvay. The registration document is, and the other constituent parts of the prospectus will be made, available to investors at no cost on Solvay’s website (www.solvay.com) and Syensqo’s website (www.solvay.com/en/investors/creating-two-strong-industry-leaders/syensqo) and at the registered office of Syensqo at Rue de la Fusée 98, 1130 Brussels, Belgium. The approval of the registration document, or any other constituent parts of the prospectus, by the FSMA should not be understood as an endorsement of the shares of Syensqo to be admitted to trading on the aforementioned regulated markets. Potential investors and security holders are urged to read the registration document, and the prospectus if and when it becomes available, before making any investment decision in order to fully understand the potential risks and rewards associated with the transaction or any investment decision regarding the securities.

This document is directed solely to persons in the United Kingdom who (i) have professional experience in matters relating to investments, such persons falling within the definition of “investment professionals” in Article 19(5) of the FSMA (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”) or (ii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order or other persons to whom it may lawfully be communicated or caused to be communicated, (all such persons together being referred to as “**relevant persons**”). This document is directed only to relevant persons and must not be acted on or relied on by persons who are not relevant persons.

SWITZERLAND - Neither this document nor any other document relating to the Partial Demerger of Solvay (the “**Transaction Documents**”) constitutes a prospectus pursuant to the Swiss Financial Services Act (“**FinSA**”), and the Transaction Documents have not been and will not be reviewed or approved by a Swiss prospectus review office in accordance with Article 51 FinSA. The Transaction Documents may not be distributed or otherwise made available in Switzerland in a manner that would require the publication of a prospectus in Switzerland pursuant to FinSA. Syensqo’s shares may not be publicly offered or marketed directly or indirectly in or into Switzerland within the meaning of FinSA, except under circumstances where such offer does not require the publication of a prospectus pursuant to FinSA. No action has been nor will be taken to list or admit to trading Syensqo’s shares on a trading venue in Switzerland.

AUSTRALIA - No prospectus, product disclosure document or other disclosure document as that term is defined in the Corporations Act 2001 (the “**Corporations Act**”) has been or will be lodged with the Australian Securities and Investments Commission in relation to Syensqo. This document does not



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