Exchanges Rates (REEL / ACTUAL tables) in BFC SYENSQO

- 1. Objective and Scope
- 2. Quantum files
  - 2.1 Content of files
  - 2.2 Controls in place on Syensqo Treasury team side
  - 2.2 Treasury point of contacts in case of issues
- 3. BFC upload
  - 3.1 Create REEL YYYY.MM table in BFC_Top_SCO
  - 3.2 Import Quantum file
  - 3.3 January Y Exchange Rates - Check consistency of Y-1 rates
  - 3.4 Every month - Run Excel retrieval file to check consistency
  - 3.5 Piloting to BFC_Prod_SCO database
- 4. Exchange Rates publication in GAR Syensqo AODOCs (GAR team site)
  - 4.1 Beginning of the year (in January YYYY) - creation of the new file for year YYYY
  - 4.2 Monthly updates
- 5. Communication

1. Objective and Scope

The purpose of this document is to describe the monthly process to update "ACTUAL/REEL" exchange rates in BFC Syensqo.

"ACTUAL/REEL" exchange rates are used in the following reporting categories to **convert**, during the Consolidation runs, **package submitted in Local currency to Consolidation currency (main currency being EUROS):**

- **ACTUAL2** - IFRS Consolidation operated every month
- **ACTUAL1-TAX** - Tax reporting cycles operated in Q1, Q2, Q3 , October Hard Close and final Year End
- **ACTUAL3** - Annual appendices required to complete Syensqo Annual Report (analysis of Net Financial Indebtedness, commitments, related parties…) - requested in September and at Year End
- **ACTUAL0** - Statutory net equity for dividends valuation / Financial information on Non Consolidated companies
- **ACTUAL1** - Quarterly collection for Pillar II and "CBCR - Country by Country Report" (OECD requirement)
- **RSB** - Restatement of Y-1 Financial Statements to current Y Perimeter and Exchange Rates

Below are the **6 types of conversion rates** updated in this monthly process:

- **TC - Closing rate** - used for Balance Sheet Closing balance and some specific flows
- **TMN - Average cumulative rate** - used for P&L and some variation flows from BS
- **TMN-1 - Average rate Dec.Y-1**
- **TO - Opening rate** (equals to Dec.Y-1 closing rate) - used for Balance Sheet opening balance and some specific flows
- **TCN-1 - Closing rate N-1** (closing rate / same period of previous year)
- **TMYN-1 - Average rate N-1** (average rate / same period of previous year)

In addition to "ACTUAL/REEL" tables, BFC Admin is also responsible for the update of **2 other Exchange Rates tables - PREV and SIMULATION - used in Controlling categories**

- PREV rates are used for Budget purposes
- SIMULATION rates for Business Forecast reviews
- both are communicated by the Corporate Controlling team to BFC Admin

2. Quantum files

2.1 Content of files

Quantum is the **Treasury system** managing centrally **Syensqo official exchange rates** and distributing them across the SAP applications.

On the **last working day** of the month, Quantum (through e-mail address QUANTUM-Solvay@avantgardportal.com) automatically sends 4 emails (one per each file) to ECo-$SBS FinanceSL Fin Acc SU BFC Admin with the following contents:

- QUANTUM : YYYY.MM Rates Interface for BFC contains **YYYY.MM_BFC_Rates_Interface_FromQT.txt** file
- QUANTUM : YYYY.MM Monthly Rates for BFC contains **YYYY.MM-BFC_MonthlyRates_FromQT.xls** file
- QUANTUM : YYYY.MM Quarterly Rates for BFC contains **YYYY.MM-BFC_QuarterlyRates_FromQT.xls** file
- QUANTUM : YYYY.MM Year's Rates for BFCcontains **YYYY.MM-BFC_YearRates_FromQT.xls** file

2.2 Controls in place on Syensqo Treasury team side

After several issues on BFC Admin side with Quantum files received (missing or inconsistent Exchange Rates), **new process of controls will be conducted on Syensqo Treasury team before sending to BFC Admin:**

- 1/ **TSU Tools and BAM team is doing the Fixing as usual** (verification of rates received from Reuters, initiating the rates import process within Quantum and generating the different year-to-date / monthly average rates calculation required for BFC).
- 2/ During the fixing process, **BFC reports are generated and 4 e-mails are sent to TSU Tools and BAM team for visual controls**:
  - 1 E-mail "QUANTUM : YYYY.MM BFC Rates Interface for control" related to BFC interface: controlling the 5 different information are generated for all currencies (TCN-1;TMYN-1;TMN-1;TO;TC)
  - 3 E-mails "QUANTUM : YYYY.MM Year's (or Quarterly or Monthly) BFC Rates for control" related to BFC Monthly/Quarterly /Year's rates: controlling the rates were calculated for the corresponding period for all currencies
- 3/ **If all the visual controls are ok**, **TSU Tools and BAM is launching the specific Quantum job** "QT Fixing Rates - 3 -EOM BFC rates (after control)" that **will send the 4 emails to BFC defined recipients.**
- 3bis/ **If all the visual controls are not ok (**missing rates in one of the files), it **might be caused by some delays in the rates import and calculation within Quantum.** Generating in foreground the BFC reports is to be done to verify if after 1 or 2 min the reports have been updated correctly ;if so, TSU Tools and BAM team to execute the job "QT Fixing Rates - 3 -EOM BFC rates (after control)" sending the email to BFC team.
  In case the issue is persisting and the BFC reports are not correctly updated, **DT Finance and Treasury team is to be contacted** for further analysis.

Ideally **BFC reports should be communicated to BFC team latest 5PM CET.**
In case of delays, DT Finance and Treasury or TSU Tools and BAM will transfer the reports as soon as available

2.2 Treasury point of contacts in case of issues

Despite controls performed before sending, if there are ***any issues with the files the point of contacts*** is **tsu_tools_bam@Syensqo.com (TSU team)** with copy to sbs-is-appli-finance-titc.quantum@Solvay.com (DT team)

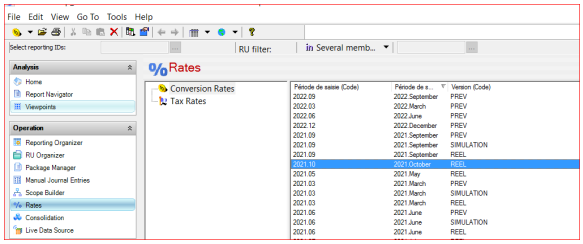
3. BFC upload

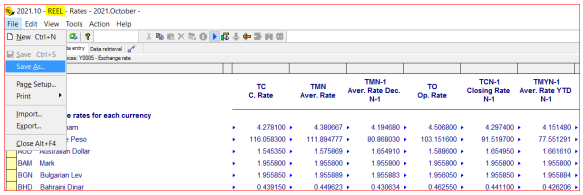
The file **YYYY.MM_BFC_Rates_Interface_FromQT.txt** received from Quantum has the correct format ready to be uploaded in BFC.

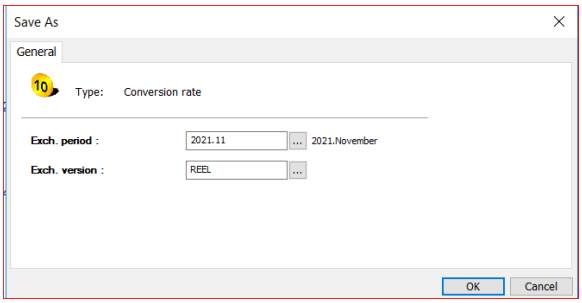
3.1 Create REEL YYYY.MM table in BFC_Top_SCO

Before being able to upload YYYY.MM reel exchange rates from the txt file, **creation of the table in BFC is first required**.

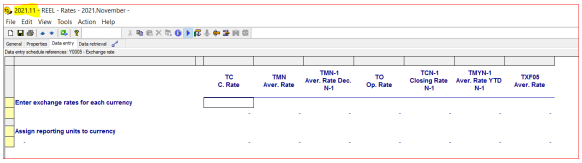
From the previous period, do a **Save as.**



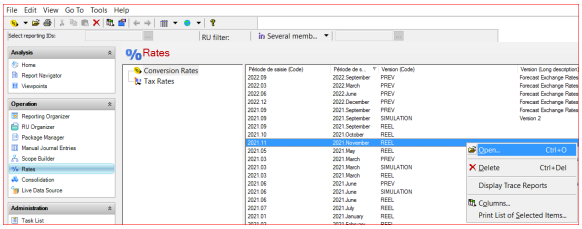




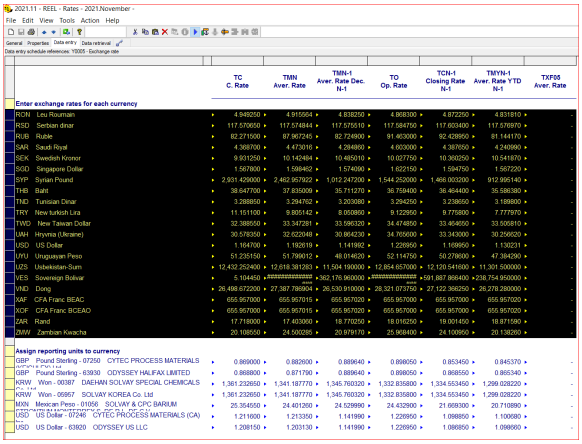
Save the new table and close.

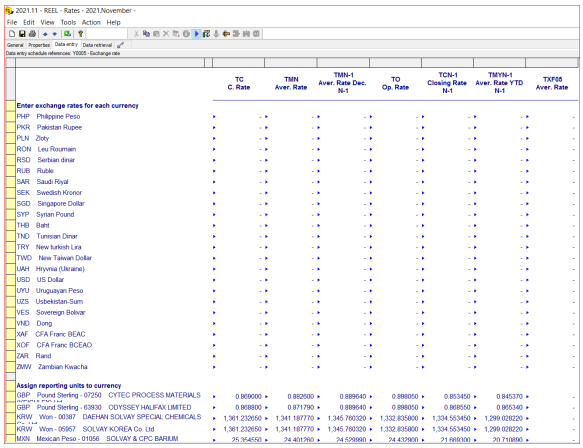


Open the new table



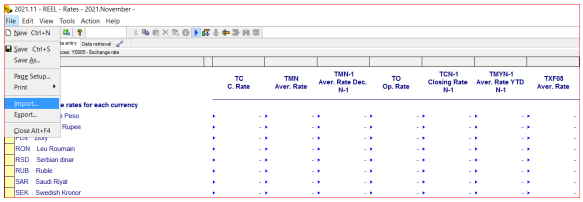
Select all lines, except the frozen rates if any, and press DELETE to erase previous month rates.

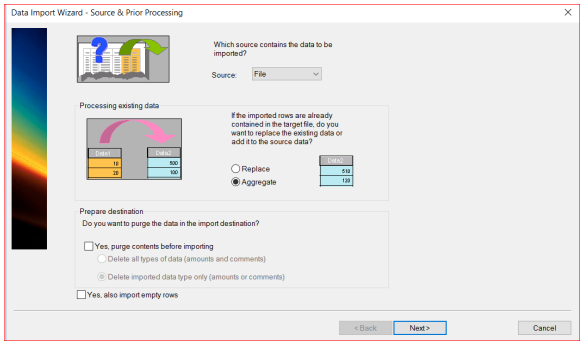


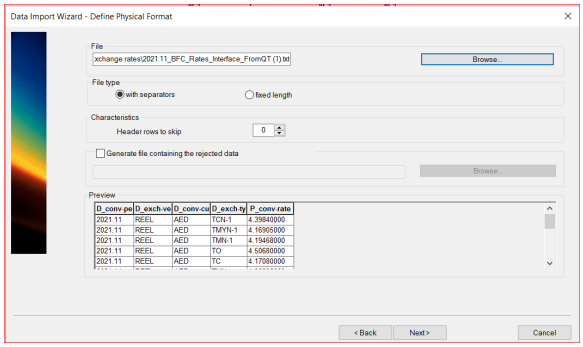


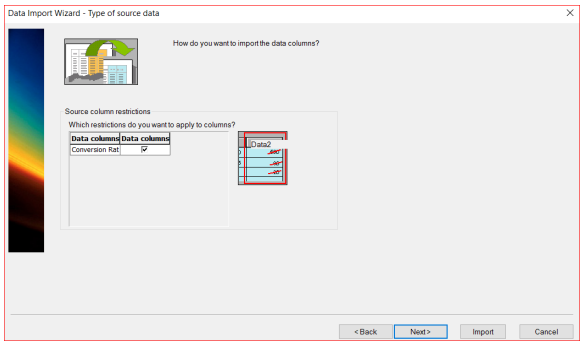
3.2 Import Quantum file

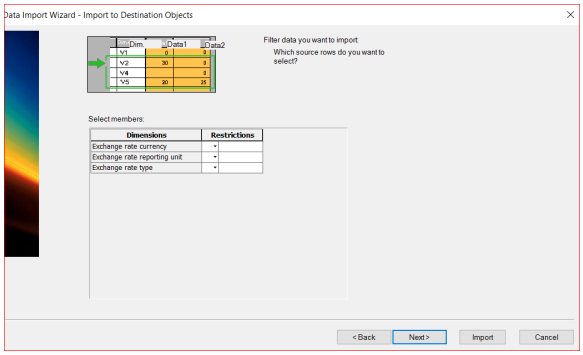
Import **YYYY.MM_BFC_Rates_Interface_FromQT.txt** file into BFC.

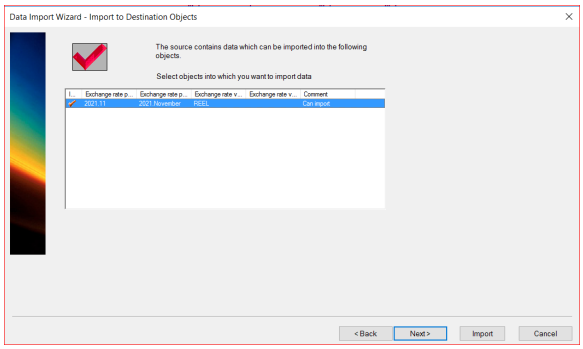




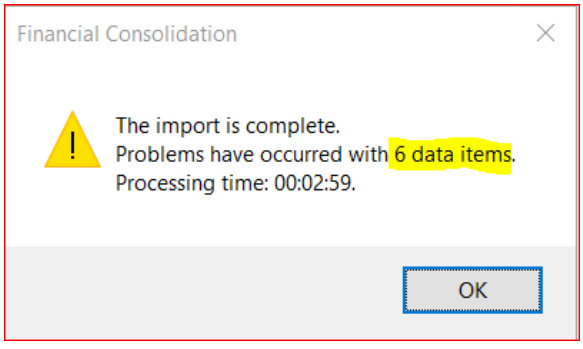


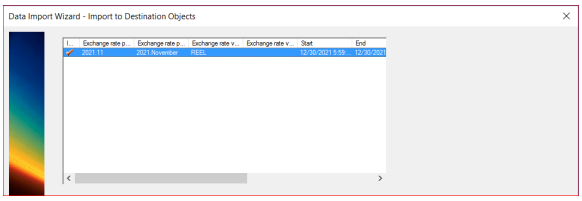


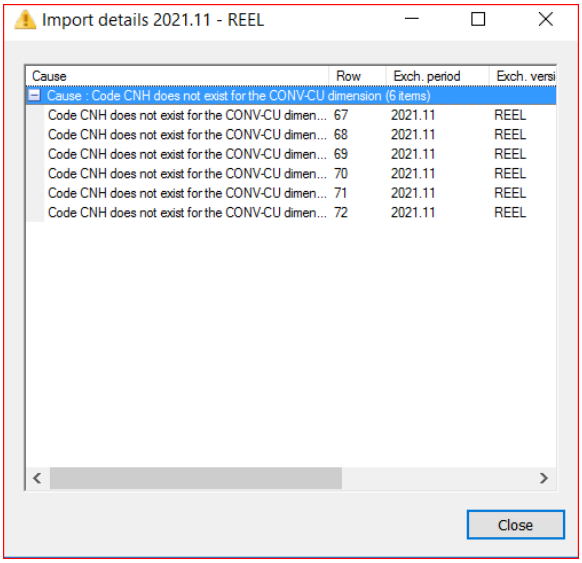




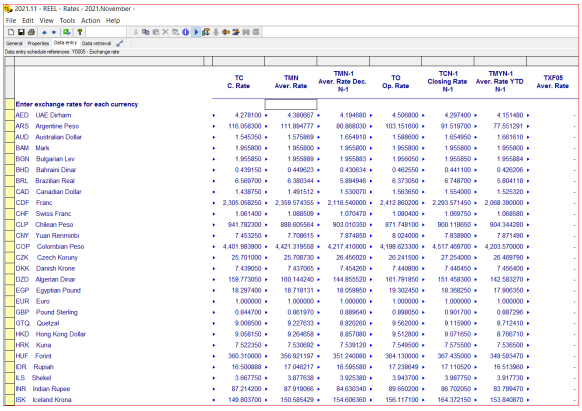
6 lines expected to be rejected: Currency CNH not created in BFC table as not required in the IFRS Consolidation.







Save the table

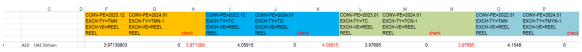


3.3 January Y Exchange Rates - Check consistency of Y-1 rates

In January when updating the 1st table of the year, it is recommended to **check that the 4 Y-1 rates** from Quantum files are correct: **TMN-1 / TO / TCN-1 / TMYN-1.**

Control will be done **running an Excel retrieve Exc Rates REEL 1st @ January check on Y-1 rates comparing Y-1 rates loaded in January REEL table versus rates from Y-1 REEL tables**:

- **TMN-1 - Average rate Dec.Y-1 = TMN of December Y-1**
- **TO - Opening rate = TC (closing rate) December Y-1**
- **TCN-1 - Closing rate Y-1 = TC (closing rate) of same period Y-1**
- **TMYN-1 - Average rate Y-1 = TMN (average rate) of same period Y-1**



Example in January 2024:

- TMN-1 REEL 2024.01 = TMN REEL 2023.12

- TO REEL 2024.01 = TC REEL 2023.12
- TCN-1 REEL 2024.01 = TC REEL 2023.01
- TMYN-1 REEL 2024.01 = TMN REEL 2023.01

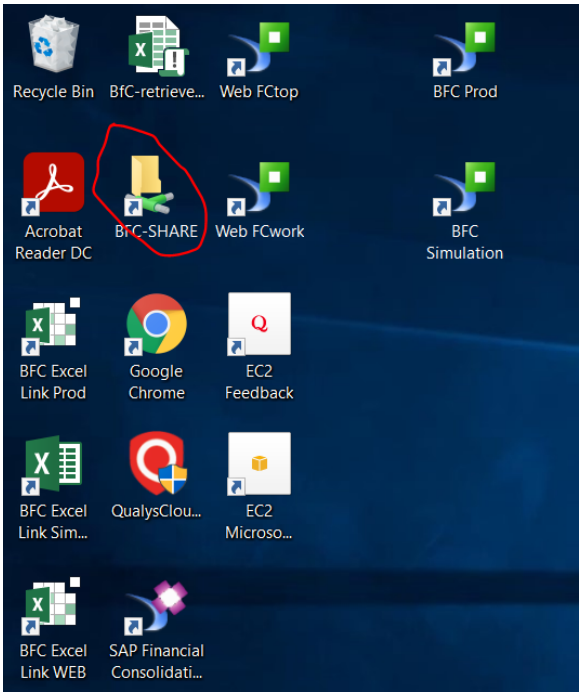
3.4 Every month - Run Excel retrieval file to check consistency

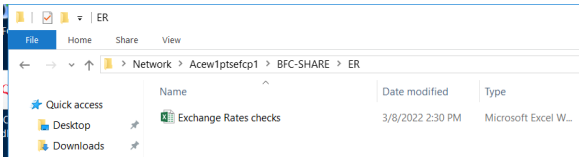
Before piloting the exchange rates table to BFC_Prod_SCO it is recommended to run a consistency check on the rates just uploaded into BFC_Top_SCO.

Connect to BFC_Top_SCO through **BFC Excel Link WEB**

Excel retrieval file - **Exchange Rates checks.xls** - is saved in this folder in the remote desktop \\Acew1ptsefcp1\BFC-SHARE\ER

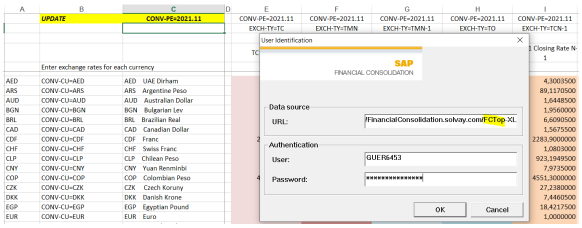
The file can also be found in the Gdrive Exchange Rates checks

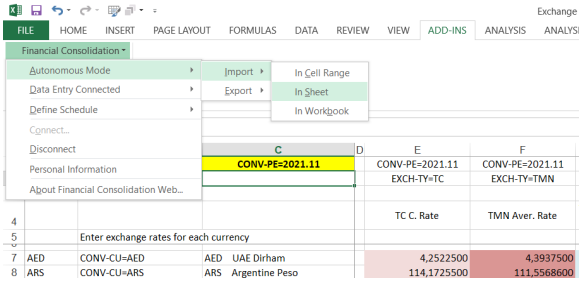




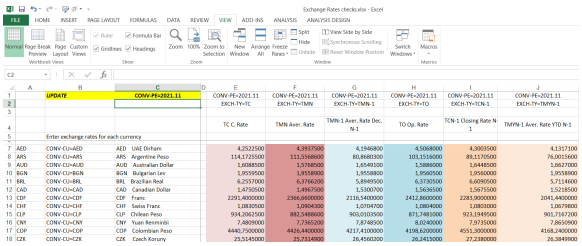
How to proceed with these checks:

- [x] Update period in cell C1
- [x] Connect to BFC_Top_SCO and refresh the file

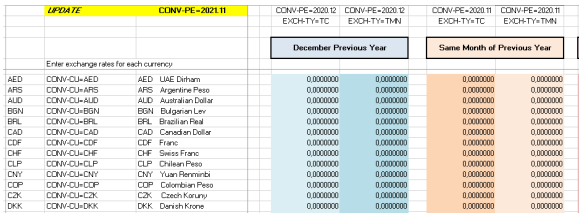




- From column E to J there's a retrieve of what we've just uploaded into BFC with the interface file.

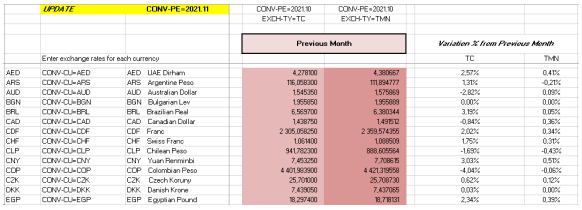


- In columns M and N there's a comparison of TO (Opening Rate) and TMN-1 (Closing rate) with TC and TMN rates from Dec Y-1 table. No differences are expected.



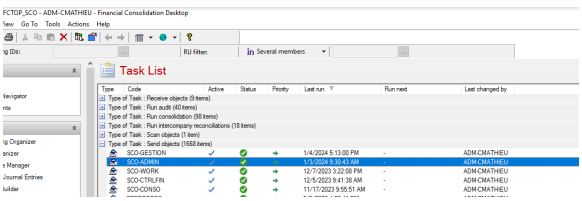
- In columns P and Q there's a comparison of TCN-1 (Closing Rate Y-1) and TMN-1 (Aver. Rate Y-1) with TC and TMN extracted from the Y-1 table. No differences are expected.

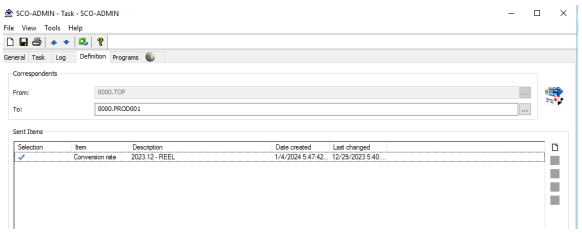
- In Columns V and W there's a calculation of the TC and TMN variations (%) compared to previous month.
- There's a conditional formatting in these cells: variations >= or <= 50% are highlighted in red and those cases should be communicated to GAR Conso team by email as a warning message of high currency variation.



3.5 Piloting to BFC_Prod_SCO database

Task SCO-ADMIN has to be used to pilot REEL Exchange Rates table inserting the REEL table of the month.





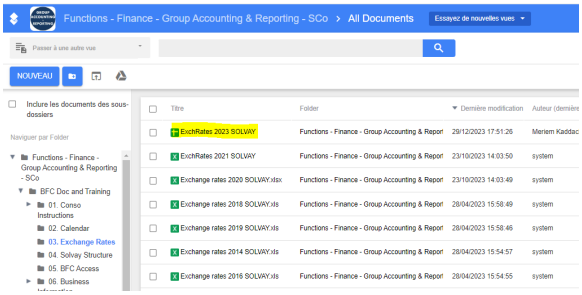
4. Exchange Rates publication in GAR Syensqo AODOCs (GAR team site)

Besides BFC update, BFC Admin is also in charge of updating every month the actual (REEL) exchange rates file published in GAR Syensqo AODOC.

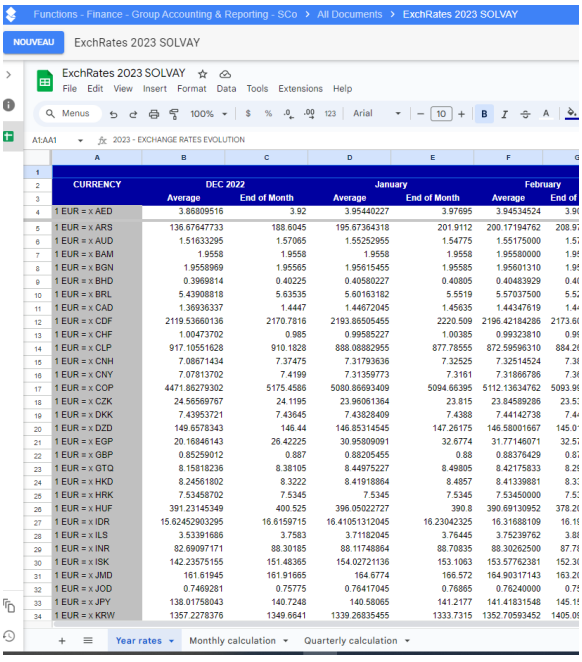
The information received in the 3 files from Quantum (Monthly, Quarterly and Yearly rates) are in the exact same format as the 3 tabs in GAR Syensqo AODOCs file and therefore only a copy/paste is necessary.

4.1 Beginning of the year (in January YYYY) - creation of the new file for year YYYY

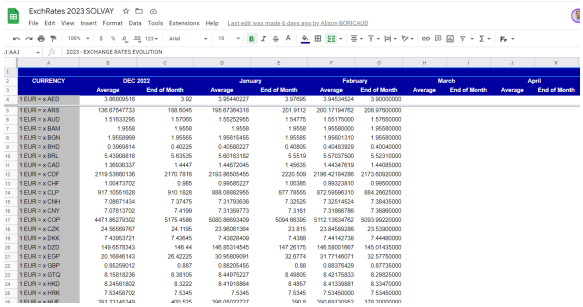
- In GAR Syensqo AODOC library **open the Exchange Rate file from previous year (YYYY-1)**



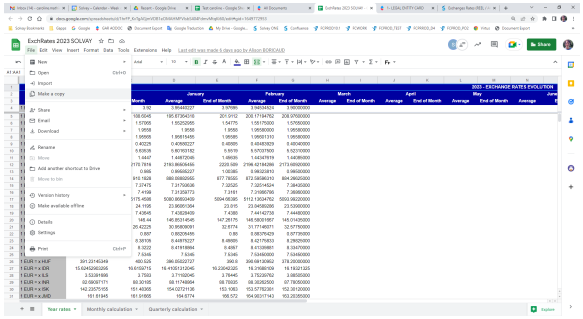
- Select **option "Open in a new tab"** to open it in google drive



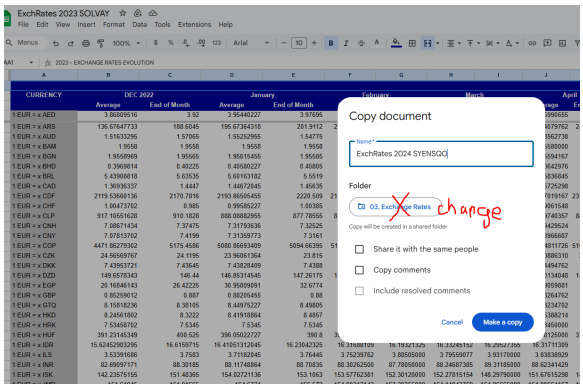
- **File opened** in Google Drive



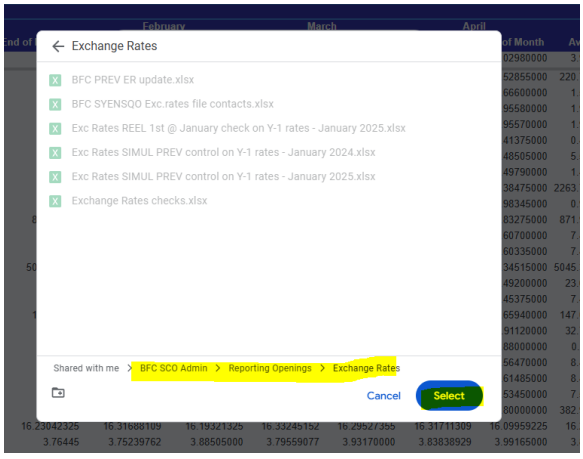
- Menu "File" **option "make a copy"** to duplicate the document



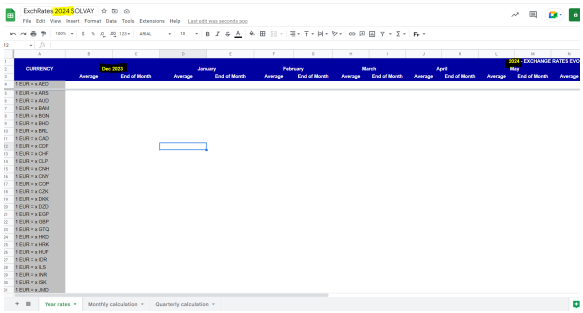
- In the **"Copy" window**
  - **rename** it "ExcRates YYYY SYENSQO"
  - **storage folder has to be changed** as BFC Admin team has no access to the default folder "03. Exchange Rates" of AODOC that appears



  - **click on the location folder** in which it will be temporary stored **to change it** :
    - location to be selected is: BFC SCO Admin drive / Reporting openings / exchange rates
  - **click on Select**



- **In the new File generated** by copy:
  - **rename** it "ExcRates YYYY SYENSQO"
  - **adapt columns titles in each tab**
  - **remove** previous exchange rates values (YYYY values will come from monthly updates)
  - **in tab Year Rates in Column Dec Y-1 copy the ER from Y-1 file** - *example*
    - *in the new file ExcRates 2024 SYENSQO, take and copy Dec 2023 rates taken in file ExcRates 2023 SYENSQO tab "Year rates"*



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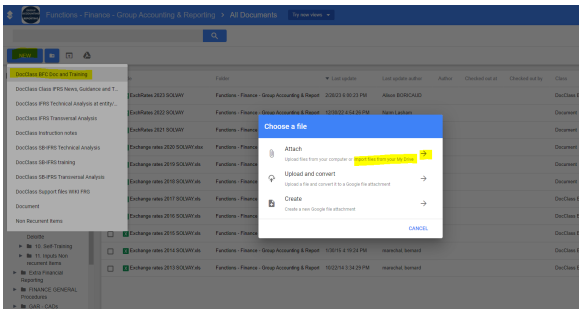
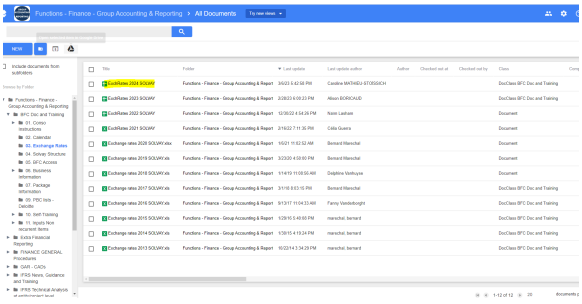
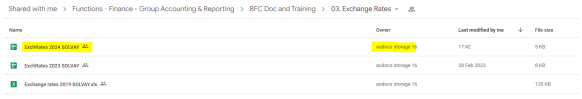
  - **adapt columns titles in each tab**
  - **remove** previous exchange rates values (YYYY values will come from monthly updates)





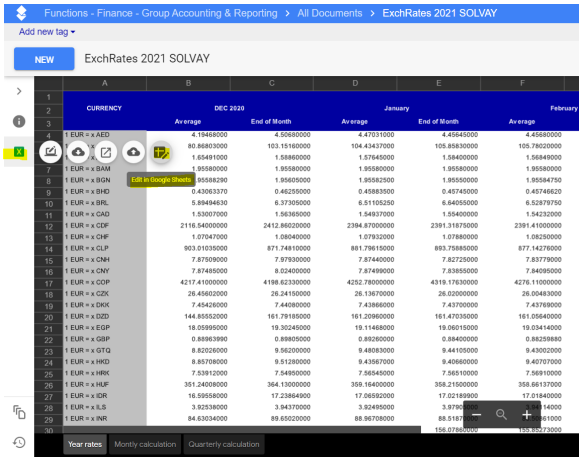
- **Load the new file into GAR Syensqo AODOC**:
  - click on **"NEW"** button
  - select "**DocClass BFC and Doc Training"**
  - "Choose a file" window => select 1st option **"import file from your My Drive**"
  - Then **select Google Drive and search and select the new file** => the upload starts



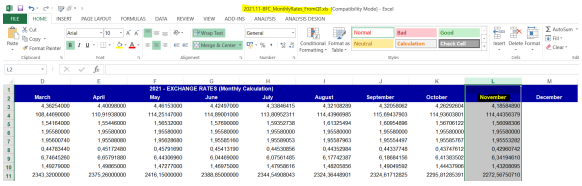
- **Once loaded** the **new file appears in GAR Syensqo AODOC** and its **storage has become an GAR Syensqo AODOC storage** (the file belongs to GAR Syensqo AODOC, no more to My drive)

4.2 Monthly updates

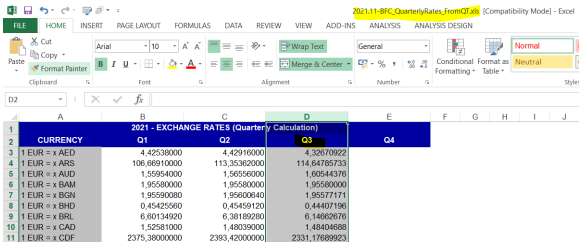
Open the Exchange Rates YYYY file in GAR Syensqo AODOCs



From Quantum file YYYY.MM-BFC_**MonthlyRates_FromQT**.xls copy the last column to GAR Syensqo AODOCs file tab **Monthly calculation**

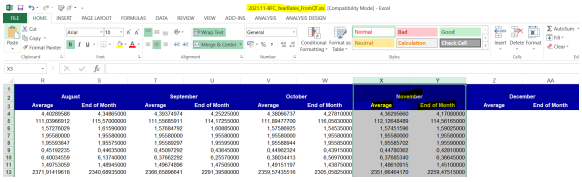


From Quantum file YYYY.MM-BFC_**QuarterlyRates_FromQT**.xls copy the last column to GAR Syensqo AODOCs file tab **Quarterly calculation**

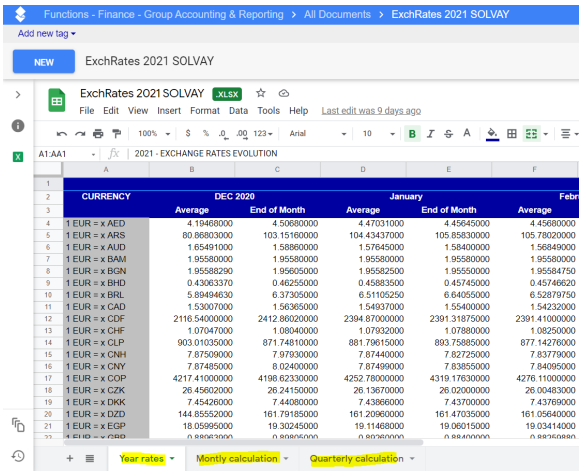


	2021 - EXCHANGE RATES (Quarterly Calculation)			
CURRENCY	Q1	Q2	Q3	Q4
1 EUR = x AED	4,42538000	4,42916000	4,32670922	
1 EUR = x ARS	106,66910000	113,35362000	114,64785733	
1 EUR = x AUD	1,55954000	1,56556000	1,60544376	
1 EUR = x BAM	1,95580000	1,95580000	1,95580000	
1 EUR = x BGN	1,95590080	1,95600640	1,95577171	
1 EUR = x BHD	0,45425560	0,45459120	0,44407196	
1 EUR = x BRL	6,60134920	6,38189280	6,14662676	
1 EUR = x CAD	1,52581000	1,48039000	1,48404688	
1 EUR = x CDF	2375,38000000	2393,42000000	2331,17889923	

From YYYY.MM-BFC_**YearRates_FromQT**.xls copy the last 2 columns to GAR Syensqo AODOCs file tab **Year rates**



Once the 3 tabs of GAR Syensqo AODOCs file have been updated **clos e the file (changes are automatically saved).**



CURRENCY	DEC 2020		January		Febr
	Average	End of Month	Average	End of Month	Average
1 EUR = x AED	4.19468000	4.50680000	4.47031000	4.45645000	4.45680000
1 EUR = x ARS	80.86803000	103.15160000	104.43437000	105.85830000	105.78020000
1 EUR = x AUD	1.65491000	1.58860000	1.57645000	1.58400000	1.56849000
1 EUR = x BAM	1.95580000	1.95580000	1.95580000	1.95580000	1.95580000
1 EUR = x BGN	1.95588290	1.95605000	1.95582500	1.95550000	1.95584750
1 EUR = x BHD	0.43063370	0.46255000	0.45883500	0.45745000	0.45746620
1 EUR = x BRL	5.89494630	6.37305000	6.51105250	6.64055000	6.52879750
1 EUR = x CAD	1.53007000	1.56365000	1.54937000	1.55400000	1.54232000
1 EUR = x CDF	2116.54000000	2412.86020000	2394.87000000	2391.31875000	2391.41000000
1 EUR = x CHF	1.07047000	1.08040000	1.07932000	1.07880000	1.08250000
1 EUR = x CLP	903.01035000	871.74810000	881.79615000	893.75885000	877.14276000
1 EUR = x CNH	7.87509000	7.97930000	7.87440000	7.82725000	7.83779000
1 EUR = x CNY	7.87485000	8.02400000	7.87499000	7.83855000	7.84095000
1 EUR = x COP	4217.41000000	4198.62330000	4252.78000000	4319.17630000	4276.11000000
1 EUR = x CZK	26.45602000	26.24150000	26.13670000	26.02000000	26.00483000
1 EUR = x DKK	7.45426000	7.44080000	7.43866000	7.43700000	7.43769000
1 EUR = x DZD	144.85552000	161.79185000	161.20960000	161.47035000	161.05640000
1 EUR = x EGP	18.05995000	19.30245000	19.11468000	19.06015000	19.03414000

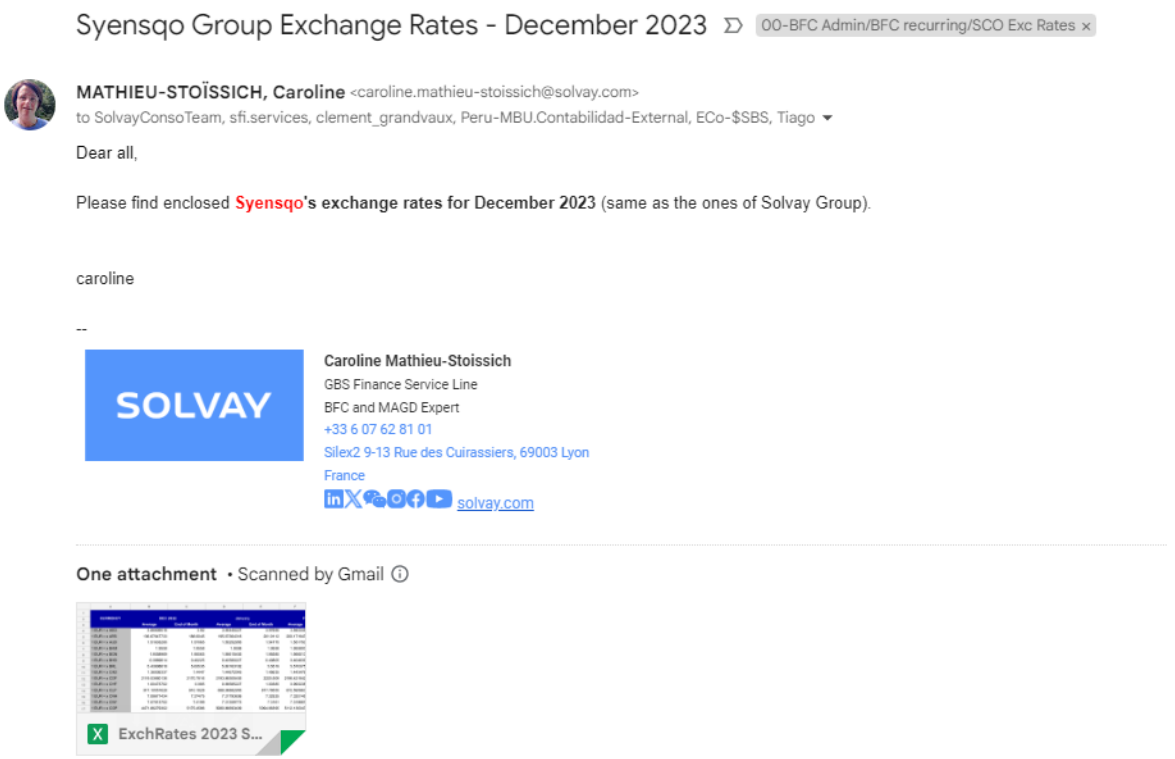
5. Communication

Once exchange rates have been piloted to BFC_Prod_SCO and GAR Syensqo AODOCs file has been updated, BFC Admin should **communicate to Syensqo's Finance external partners** (outsourcing companies, Syensqo Actuaries, Businesses sold under TSA ...).

From February 2024, Syensqo end users are only notified in case of delay (Exchange rates not uploaded before 7pm CET on WD1)

The **distribution lists of external partners** is available in this file **BFC Syensqo Exc.rates file contacts (2nd tab)**:

- **Note**: When someone (external partner) asks to be added to the distribution list, BFC Admin should check with Syensqo Consolidation team if the contact can be added and which is the validity period.
- **Mail to external partners** (GAR Syensqo AODOCs file sent in attachment as they have no access to =GAR Syensqo AODOC library):



END OF THIS PROCEDURE