

**SECOND SUPPLEMENT DATED 10 NOVEMBER 2023
TO THE BASE PROSPECTUS DATED 26 APRIL 2023**

ARKEMA

ARKEMA

(a *société anonyme* incorporated in France)

€5,000,000,000

Euro Medium Term Note Programme

This prospectus supplement (the "**Supplement**") constitutes a second supplement to, and must be read in conjunction with, the base prospectus dated 26 April 2023 prepared by Arkema (the "**Issuer**" or "**Arkema**") in relation to its €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**") which received approval number 23-132 from the *Autorité des marchés financiers* (the "**AMF**") on 26 April 2023 as supplemented by a first prospectus supplement dated 4 October 2023 which received approval number 23-418 from the AMF (the "**Base Prospectus**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made for approval of this Supplement to the AMF in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the European Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

This Supplement has been prepared for the purpose of giving information with regard to the Issuer and the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus pursuant to Article 23 of the Prospectus Regulation.

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which may affect the assessment of Notes since the approval of the Base Prospectus.

This Supplement has been produced for the purpose of:

- updating the Issuer's credit rating outlook; and
- incorporating the Issuer's third quarter 2023 results in the section of the Base Prospectus entitled "Recent Developments".

Copies of the Base Prospectus, any document containing information incorporated by reference in the Base Prospectus, this Supplement and the Final Terms related to Notes that are listed and admitted to trading on any Regulated Market in the EEA will be available for viewing on the website of the Issuer (www.arkema.com) and may be obtained, during normal business hours at the registered office of the Issuer and the specified offices of the Fiscal Agent and each of the Paying Agents. Copies of the Base Prospectus, this Supplement and the Final Terms related to Notes that are listed and admitted to trading on any Regulated Market in the EEA will also be available on the website of the AMF (<https://www.amf-france.org>).

TABLE OF CONTENTS

FRONT OF THE BASE PROSPECTUS 3
GENERAL DESCRIPTION OF THE PROGRAMME 4
RECENT DEVELOPMENTS 5
GENERAL INFORMATION..... 23
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS SUPPLEMENT 24

FRONT OF THE BASE PROSPECTUS

The twelfth paragraph of the front page of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

"The Issuer's long-term debt is currently rated BBB+ (positive outlook) by S&P Global Ratings Europe Limited ("**S&P**") and Baa1 (stable outlook) by Moody's Deutschland GmbH ("**Moody's**"), each of S&P and Moody's is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of S&P and Moody's is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes to be issued under the Programme may or may not be rated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency."

GENERAL DESCRIPTION OF THE PROGRAMME

Item "Ratings" of section "General Description of the Programme" appearing on page 14 of the Base Prospectus is deleted in its entirety and replaced by the following:

"Ratings

The Issuer's long-term debt is currently rated BBB+ (positive outlook) by S&P Global Ratings Europe Limited ("**S&P**") and Baa1 (stable outlook) by Moody's Deutschland GmbH ("**Moody's**"), each of S&P and Moody's is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of S&P and Moody's is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of this Base Prospectus. Notes to be issued under the Programme may or may not be rated. The rating, if any, will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency."

RECENT DEVELOPMENTS

The following information is included in the "Recent Developments" section of the Base Prospectus:

"On 6 July 2023, credit rating agency Standard & Poor's raised the outlook associated to the Group's rating from "stable" to "positive" while confirming its rating of BBB+/A-2."

On 9 November 2023, the Issuer published the following press release:

ARKEMA: THIRD-QUARTER 2023 RESULTS

Arkema achieved a solid EBITDA margin and high cash generation in an ongoing context of low volumes reflecting the current economic environment.

- **Sales of €2.3 billion**, down by 17.2% at constant currency compared with Q3'22:
 - Volumes down by 6.6% year-on-year in an environment of generally slow demand comparable to that of previous quarters
 - 10.6% negative price effect reflecting lower raw materials, as well as price normalization in PVDF and upstream acrylics following the exceptional market conditions in 2022
- **EBITDA at €386 million**, down compared with the prior year's high comparison base (€495 million in Q3'22), and **EBITDA margin** holding up well at **16.6%** (16.7% in Q3'22), reflecting the strength of the Group's positioning and the initiatives taken to adapt to the economic climate
- **Adjusted net income of €177 million** (€260 million in Q3'22), representing **€2.38** per share
- **High cash generation** with recurring cash flow of **€312 million** (€434 million in Q3'22) and **net debt at €2,419 million** including hybrid bonds (€2,645 million at end-June 2023), representing 1.7x last-twelve-months EBITDA
- As indicated last September at the **Capital Markets Day**, Arkema confirms its **EBITDA forecast of around €1.5 billion** in 2023, supported in particular by the resilience of several product lines and ongoing cost-saving actions

Following Arkema's Board of Directors' meeting held on 8 November 2023 to review the Group's consolidated financial information for the third quarter of 2023, Chairman and CEO Thierry Le Hénaff said:

"In line with the first half of the year, demand continued to be weak this quarter. Arkema's performance nevertheless remained solid, supported by the quality of its portfolio of technologies serving sustainable megatrends and by the strengthening of cost initiatives. In an uncertain context marked by heightened geopolitical tensions, we continue to strictly manage our operations and to adapt thanks to the agility and commitment of our teams.

Moreover, Arkema is fully mobilized to prepare for the future. At the Capital Markets Day held in Paris on 27 September, we detailed our longer-term strategy and set ambitious financial targets for 2028. Arkema will focus its investments on high-growth areas, centered on innovative, high performance materials for a more sustainable world. Thanks to the technologies it has acquired or developed in recent years, and the expertise it has built up in markets with superior growth potential such as batteries, advanced electronics and sustainable consumer goods, the Group is now ready to embark on this new stage in its development, mainly focused on organic growth. Several important projects, which started up this year or which will shortly be completed, will contribute to the Group's growth in 2024.

As a key component of our strategy, we will also pursue our climate actions, and in particular the reduction of our CO₂ emissions, bolstered by the SBTi's validation of our 1.5°C trajectory by 2030, and in order to pave the way for Net-Zero by 2050."

KEY FIGURES

<i>in millions of euros</i>		Q3'23	Q3'22	Change
Sales		2,326	2,972	-21.7%
EBITDA		386	495	-22.0%
Specialty Materials		346	458	-24.5%
Intermediates		55	59	-6.8%
Corporate		-15	-22	
EBITDA margin		16.6%	16.7%	
Specialty Materials		16.4%	16.9%	
Intermediates		26.7%	24.0%	
Recurring operating income (REBIT)		246	356	-30.9%
REBIT margin		10.6%	12.0%	
Adjusted net income		177	260	-31.9%
Adjusted net income per share (in €)		2.38	3.52	-32.4%
Recurring cash flow		312	434	
Free cash flow		273	397	
Net debt including hybrid bonds		2,419	2,615	
<i>€2,366m as of 31/12/2022</i>				

THIRD-QUARTER 2023 BUSINESS PERFORMANCE

At **€2,326 million**, Group **sales** were down by **21.7%** relative to the particularly elevated level of third-quarter 2022. Volumes declined by 6.6%, impacted as in recent quarters by continued weak demand in Europe and North America in most end markets, which overshadowed the good performance of certain sectors such as automotive and energy. In Asia, volumes rose slightly in a market struggling to gain impetus, supported in particular by the positive momentum in batteries. The 10.6% negative price effect reflects the expected normalization of market conditions in PVDF and upstream acrylics, as well as lower raw materials prices. The scope effect was neutral on sales, with small acquisitions in Adhesive Solutions and Coating Solutions offset by the divestment of Febex. The currency effect was more pronounced at negative 4.5%, primarily reflecting the strength of the euro against the US dollar and the Chinese yuan.

EBITDA came to **€386 million** (€495 million in Q3'22), reflecting contrasting trends between product lines and regions. Adhesive Solutions and Performance Additives were up year-on-year. The decline of EBITDA in High Performance Polymers was mainly linked to the high comparison base of the prior year, which benefited from exceptional profits in PVDF, and the decline in Coating Solutions to less favorable market conditions in upstream acrylics. In addition, strict price management in a context of easing tightness in raw materials, as well as cost-cutting initiatives implemented within the Group, mitigated the impact of the general decline in volumes linked to the macroeconomic environment. Despite this much less buoyant context than in 2022, the **EBITDA margin** remained solid and comparable to the prior-year's at **16.6%** (16.7% in Q3'22).

The **recurring operating income (REBIT)** of **€246 million** (€356 million in Q3'22) included €140 million in recurring depreciation and amortization, stable compared with Q3'22. **REBIT margin** thus amounted to **10.6%** (12.0% in Q3'22).

Adjusted net income came to **€177 million** (€260 million in Q3'22), representing **€2.38 per share**. Excluding exceptional items, the tax rate amounted to approximately 21% of recurring operating income in the first nine months of the year.

CASH FLOW AND NET DEBT AT 30 SEPTEMBER 2023

The Group generated high **recurring cash flow** of **€312 million** in third-quarter 2023 (€434 million in Q3'22). This figure includes a cash inflow of €138 million from the change in working capital, which reflects the reduced level of business activity and lower raw materials costs. At end-September 2023, working capital represented 16.3% of annualized sales (15.5% at end-September 2022). Recurring cash flow also included recurring capital expenditure of €137 million (€131 million in Q3'22).

Free cash flow amounted to **€273 million** (€397 million in Q3'22) and included exceptional capital expenditure of €5 million (€21 million in Q3'22).

Net debt including hybrid bonds came to **€2,419 million** (€2,645 million at end-June 2023), and the net debt to last-twelve-months EBITDA ratio stood at 1.7x.

THIRD-QUARTER 2023 PERFORMANCE BY SEGMENT

ADHESIVE SOLUTIONS (29% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q3'23	Q3'22	Change
Sales	682	757	-9.9%
EBITDA	98	90	+8.9%
EBITDA margin	14.4%	11.9%	
Recurring operating income (REBIT)	77	69	+11.6%
REBIT margin	11.3%	9.1%	

Sales in the Adhesive Solutions segment amounted to **€682 million**, down by 9.9% year-on-year, impacted mainly by a 5.2% negative currency effect. Volumes decreased by 3.4% compared with the prior year's baseline, which had already been impacted in Europe by the start of destocking. Demand remained weak in most end markets, particularly in Europe and the United States. Volumes were up in Asia, supported by slightly more dynamic activity overall. The price effect in the segment was a negative 1.8% in a context of lower raw materials prices, while the scope effect, corresponding to the integration of Polytec PT, was limited at a positive 0.5%.

At **€98 million**, **EBITDA** was up by 8.9% compared with third-quarter 2022, benefiting from strict price management, operational excellence and cost control initiatives, as well as an improved product mix toward high value-added solutions. In this ongoing context of low volumes, the **EBITDA margin** improved by 250 bps to **14.4%** (11.9% in Q3'22), reaching a level more aligned with the targeted medium-term progression.

ADVANCED MATERIALS (37% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q3'23	Q3'22	Change
Sales	856	1,131	-24.3%
EBITDA	172	237	-27.4%
EBITDA margin	20.1%	21.0%	
Recurring operating income (REBIT)	100	167	-40.1%
REBIT margin	11.7%	14.8%	

Sales in the Advanced Materials segment totaled **€856 million**, down by 24.3% compared with third-quarter 2022. Performance was impacted by a price effect of negative 13.9%, mainly reflecting the normalization of PVDF in batteries in China. Volumes were down by 5.3% overall, declining in Performance Additives, where they were impacted in particular by subdued demand in Europe, but rising in High Performance Polymers, driven by the automotive and energy markets, as well as by new developments in areas linked to sustainable megatrends such as sustainable lifestyle, electric mobility and water filtration. The scope effect was a negative 1.0%, linked to the divestment of Febex, and the currency effect was a negative 4.1%.

Segment **EBITDA** came to **€172 million**, a significant decrease compared with third-quarter 2022 (€237 million in Q3'22), which had benefited from a temporary period of highly favorable market conditions in PVDF. Performance Additives' EBITDA rose significantly despite the decrease in volumes, thus confirming the quality of the portfolio and the positive momentum in niche applications driven by sustainable megatrends, particularly renewable energies. In this context, the **EBITDA margin** held up well at **20.1%** (21.0% in Q3'22).

COATING SOLUTIONS (25% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q3'23	Q3'22	Change
Sales	572	825	-30.7%
EBITDA	76	131	-42.0%
EBITDA margin	13.3%	15.9%	
Recurring operating income (REBIT)	43	99	-56.6%
REBIT margin	7.5%	12.0%	

Sales in the Coating Solutions segment totaled **€572 million**, down by a sharp 30.7% year-on-year (€825 million in Q3'22), including an 18.4% negative price effect related in particular to less favorable market conditions in upstream acrylics and to lower raw materials prices. Segment volumes rose in Asia, but fell by 9.5% overall, impacted by weak demand. The scope effect was a positive 0.7%, reflecting the integration of Polimeros Especiales, and the currency effect was a negative 3.5%.

At **€76 million**, the segment's **EBITDA** was lower than in the prior year (€131 million in Q3'22), impacted mainly by less favorable market conditions in acrylic monomers. EBITDA for downstream product lines held up better despite the decline in volumes, supported by an improved product mix toward higher value-added solutions and dynamic price management in a context of lower raw materials prices. In this significantly more challenging environment, the decline in the **EBITDA margin** was limited thanks to initiatives undertaken by the segment's teams and the integration of the acrylics value chain, reaching **13.3%** (15.9% in Q3'22).

INTERMEDIATES (9% OF TOTAL GROUP SALES)

<i>in millions of euros</i>	Q3'23	Q3'22	Change
Sales	206	246	-16.3%
EBITDA	55	59	-6.8%
EBITDA margin	26.7%	24.0%	
Recurring operating income (REBIT)	42	44	-4.5%
REBIT margin	20.4%	17.9%	

Sales in the Intermediates segment declined by 16.3% year-on-year to **€206 million** (€246 million in Q3'22). The 12.6% fall in volumes was mainly due to weak demand for acrylics in Asia. The price effect was a slightly positive 3.7%, reflecting solid momentum in refrigerant gases in the United States and Europe. The currency effect was a negative 7.4%, with the segment impacted by a stronger euro against the Chinese yuan.

EBITDA held up well at **€55 million**, down by 6.8% year-on-year, and the **EBITDA margin** remained at a very good level at **26.7%** (24.0% in Q3'22).

THIRD-QUARTER 2023 HIGHLIGHTS

At the Capital Markets Day on 27 September 2023, Arkema presented the new stage of its development and unveiled its 2028 ambition. Building on its achievements since the April 2020 strategy update, the Group now aims to accelerate its organic sales growth in the medium term, by capitalizing on its recent or future industrial investments in high value-added technological solutions serving fast-growing market segments supported by sustainable megatrends.

By 2028, Arkema thus aims to achieve sales of around €12 billion with an elevated EBITDA margin of around 18%. The Group will also capitalize on the recent validation by SBTi of its 1.5°C trajectory by 2030 to further strengthen its decarbonization initiatives, paving the way for Net-Zero by 2050.

On 27 September 2023, the Group also unveiled three industrial projects aligned with its new 2028 ambition:

- the implementation by 2026 of a new, patented purification technology at its acrylics production site in Carling (France), which will enable the Group to decarbonize production by reducing CO₂ emissions by 20%, and to improve the site's operational efficiency and environmental footprint toward the highest standards, while optimizing competitiveness;
- the increase, at its Beaumont site in the United States, of its global production capacity of DMDS (dimethyl disulfide), an additive that is key in the production of renewable fuels, in a fast-growing biofuels market, driven by the demand for decarbonization of road and air transport; and
- a two-and-a-half-fold increase of its organic peroxide production capacity at its Changshu site in China, to support its Asian customers in fast-growing markets, notably in renewable energies.

OUTLOOK FOR 2023

The economic environment remains challenging as the year draws to a close, in line with the level seen since the beginning of the year, and is marked by low volumes in most end markets and uncertainties in all three regions, as well as by heightened geopolitical tensions.

In this context, the Group will continue to work on the elements under its control, in particular managing costs, optimizing working capital and rolling out ongoing technological developments with its customers and partners. Beyond that, Arkema will ensure the successful completion of several key projects that will contribute to the growth in 2024, including the ramp-up of the bio-based plant in Singapore, HF supply in the United States, the development of Sartomer[®] photocure resins in China, and the finalization in the United States of the HFO-1233zd project for batteries and building insulation.

Based on the results of the first nine months and the momentum expected in the fourth quarter, and as indicated last September at the Capital Markets Day, Arkema confirms its EBITDA forecast of around €1.5 billion in 2023, supported in particular by the resilience of several product lines and ongoing cost-saving initiatives. The Group is also aiming for a high EBITDA to cash conversion of around 40%.

Further details concerning the Group's third-quarter 2023 results are provided in the "Third-quarter 2023 results and highlights" presentation and the "Factsheet", both available on Arkema's website at: www.arkema.com/global/en/investor-relations/

FINANCIAL CALENDAR

29 February 2024: Publication of full-year 2023 results

7 May 2024: Publication of first-quarter 2024 results

15 May 2024: Annual general meeting

DISCLAIMER

The information disclosed in this press release may contain forward-looking statements with respect to the financial position, results of operations, business and strategy of Arkema.

In a context of significant geopolitical tensions, where the outlook for the global economy remains uncertain, the retained assumptions and forward-looking statements could ultimately prove inaccurate.

Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to risk factors such as (but not limited to) changes in raw materials prices, currency fluctuations, the pace at which cost-reduction projects are implemented, rising geopolitical tensions, and changes in general economic and financial conditions. Arkema does not assume any liability to update such forward-looking statements whether as a result of any new information or any unexpected event or otherwise. Further information on factors which could affect Arkema's financial results is provided in the documents filed with the French Autorité des marchés financiers.

Balance sheet, income statement and cash flow statement data, as well as data relating to the statement of changes in shareholders' equity and information by segment included in this press release are extracted from the consolidated financial information at 30 September 2023 as reviewed by Arkema's Board of Directors on 8 November 2023. Quarterly financial information is not audited.

Information by segment is presented in accordance with Arkema's internal reporting system used by management.

Details of the main alternative performance indicators used by the Group are provided in the tables appended to this press release. For the purpose of analyzing its results and defining its targets, the Group also uses EBITDA margin, which corresponds to EBITDA expressed as a percentage of sales, EBITDA equaling recurring operating income (REBIT) plus recurring depreciation and amortization of tangible and intangible assets, as well as REBIT margin, which corresponds to recurring operating income (REBIT) expressed as a percentage of sales.

For the purpose of tracking changes in its results, and particularly its sales figures, the Group analyzes the following effects (unaudited analyses):

- **scope effect:** *the impact of changes in the Group's scope of consolidation, which arise from acquisitions and divestments of entire businesses or as a result of the first-time consolidation or deconsolidation of entities. Increases or reductions in capacity are not included in the scope effect;*
- **currency effect:** *the mechanical impact of consolidating accounts denominated in currencies other than the euro at different exchange rates from one period to another. The currency effect is calculated by applying the foreign exchange rates of the prior period to the figures for the period under review;*
- **price effect:** *the impact of changes in average selling prices is estimated by comparing the weighted average net unit selling price of a range of related products in the period under review with their weighted average net unit selling price in the prior period, multiplied, in both cases, by the volumes sold in the period under review;*
- **volume effect:** *the impact of changes in volumes is estimated by comparing the quantities delivered in the period under review with the quantities delivered in the prior period, multiplied, in both cases, by the weighted average net unit selling price in the prior period.*

ARKEMA financial statements

Consolidated financial information at the end of September 2023

Consolidated financial statements as end of December 2022 have been audited.

CONSOLIDATED INCOME STATEMENT

3rd quarter 2023 **3rd quarter 2022**

(In millions of euros)

Sales	2,326	2,972
Operating expenses	(1,835)	(2,356)
Research and development expenses	(68)	(66)
Selling and administrative expenses	(209)	(214)
Other income and expenses	(32)	(15)
Operating income	182	321
Equity in income of affiliates	(2)	(3)
Financial result	(9)	(17)
Income taxes	(54)	(76)
Net income	117	225
Attributable to non-controlling interests	3	1
Net income - Group share	114	224
<i>Earnings per share (amount in euros)</i>	<i>1.39</i>	<i>2.88</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>1.37</i>	<i>2.86</i>

End of
September
2023

End of
September
2022

(In millions of euros)

Sales	7,292	9,043
Operating expenses	(5,757)	(6,841)
Research and development expenses	(204)	(199)
Selling and administrative expenses	(661)	(649)
Other income and expenses	(71)	(85)
Operating income	599	1,269
Equity in income of affiliates	(7)	(4)
Financial result	(44)	(31)
Income taxes	(146)	(277)
Net income	402	957
Attributable to non-controlling interests	4	3
Net income - Group share	398	954
<i>Earnings per share (amount in euros)</i>	<i>5.12</i>	<i>12.68</i>
<i>Diluted earnings per share (amount in euros)</i>	<i>5.09</i>	<i>12.62</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

3rd quarter 2023

3rd quarter 2022

(In millions of euros)

Net income	117	225
Hedging adjustments	(13)	3
Other items	0	—
Deferred taxes on hedging adjustments and other items	0	0
Change in translation adjustments	109	240
Other recyclable comprehensive income	96	243
Impact of remeasuring unconsolidated investments	0	—
Actuarial gains and losses	26	52
Deferred taxes on actuarial gains and losses	(5)	(10)
Other non-recyclable comprehensive income	21	42
Total income and expenses recognized directly in equity	117	285
Total comprehensive income	234	510
Attributable to non-controlling interest	3	2
Total comprehensive income - Group share	231	508

**End of September
2023**

**End of September
2022**

(In millions of euros)

Net income	402	957
Hedging adjustments	(51)	19
Other items	0	—
Deferred taxes on hedging adjustments and other items	2	(3)
Change in translation adjustments	(34)	567
Other recyclable comprehensive income	(83)	583
Impact of remeasuring unconsolidated investments	0	(1)
Actuarial gains and losses	19	167
Deferred taxes on actuarial gains and losses	(4)	(29)
Other non-recyclable comprehensive income	15	137
Total income and expenses recognized directly in equity	(68)	720
Total comprehensive income	334	1,677
Attributable to non-controlling interest	2	5
Total comprehensive income - Group share	332	1,672

INFORMATION BY SEGMENT

<i>(In millions of euros)</i>	3 rd quarter 2023					
	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	682	856	572	206	10	2,326
EBITDA	98	172	76	55	(15)	386
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(21)	(72)	(33)	(13)	(1)	(140)
Recurring operating income (REBIT)	77	100	43	42	(16)	246
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(26)	(5)	(1)	—	—	(32)
Other income and expenses	(10)	(21)	0	(1)	0	(32)
Operating income	41	74	42	41	(16)	182
Equity in income of affiliates	—	(2)	—	—	—	(2)
Intangible assets and property, plant, and equipment additions	15	93	23	7	4	142
Of which: recurring capital expenditure	15	88	23	7	4	137
	3 rd quarter 2022					
<i>(In millions of euros)</i>	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	757	1,131	825	246	13	2,972
EBITDA	90	237	131	59	(22)	495
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(21)	(70)	(32)	(15)	(1)	(139)
Recurring operating income (REBIT)	69	167	99	44	(23)	356
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(14)	(5)	(1)	—	—	(20)
Other income and expenses	(13)	(9)	1	25	(19)	(15)
Operating income	42	153	99	69	(42)	321
Equity in income of affiliates	—	(3)	—	0	—	(3)
Intangible assets and property, plant, and equipment additions	21	94	29	4	4	152
Of which: recurring capital expenditure	21	73	29	4	4	131

INFORMATION BY SEGMENT

<i>(In millions of euros)</i>	End of September 2023					
	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	2,072	2,705	1,850	636	29	7,292
EBITDA	286	517	258	173	(64)	1,170
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(62)	(207)	(94)	(38)	(4)	(405)
Recurring operating income (REBIT)	224	310	164	135	(68)	765
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(77)	(13)	(5)	—	—	(95)
Other income and expenses	(22)	(37)	(1)	(1)	(10)	(71)
Operating income	125	260	158	134	(78)	599
Equity in income of affiliates	—	(7)	—	—	—	(7)
Intangible assets and property, plant, and equipment additions	48	230	62	15	11	366
Of which: recurring capital expenditure	48	213	62	15	11	349

<i>(In millions of euros)</i>	End of September 2022					
	Adhesive Solutions	Advanced Materials	Coating Solutions	Intermediates	Corporate	Total
Sales	2,206	3,319	2,647	839	32	9,043
EBITDA	291	793	530	282	(77)	1,819
Recurring depreciation and amortization of property, plant and equipment and intangible assets	(57)	(204)	(95)	(45)	(4)	(405)
Recurring operating income (REBIT)	234	589	435	237	(81)	1,414
Depreciation and amortization related to the revaluation of property, plant and equipment and intangible assets as part of the allocation of the purchase price of businesses	(42)	(14)	(4)	—	—	(60)
Other income and expenses	(45)	(31)	1	23	(33)	(85)
Operating income	147	544	432	260	(114)	1,269
Equity in income of affiliates	—	(4)	—	0	—	(4)
Intangible assets and property, plant, and equipment additions	48	254	68	9	10	389
Of which: recurring capital expenditure	48	167	68	9	10	302

CONSOLIDATED CASH FLOW STATEMENT

	<u>End of</u> <u>September 2023</u>	<u>End of September</u> <u>2022</u>
<i>(In millions of euros)</i>		
Operating cash flows		
Net income	402	957
Depreciation, amortization and impairment of assets	512	492
Other provisions and deferred taxes	(70)	(36)
(Gains)/losses on sales of long-term assets	(29)	(31)
Undistributed affiliate equity earnings	7	4
Change in working capital	(27)	(384)
Other changes	15	37
Cash flow from operating activities	810	1,039
Investing cash flows		
Intangible assets and property, plant, and equipment additions	(366)	(389)
Change in fixed asset payables	(131)	(99)
Acquisitions of operations, net of cash acquired	(66)	(1,614)
Increase in long-term loans	(45)	(49)
Total expenditures	(608)	(2,151)
Proceeds from sale of intangible assets and property, plant, and equipment	8	6
Proceeds from sale of operations, net of cash transferred	32	20
Repayment of long-term loans	56	43
Total divestitures	96	69
Cash flow from investing activities	(512)	(2,082)
Financing cash flows		
Issuance (repayment) of shares and paid-in surplus	0	—
Purchase of treasury shares	(32)	(11)
Dividends paid to parent company shareholders	(253)	(222)
Interest paid to bearers of subordinated perpetual notes	(16)	(16)
Dividends paid to non-controlling interests and buyout of minority interests	(3)	(2)
Increase in long-term debt	397	5
Decrease in long-term debt	(63)	(62)
Increase / (Decrease) in short-term debt	(31)	384
Cash flow from financing activities	(1)	76
Net increase/(decrease) in cash and cash equivalents	297	(967)
Effect of exchange rates and changes in scope	11	(38)
Cash and cash equivalents at beginning of period	1,592	2,285
Cash and cash equivalents at end or the period	1,900	1,280

CONSOLIDATED BALANCE SHEET

30 September 2023 **31 December 2022**

(In millions of euros)

ASSETS	-	-
Goodwill	2,709	2,655
Intangible assets, net	2,099	2,178
Property, plant and equipment, net	3,434	3,429
Equity affiliates: investments and loans	16	24
Other investments	52	52
Deferred tax assets	165	166
Other non-current assets	235	245
TOTAL NON-CURRENT ASSETS	8,710	8,749
Inventories	1,347	1,399
Accounts receivable	1,396	1,360
Other receivables and prepaid expenses	198	202
Income tax receivables	103	130
Other current financial assets	13	57
Cash and cash equivalents	1,900	1,592
Assets held for sale	—	22
TOTAL CURRENT ASSETS	4,957	4,762
TOTAL ASSETS	13,667	13,511
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	750	750
Paid-in surplus and retained earnings	6,332	6,218
Treasury shares	(52)	(20)
Translation adjustments	320	352
SHAREHOLDERS' EQUITY - GROUP SHARE	7,350	7,300
Non-controlling interests	41	39
TOTAL SHAREHOLDERS' EQUITY	7,391	7,339
Deferred tax liabilities	345	362
Provisions for pensions and other employee benefits	357	382
Other provisions and non-current liabilities	415	458
Non-current debt	2,955	2,560
TOTAL NON-CURRENT LIABILITIES	4,072	3,762
Accounts payable	946	1,149
Other creditors and accrued liabilities	464	437
Income tax payables	89	109
Other current financial liabilities	41	13
Current debt	664	698
Liabilities related to assets held for sale	—	4
TOTAL CURRENT LIABILITIES	2,204	2,410
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,667	13,511

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(In millions of euros)</i>	Shares issued		Paid-in surplus	Hybrid bonds	Retained earnings	Translation adjustments	Treasury shares		Shareholders' equity - Group share	Non-controlling interests	Shareholders' equity
	Number	Amount					Number	Amount			
At 1 January 2023	75,043,514	750	1,067	700	4,451	352	(231,087)	(20)	7,300	39	7,339
Cash dividend	-	-	-	-	(269)	-	-	-	(269)	(2)	(271)
Issuance of share capital	-	-	-	-	-	-	-	-	-	-	-
Capital decrease by cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	(357,726)	(32)	(32)	-	(32)
Cancellation of purchased treasury shares	-	-	-	-	-	-	-	-	-	-	-
Grants of treasury shares to employees	-	-	-	-	0	-	1,235	0	0	-	0
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	19	-	-	-	19	-	19
Issuance of hybrid bonds	-	-	-	-	-	-	-	-	-	-	-
Redemption of hybrid bonds	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	0	-	-	-	-	2	2
Transactions with shareholders	-	-	-	-	(250)	-	(356,491)	(32)	(282)	—	(282)
Net income	-	-	-	-	398	-	-	-	398	4	402
Total income and expense recognized directly through equity	-	-	-	-	(34)	(32)	-	-	(66)	(2)	(68)
Comprehensive income	-	-	-	-	364	(32)	-	-	332	2	334
At 30 September 2023	75,043,514	750	1,067	700	4,565	320	(587,578)	(52)	7,350	41	7,391

ALTERNATIVE PERFORMANCE INDICATORS

To monitor and analyse the financial performance of the Group and its activities, the Group management uses alternative performance indicators. These are financial indicators that are not defined by the IFRS. This note presents a reconciliation of these indicators and the aggregates from the consolidated financial statements under IFRS.

RECURRING OPERATING INCOME (REBIT) AND EBITDA

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of September 2022</u>	<u>3rd quarter 2023</u>	<u>3rd quarter 2022</u>
OPERATING INCOME	599	1,269	182	321
- Depreciation and amortization related to the revaluation of tangible and intangible assets as part of the allocation of the purchase price of businesses	(95)	(60)	(32)	(20)
- Other income and expenses	(71)	(85)	(32)	(15)
RECURRING OPERATING INCOME (REBIT)	765	1,414	246	356
- Recurring depreciation and amortization of tangible and intangible assets	(405)	(405)	(140)	(139)
EBITDA	1,170	1,819	386	495

Details of depreciation and amortization of tangible and intangible assets:

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of September 2022</u>	<u>3rd quarter 2023</u>	<u>3rd quarter 2022</u>
Depreciation and amortization of tangible and intangible assets	(512)	(492)	(178)	(166)
Of which: Recurring depreciation and amortization of tangible and intangible assets	(405)	(405)	(140)	(139)
Of which: Depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	(95)	(60)	(32)	(20)
Of which: Impairment included in other income and expenses	(12)	(27)	(6)	(7)

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of September 2022</u>	<u>3rd quarter 2023</u>	<u>3rd quarter 2022</u>
NET INCOME - GROUP SHARE	398	954	114	224
- Depreciation and amortization related to the revaluation of tangible and intangible assets as part of the allocation of the purchase price of businesses	(95)	(60)	(32)	(20)
- Other income and expenses	(71)	(85)	(32)	(15)
- Other income and expenses - Non-controlling interests	—	—	—	—
- Taxes on depreciation and amortization related to the revaluation of assets as part of the allocation of the purchase price of businesses	23	12	10	4
- Taxes on other income and expenses	14	5	6	(2)
- One-time tax effects	(19)	3	(15)	(3)
ADJUSTED NET INCOME	546	1,079	177	260
Weighted average number of ordinary shares	74,636,305	73,947,397	—	—
Weighted average number of potential ordinary shares	75,043,514	74,333,266	—	—
ADJUSTED EARNINGS PER SHARE (in euros)	7.32	14.59	2.38	3.52
DILUTED ADJUSTED EARNINGS PER SHARE (in euros)	7.28	14.52	2.36	3.50

RECURRING CAPITAL EXPENDITURE

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of September 2022</u>	<u>3rd quarter 2023</u>	<u>3rd quarter 2022</u>
INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT ADDITIONS	366	389	142	152
- Exceptional capital expenditure	17	87	5	21
- Investments relating to portfolio management operations	—	—	—	—
- Capital expenditure with no impact on net debt	—	0	0	0
RECURRING CAPITAL EXPENDITURE	349	302	137	131

CASH FLOWS

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of September 2022</u>	<u>3rd quarter 2023</u>	<u>3rd quarter 2022</u>
Cash flow from operating activities	810	1,039	393	508
+ Cash flow from investing activities	(512)	(2,082)	(125)	(232)
NET CASH FLOW	298	(1,043)	268	276
- Net cash flow from portfolio management operations	(44)	(1,628)	(5)	(121)
FREE CASH FLOW	342	585	273	397
Exceptional capital expenditure	(17)	(87)	(5)	(21)
- Non-recurring cash flow	(77)	(23)	(34)	(16)
RECURRING CASH FLOW	436	695	312	434

The net cash flow from portfolio management operations corresponds to the impact of acquisition and divestment operations.

Non-recurring cash flow corresponds to cash flow from other income and expenses.

NET DEBT

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of December 2022</u>
Non-current debt	2,955	2,560
+ Current debt	664	698
- Cash and cash equivalents	1,900	1,592
NET DEBT	1,719	1,666
+ Hybrid bonds	700	700
NET DEBT AND HYBRID BONDS	2,419	2,366

WORKING CAPITAL

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of December 2022</u>
Inventories	1,347	1,399
+ Accounts receivable	1,396	1,360
+ Other receivables including income taxes	301	332
+ Other current financial assets	13	57
- Accounts payable	946	1,149
- Other liabilities including income taxes	553	546
- Other current financial liabilities	41	13
WORKING CAPITAL	1,517	1,440

CAPITAL EMPLOYED

<i>(In millions of euros)</i>	<u>End of September 2023</u>	<u>End of December 2022</u>
Goodwill, net	2,709	2,655
+ Intangible assets (excluding goodwill), and property, plant and equipment, net	5,533	5,607
+ Investments in equity affiliates	16	24
+ Other investments and other non-current assets	287	297
+ Working capital	1,517	1,440
CAPITAL EMPLOYED	10,062	10,023

GENERAL INFORMATION

Paragraph (3) of section "General Information" appearing on page 128 of the Base Prospectus is deleted in its entirety and replaced by the following:

"There has been no significant change in the financial position or financial performance of Arkema or the Group since 30 September 2023."

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS SUPPLEMENT

We declare, to the best of our knowledge, that the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

Arkema
420, rue d'Estienne d'Orves
92700 Colombes
France

Duly represented by:

Thomas Lestavel

Directeur Financement et Trésorerie

authorised signatory

dated 10 November 2023



This Supplement has been approved on 10 November 2023 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, as amended.

The AMF has approved this Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129, as amended.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes. Investors should make their own assessment of the opportunity to invest in such Notes.

This Supplement has received approval number 23-468.