

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-36794



The Chemours Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

46-4845564
(I.R.S. Employer
Identification No.)

1007 Market Street, Wilmington, Delaware 19801
(Address of Principal Executive Offices)

(302) 773-1000
(Registrant's Telephone Number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock (\$0.01 par value)	CC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer
Non-Accelerated Filer

Accelerated Filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 148,438,276 shares of common stock, \$0.01 par value, outstanding at October 23, 2023.

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PART I. FINANCIAL INFORMATION

Item 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Chemours Company
Interim Consolidated Statements of Operations (Unaudited)
(Dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 1,487	\$ 1,777	\$ 4,666	\$ 5,456
Cost of goods sold	1,206	1,345	3,607	4,042
Gross profit	281	432	1,059	1,414
Selling, general, and administrative expense	165	140	1,067	535
Research and development expense	28	32	82	88
Restructuring, asset-related, and other charges	124	(1)	139	10
Total other operating expenses	317	171	1,288	633
Equity in earnings of affiliates	13	16	38	44
Interest expense, net	(55)	(41)	(145)	(123)
(Loss) gain on extinguishment of debt	(1)	7	(1)	7
Other income, net	102	56	100	101
Income (loss) before income taxes	23	299	(237)	810
Provision for (benefit from) income taxes	3	59	(26)	135
Net income (loss)	20	240	(211)	675
Less: Net income attributable to non-controlling interests	—	—	1	—
Net income (loss) attributable to Chemours	\$ 20	\$ 240	\$ (212)	\$ 675
Per share data				
Basic earnings (loss) per share of common stock	\$ 0.13	\$ 1.54	\$ (1.42)	\$ 4.30
Diluted earnings (loss) per share of common stock	0.13	1.52	(1.42)	4.21

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Statements of Comprehensive (Loss) Income (Unaudited)
(Dollars in millions)

	Three Months Ended September 30,					
	2023			2022		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Net income			\$ 20			\$ 240
Other comprehensive income (loss):						
Hedging activities:						
Unrealized gain on net investment hedge	\$ 35	\$ (8)	27	\$ 81	\$ (19)	62
Unrealized gain on cash flow hedge	7	(1)	6	20	(3)	17
Reclassifications to net income - cash flow hedge	1	—	1	(7)	2	(5)
Hedging activities, net	43	(9)	34	94	(20)	74
Cumulative translation adjustment	(80)	—	(80)	(140)	—	(140)
Defined benefit plans:						
Additions to accumulated other comprehensive income (loss):						
Net loss	(1)	—	(1)	—	—	—
Curtailment gain	10	(1)	9	—	—	—
Effect of foreign exchange rates	4	—	4	9	—	9
Reclassifications to net income:						
Amortization of actuarial loss	3	(1)	2	2	—	2
Amortization of prior service gain	(1)	—	(1)	—	—	—
Defined benefit plans, net	\$ 15	\$ (2)	13	\$ 11	\$ —	11
Other comprehensive loss			(33)			(55)
Comprehensive (loss) income			(13)			185
Less: Comprehensive income attributable to non-controlling interests			—			—
Comprehensive (loss) income attributable to Chemours			\$ (13)			\$ 185

	Nine Months Ended September 30,					
	2023			2022		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Net (loss) income			\$ (211)			\$ 675
Other comprehensive income (loss):						
Hedging activities:						
Unrealized gain on net investment hedge	\$ 13	\$ (3)	10	\$ 139	\$ (33)	106
Unrealized gain on cash flow hedge	5	(1)	4	38	(6)	32
Reclassifications to net income - cash flow hedge	(9)	1	(8)	(13)	3	(10)
Hedging activities, net	9	(3)	6	164	(36)	128
Cumulative translation adjustment	9	—	9	(216)	—	(216)
Defined benefit plans:						
Additions to accumulated other comprehensive income (loss):						
Net loss	(1)	—	(1)	—	—	—
Curtailment gain	10	(1)	9	—	—	—
Effect of foreign exchange rates	2	—	2	16	—	16
Reclassifications to net income:						
Amortization of actuarial loss	7	(2)	5	6	(2)	4
Amortization of prior service gain	(2)	—	(2)	(1)	—	(1)
Defined benefit plans, net	\$ 16	\$ (3)	13	\$ 21	\$ (2)	19
Other comprehensive income (loss)			28			(69)
Comprehensive (loss) income			(183)			606
Less: Comprehensive income attributable to non-controlling interests			1			—
Comprehensive (loss) income attributable to Chemours			\$ (184)			\$ 606

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Balance Sheets (Unaudited)
(Dollars in millions, except per share amounts)

	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 852	\$ 1,102
Restricted cash and restricted cash equivalents	595	—
Accounts and notes receivable, net	846	626
Inventories	1,314	1,404
Prepaid expenses and other	76	82
Total current assets	3,683	3,214
Property, plant, and equipment	9,243	9,387
Less: Accumulated depreciation	(6,124)	(6,216)
Property, plant, and equipment, net	3,119	3,171
Operating lease right-of-use assets	258	240
Goodwill	102	102
Other intangible assets, net	5	13
Investments in affiliates	192	175
Restricted cash and restricted cash equivalents	—	202
Other assets	589	523
Total assets	\$ 7,948	\$ 7,640
Liabilities		
Current liabilities:		
Accounts payable	\$ 901	\$ 1,251
Compensation and other employee-related cost	94	121
Short-term and current maturities of long-term debt	23	25
Current environmental remediation	138	194
Other accrued liabilities	1,039	300
Total current liabilities	2,195	1,891
Long-term debt, net	3,944	3,590
Operating lease liabilities	207	198
Long-term environmental remediation	467	474
Deferred income taxes	54	61
Other liabilities	324	319
Total liabilities	7,191	6,533
Commitments and contingent liabilities		
Equity		
Common stock (par value \$0.01 per share; 810,000,000 shares authorized; 197,344,369 shares issued and 148,364,181 shares outstanding at September 30, 2023; 195,375,810 shares issued and 148,504,030 shares outstanding at December 31, 2022)	2	2
Treasury stock, at cost (48,980,188 shares at September 30, 2023; 46,871,780 shares at December 31, 2022)	(1,807)	(1,738)
Additional paid-in capital	1,030	1,016
Retained earnings	1,845	2,170
Accumulated other comprehensive loss	(315)	(343)
Total Chemours stockholders' equity	755	1,107
Non-controlling interests	2	—
Total equity	757	1,107
Total liabilities and equity	\$ 7,948	\$ 7,640

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Statements of Stockholders' Equity (Unaudited)
(Dollars in millions, except per share amounts)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance at July 1, 2022	194,761,628	\$ 2	39,188,959	\$ (1,517)	\$ 1,005	\$ 2,102	\$ (378)	\$ 1	\$ 1,215
Common stock issued - compensation plans	2,439	—	—	—	—	—	—	—	—
Exercise of stock options, net	414,511	—	—	—	3	—	—	—	3
Purchases of treasury stock, at cost	—	—	2,910,688	(87)	—	—	—	—	(87)
Stock-based compensation expense	—	—	—	—	7	—	—	—	7
Net income	—	—	—	—	—	240	—	—	240
Dividends declared on common shares (\$0.25 per share)	—	—	—	—	—	(38)	—	—	(38)
Other comprehensive loss	—	—	—	—	—	—	(55)	—	(55)
Balance at September 30, 2022	<u>195,178,578</u>	<u>\$ 2</u>	<u>42,099,647</u>	<u>\$ (1,604)</u>	<u>\$ 1,015</u>	<u>\$ 2,304</u>	<u>\$ (433)</u>	<u>\$ 1</u>	<u>\$ 1,285</u>
Balance at July 1, 2023	196,759,211	\$ 2	48,529,521	\$ (1,790)	\$ 1,014	\$ 1,864	\$ (282)	\$ 2	\$ 810
Common stock issued - compensation plans	(16,576)	—	—	—	1	(1)	—	—	—
Exercise of stock options, net	601,734	—	—	—	9	—	—	—	9
Purchases of treasury stock, at cost	—	—	450,667	(17)	—	—	—	—	(17)
Stock-based compensation expense	—	—	—	—	6	—	—	—	6
Net income	—	—	—	—	—	20	—	—	20
Dividends declared on common shares (\$0.25 per share)	—	—	—	—	—	(38)	—	—	(38)
Other comprehensive loss	—	—	—	—	—	—	(33)	—	(33)
Balance at September 30, 2023	<u>197,344,369</u>	<u>\$ 2</u>	<u>48,980,188</u>	<u>\$ (1,807)</u>	<u>\$ 1,030</u>	<u>\$ 1,845</u>	<u>\$ (315)</u>	<u>\$ 2</u>	<u>\$ 757</u>

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance at January 1, 2022	191,860,159	\$ 2	30,813,427	\$ (1,247)	\$ 944	\$ 1,746	\$ (364)	\$ 1	\$ 1,082
Common stock issued - compensation plans	295,736	—	—	—	—	—	—	—	—
Exercise of stock options	3,022,683	—	—	—	51	—	—	—	51
Purchases of treasury stock, at cost	—	—	11,286,220	(357)	—	—	—	—	(357)
Stock-based compensation expense	—	—	—	—	24	—	—	—	24
Cancellation of unissued stock awards withheld to cover taxes	—	—	—	—	(4)	—	—	—	(4)
Net income	—	—	—	—	—	675	—	—	675
Dividends declared on common shares (\$0.75 per share)	—	—	—	—	—	(117)	—	—	(117)
Other comprehensive loss	—	—	—	—	—	—	(69)	—	(69)
Balance at September 30, 2022	<u>195,178,578</u>	<u>\$ 2</u>	<u>42,099,647</u>	<u>\$ (1,604)</u>	<u>\$ 1,015</u>	<u>\$ 2,304</u>	<u>\$ (433)</u>	<u>\$ 1</u>	<u>\$ 1,285</u>
Balance at January 1, 2023	195,375,810	\$ 2	46,871,780	\$ (1,738)	\$ 1,016	\$ 2,170	\$ (343)	\$ —	\$ 1,107
Common stock issued - compensation plans	836,031	—	—	—	1	(1)	—	—	—
Exercise of stock options	1,132,528	—	—	—	18	—	—	—	18
Purchases of treasury stock, at cost	—	—	2,108,408	(69)	—	—	—	—	(69)
Stock-based compensation expense	—	—	—	—	13	—	—	—	13
Cancellation of unissued stock awards withheld to cover taxes	—	—	—	—	(18)	—	—	—	(18)
Net (loss) income	—	—	—	—	—	(212)	—	1	(211)
Dividends declared on common shares (\$0.75 per share)	—	—	—	—	—	(112)	—	—	(112)
Contributions by non-controlling interests	—	—	—	—	—	—	—	1	1
Other comprehensive income	—	—	—	—	—	—	28	—	28
Balance at September 30, 2023	<u>197,344,369</u>	<u>\$ 2</u>	<u>48,980,188</u>	<u>\$ (1,807)</u>	<u>\$ 1,030</u>	<u>\$ 1,845</u>	<u>\$ (315)</u>	<u>\$ 2</u>	<u>\$ 757</u>

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Statements of Cash Flows (Unaudited)
(Dollars in millions)

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities		
Net (loss) income	\$ (212)	\$ 675
Adjustments to reconcile net (loss) income to cash provided by operating activities:		
Depreciation and amortization	233	217
Gain on sales of assets and businesses, net	(106)	(27)
Equity in earnings of affiliates, net	(32)	(36)
Loss (gain) on extinguishment of debt	1	(7)
Amortization of debt issuance costs and issue discounts	6	7
Deferred tax (benefit) provision	(135)	6
Asset-related charges	123	5
Stock-based compensation expense	13	24
Net periodic pension cost	8	6
Defined benefit plan contributions	(9)	(9)
Other operating charges and credits, net	(14)	(24)
Decrease (increase) in operating assets:		
Accounts and notes receivable	(212)	(256)
Inventories and other operating assets	95	(259)
(Decrease) increase in operating liabilities:		
Accounts payable and other operating liabilities	313	272
Cash provided by operating activities	72	594
Cash flows from investing activities		
Purchases of property, plant, and equipment	(235)	(240)
Proceeds from sales of assets and businesses	138	33
Foreign exchange contract settlements, net	(8)	1
Other investing activities	6	(13)
Cash used for investing activities	(99)	(219)
Cash flows from financing activities		
Proceeds from issuance of debt	648	—
Debt repayments	(277)	(64)
Payments of debt issuance cost	(4)	(1)
Payments on finance leases	(8)	(9)
Purchases of treasury stock, at cost	(69)	(351)
Proceeds from exercised stock options, net	18	51
Payments related to tax withholdings on vested stock awards	(18)	(4)
Payments of dividends to the Company's common shareholders	(112)	(117)
Cash received from non-controlling interest shareholder	1	—
Cash provided by (used for) financing activities	179	(495)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(9)	(63)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	143	(183)
Cash, cash equivalents, restricted cash and restricted cash equivalents at January 1,	1,304	1,551
Cash, cash equivalents, restricted cash and restricted cash equivalents at September 30,	\$ 1,447	\$ 1,368
Supplemental cash flows information		
Non-cash investing and financing activities:		
Purchases of property, plant, and equipment included in accounts payable	\$ 76	\$ 42
Treasury Stock repurchased, not settled	—	10

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Notes to the Interim Consolidated Financial Statements (Unaudited)
(Dollars in millions, except per share amounts)

Note 1. Background, Description of the Business, and Basis of Presentation

The Chemours Company (“Chemours”, or the “Company”) is a leading, global provider of performance chemicals that are key inputs in end-products and processes in a variety of industries. The Company delivers customized solutions with a wide range of industrial and specialty chemical products for markets, including coatings, plastics, refrigeration and air conditioning, transportation, semiconductor and consumer electronics, general industrial, and oil and gas. The Company’s principal products include titanium dioxide (“TiO₂”) pigment, refrigerants, industrial fluoropolymer resins, and performance chemicals and intermediates. Chemours manages and reports its operating results through its three reportable segments: Titanium Technologies, Thermal & Specialized Solutions, and Advanced Performance Materials. The Titanium Technologies segment is a leading, global provider of TiO₂ pigment, a premium white pigment used to deliver whiteness, brightness, opacity, durability, efficiency and protection across a variety of applications. The Thermal & Specialized Solutions segment is a leading, global provider of refrigerants, thermal management solutions, propellants, blowing agents, and specialty solvents. The Advanced Performance Materials segment is a leading, global provider of high-end polymers and advanced materials that deliver unique attributes, including low friction coefficients, extreme temperature resistance, weather resistance, ultraviolet and chemical resistance, and electrical insulation. The Performance Chemicals and Intermediates business is included in Other Segment.

Unless the context otherwise requires, references herein to “The Chemours Company”, “Chemours”, “the Company”, “our Company”, “we”, “us”, and “our” refer to The Chemours Company and its consolidated subsidiaries. References herein to “EID” refer to EIDP, Inc., formerly known as E. I. du Pont de Nemours and Company, which is Chemours’ former parent company and is now a subsidiary of Corteva, Inc. (“Corteva”). Reference herein to “DuPont” refer to DuPont de Nemours, Inc.

The accompanying interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). In the opinion of management, all adjustments (consisting of normal, recurring adjustments) considered necessary for a fair statement of the Company’s results for interim periods have been included. The notes that follow are an integral part of the Company’s interim consolidated financial statements. The Company’s results for interim periods should not be considered indicative of its results for a full year, and the year-end consolidated balance sheet does not include all of the disclosures required by GAAP. As such, these interim consolidated financial statements should be read in conjunction with the *Consolidated Financial Statements* and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

Certain prior period amounts have been reclassified to conform to the current period presentation, the effect of which was not material to the Company’s interim consolidated financial statements.

Note 2. Summary of Significant Accounting Policies

The Company's significant accounting policies are described in its "Note 3 – Summary of Significant Accounting Policies" to the Consolidated Financial Statements in its Annual Report on Form 10-K for the year ended December 31, 2022. Other than the policies below, there have been no material changes to the critical accounting policies and estimates previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Restricted Cash and Restricted Cash Equivalents

The Company classifies cash and cash equivalents that are legally or contractually restricted for withdrawal or usage as restricted cash and restricted cash equivalents. Restricted cash and restricted cash equivalents are classified as a current or non-current asset based on the nature and timing when the cash is expected to be used, and are carried at cost plus interest accrued, which approximates fair value.

Chemours restricted cash and restricted cash equivalents at December 31, 2022 includes cash and cash equivalents deposited in an escrow account as per the terms of the Company's Memorandum of Understanding ("MOU") agreement. At September 30, 2023, the Company's restricted cash and restricted cash equivalents principally relates to cash and cash equivalents deposited in the Water District Settlement Fund per the terms of the U.S. public water system Settlement Agreement pending final approval. Until a Final Judgment, as defined in the Settlement Agreement, is entered by the Court, the Company maintains a proportional reversionary interest to the underlying restricted cash equivalents in the Water District Settlement Fund, which the Company has classified as restricted cash and restricted cash equivalents. See "Note 17 – Commitments and Contingent Liabilities" for further details on the MOU and Water District Settlement Fund.

Recently Adopted Accounting Guidance

Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provides optional guidance for a limited period of time to ease the potential burden associated with accounting for contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to reference rate reform. In December 2022, the FASB issued ASU 2022-06, *Deferral of the Sunset Date of Topic 848* ("ASU 2022-06"), which extended the expiration date of ASU 2020-04 to December 31, 2024. The Company utilized an optional expedient provided under ASU 2020-04 in the first quarter of 2023 in connection with the amendment to its senior secured credit facilities (see "Note 15 – Debt"). As a result, the amendment did not result in any accounting modifications.

Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"), which requires contract assets and contract liabilities acquired in a business combination to be recognized in accordance with Topic 606 as if the acquirer had originated the contracts. The Company will apply the provisions of ASU 2021-08 to future acquisitions, if any.

Disclosure of Supplier Finance Program Obligations

In September 2022, the FASB issued ASU 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations* ("ASU 2022-04"), which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose qualitative and quantitative information about their programs, including key terms and activity during the period. The guidance will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted, and should be applied retrospectively to each period in which a balance sheet is presented subject to certain exceptions. The Company adopted the provisions of ASU 2022-04 in the first quarter of 2023, and provided the required disclosure under its transition guidance in "Note 13 – Accounts Payable".

Note 3. Acquisitions and Divestitures

Divestitures

In December 2021, the Company entered into an agreement to sell land related to the Beaumont former operating site for cash consideration of approximately \$17 (the "Beaumont Transaction"). The Company completed the land sale on May 24, 2022 and received net cash proceeds of \$17. In January 2022, the Company entered into a stock agreement to sell certain of its wholly-owned subsidiaries and the remaining assets at its former Aniline business facilities in Pascagoula, Mississippi (the "Pascagoula Transaction"). The Company completed the sale on June 9, 2022 and received net cash proceeds of \$16. Upon completion of the Beaumont Transaction and the Pascagoula Transaction, the Company recorded a net pre-tax gain of \$11 and \$18, respectively, in other income, net in the consolidated statements of operations during the second quarter of 2022.

In June 2023, the Company entered into a definitive agreement with PureTech Scientific Inc. to sell the Company's Glycolic Acid business, included in the Company's Other Segment for cash consideration of approximately \$137 (the "Glycolic Acid Transaction"). The Company completed the sale on August 1, 2023, and received net cash proceeds of \$138. Upon completion of the Glycolic Acid Transaction, the Company also recorded a net pre-tax gain on sale of \$106 in other income (expense), net in the consolidated statements of operations. The sale of the Glycolic Acid business does not represent a strategic shift that will have a major effect on the Company's operations and financial results. Accordingly, the disposal group is not classified as a discontinued operation.

Cash proceeds received were reflected in the "Cash flows from investing activities" section of the Consolidated Statements of Cash Flows.

The Chemours Company
Notes to the Interim Consolidated Financial Statements (Unaudited)
(Dollars in millions, except per share amounts)

Note 4. Net Sales

Disaggregation of Net Sales

The following table sets forth a disaggregation of the Company's net sales by geographic region and segment for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales by geographic region (1)				
North America:				
Titanium Technologies	\$ 273	\$ 348	\$ 812	\$ 1,028
Thermal & Specialized Solutions	250	239	843	814
Advanced Performance Materials	126	172	424	469
Other Segment	11	21	51	51
Total North America	<u>660</u>	<u>780</u>	<u>2,130</u>	<u>2,362</u>
Asia Pacific:				
Titanium Technologies	186	208	513	772
Thermal & Specialized Solutions	42	49	151	143
Advanced Performance Materials	133	189	423	503
Other Segment	3	6	10	18
Total Asia Pacific	<u>364</u>	<u>452</u>	<u>1,097</u>	<u>1,436</u>
Europe, the Middle East, and Africa:				
Titanium Technologies	123	177	403	590
Thermal & Specialized Solutions	85	75	291	246
Advanced Performance Materials	69	74	228	219
Other Segment	3	5	11	14
Total Europe, the Middle East, and Africa	<u>280</u>	<u>331</u>	<u>933</u>	<u>1,069</u>
Latin America (2):				
Titanium Technologies	108	144	301	384
Thermal & Specialized Solutions	59	54	160	157
Advanced Performance Materials	15	15	43	45
Other Segment	1	1	2	3
Total Latin America	<u>183</u>	<u>214</u>	<u>506</u>	<u>589</u>
Total net sales	<u>\$ 1,487</u>	<u>\$ 1,777</u>	<u>\$ 4,666</u>	<u>\$ 5,456</u>

(1) Net sales are attributed to countries based on customer location.

(2) Latin America includes Mexico.

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The following table sets forth a disaggregation of the Company's net sales by product group and segment for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales by product group and segment				
Titanium dioxide and other minerals	\$ 690	\$ 877	\$ 2,029	\$ 2,774
Total Titanium Technologies	690	877	2,029	2,774
Refrigerants	343	327	1,157	1,095
Foam, propellants, and other	93	90	288	265
Total Thermal & Specialized Solutions	436	417	1,445	1,360
Advanced materials	214	317	705	863
Performance solutions	129	133	413	373
Total Advanced Performance Materials	343	450	1,118	1,236
Performance chemicals and intermediates	18	33	74	86
Total Other Segment	18	33	74	86
Total net sales	\$ 1,487	\$ 1,777	\$ 4,666	\$ 5,456

Substantially all of the Company's net sales are derived from goods and services transferred at a point in time.

Contract Balances

The Company's assets and liabilities from contracts with customers constitute accounts receivable - trade, deferred revenue, and customer rebates. An amount for accounts receivable - trade is recorded when the right to consideration under a contract becomes unconditional. An amount for deferred revenue is recorded when consideration is received prior to the conclusion that a contract exists, or when a customer transfers consideration prior to the Company satisfying its performance obligations under a contract. Customer rebates represent an expected refund liability to a customer based on a contract. In contracts with customers where a rebate is offered, it is generally applied retroactively based on the achievement of a certain sales threshold. As revenue is recognized, the Company estimates whether or not the sales threshold will be achieved to determine the amount of variable consideration to include in the transaction price.

The following table sets forth the Company's contract balances from contracts with customers at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Contract assets:		
Accounts receivable - trade, net (Note 8)	\$ 753	\$ 509
Contract liabilities:		
Deferred revenue	\$ 5	\$ 5
Customer rebates (Note 14)	72	90

Changes in the Company's deferred revenue balances resulting from additions for advance payments and deductions for amounts recognized in net sales during the three and nine months ended September 30, 2023 were not significant. For the three and nine months ended September 30, 2023, the amount of net sales recognized from performance obligations satisfied in prior periods (e.g., due to changes in transaction price) were not significant.

There were no material contract asset balances or capitalized costs associated with obtaining or fulfilling customer contracts as of September 30, 2023 and December 31, 2022.

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Remaining Performance Obligations

Certain of the Company's master services agreements or other arrangements contain take-or-pay clauses, whereby customers are required to purchase a fixed minimum quantity of product during a specified period, or pay the Company for such orders, even if not requested by the customer. The Company considers these take-or-pay clauses to be an enforceable contract, and as such, the legally-enforceable minimum amounts under such an arrangement are considered to be outstanding performance obligations on contracts with an original expected duration greater than one year. At September 30, 2023, Chemours had \$367 of remaining performance obligations. The Company expects to recognize approximately 9% of its remaining performance obligations as revenue in 2023, approximately 26% as revenue in 2024, and approximately 22% as revenue for each of the years 2025 to 2027. The Company applies the allowable practical expedient and does not include remaining performance obligations that have original expected durations of one year or less, or amounts for variable consideration allocated to wholly-unsatisfied performance obligations or wholly-unsatisfied distinct goods that form part of a single performance obligation, if any. Amounts for contract renewals that are not yet exercised by September 30, 2023 are also excluded.

Note 5. Restructuring, Asset-related, and Other Charges

The following table sets forth the components of the Company's restructuring, asset-related, and other charges by segment for the three months ended September 30, 2023 and 2022.

	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Corporate and Other	Total
Three Months Ended September 30, 2023						
Employee separation charges:						
Titanium Technologies Transformation Plan	\$ 20	\$ —	\$ —	\$ —	\$ —	\$ 20
2023 Restructuring Program	—	—	4	—	2	6
2022 Restructuring Programs	—	—	—	—	(1)	(1)
Total employee separation charges	<u>20</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>1</u>	<u>25</u>
Decommissioning and other charges:						
Titanium Technologies Transformation Plan	21	—	—	—	—	21
Total Decommissioning and other charges	<u>21</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21</u>
Total restructuring and other charges	<u>41</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>1</u>	<u>46</u>
Asset-related charges:						
Titanium Technologies Transformation Plan	77	—	—	—	1	78
Total asset-related charges	<u>77</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>78</u>
Total restructuring, asset-related, and other charges	<u>\$ 118</u>	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 124</u>
	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Corporate and Other	Total
Three Months Ended September 30, 2022						
Employee separation charges	\$ —	\$ —	\$ (1)	\$ —	\$ (1)	\$ (2)
Decommissioning and other charges	—	—	—	1	—	1
Total restructuring and other charges	<u>—</u>	<u>—</u>	<u>(1)</u>	<u>1</u>	<u>(1)</u>	<u>(1)</u>
Asset-related charges	—	—	—	—	—	—
Total restructuring, asset-related, and other charges	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

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The following table sets forth the components of the Company's restructuring, asset-related, and other charges by segment for the nine months ended September 30, 2023 and 2022.

	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Corporate and Other	Total
Nine Months Ended September 30, 2023						
Employee separation charges:						
Titanium Technologies Transformation Plan	\$ 20	\$ —	\$ —	\$ —	\$ —	\$ 20
2023 Restructuring Program	—	—	4	—	2	6
2022 Restructuring Programs	—	—	(1)	—	(1)	(2)
ERP Implementation Abandonment Charges	—	—	—	—	1	1
Total employee separation charges	20	—	3	—	2	25
Decommissioning and other charges:						
Titanium Technologies Transformation Plan	21	—	—	—	—	21
ERP Implementation Abandonment Charges	—	—	—	—	4	4
Total Decommissioning and other charges	21	—	—	—	4	25
Total restructuring and other charges	41	—	3	—	6	50
Asset-related charges:						
Titanium Technologies Transformation Plan	77	—	—	—	1	78
ERP Implementation Abandonment Charges	—	—	—	—	11	11
Total asset-related charges	77	—	—	—	12	89
Total restructuring, asset-related, and other charges	\$ 118	\$ —	\$ 3	\$ —	\$ 18	\$ 139

	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Corporate and Other	Total
Nine Months Ended September 30, 2022						
Employee separation charges	\$ —	\$ 1	\$ 1	\$ —	\$ 2	\$ 4
Decommissioning and other charges	—	—	—	1	—	1
Total restructuring and other charges	—	1	1	1	2	5
Asset-related charges (1)	5	—	—	—	—	5
Total restructuring, asset-related, and other charges	\$ 5	\$ 1	\$ 1	\$ 1	\$ 2	\$ 10

(1) In 2022, asset-related charges include asset charges resulting from the conflict between Russia and Ukraine and the Company's decision to suspend its business with Russian entities.

Titanium Technologies Transformation Plan

On July 27, 2023, the Company announced the closure of its manufacturing site in Kuan Yin, Taiwan effective August 1, 2023, following the Company's Board of Directors approval on July 26, 2023. The Company began shutting down production and started decommissioning the plant during the third quarter of 2023. The Company expects to fully shut-down the plant during the fourth quarter of 2023. Decommissioning activities are expected to be completed in the first quarter of 2024 and will begin dismantling thereafter. Dismantling and removal activities are expected to be completed in the fourth quarter of 2024.

As a result, during the three months ended September 30, 2023, the Company recorded charges of approximately \$111 consisting of asset-related impairments of \$78, employee separation costs of \$12, contract termination costs of \$7 and decommissioning and other charges of \$14. The associated severance payments will be made beginning in the fourth quarter 2023 through the second quarter of 2024. Further, the Company expects to incur additional charges in the range of approximately \$20 to \$30 for decommission, dismantling and removal activities thereafter, which will be expensed as incurred. The Company also recorded \$28 related to the write off of certain raw materials that can no longer be utilized following the production shutdown. This amount is recorded in Cost of Goods Sold in the *Interim Consolidated Statement of Operations*.

Consistent with the Titanium Technologies Transformation Plan, following the plant closure, the segment also initiated an organizational redesign to further align its cost structure with its financial objectives. As a result, additional employee separation charges of \$8 were recorded in the three months ended September 30, 2023. The employee separation and related payments are expected to be completed in the second quarter of 2024.

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2023 Restructuring Program

In addition to the Titanium Technologies plans, in 2023, management also initiated additional severance programs to further align the cost structure of the Company's businesses and corporate functions with its financial objectives. As a result, the Company recorded employee separation charges of \$6 for the three and nine months ended September 30, 2023, respectively. The severance costs were recognized as follows: \$4 in Advanced Performance Materials and \$2 in Corporate and Other. The program and related severance payments are expected to be completed in the second quarter of 2024.

Enterprise Resource Planning ("ERP") Implementation Abandonment Charges

During the first quarter of 2023, the Company decided to abandon its implementation of a new ERP software platform and recorded the following charges: \$11 write-off of previously deferred software development costs determined to have no alternative use, \$4 related to contract termination charges, and \$1 of employee separation charges. Employee severance payments related to this charge are expected to be completed in the first quarter of 2024.

2022 Restructuring Programs

In 2022, management initiated severance programs that were largely attributable to aligning the cost structure of the Company's businesses and corporate functions with its financial objectives. As a result, the Company recorded approximately \$4 of employee separation costs for the nine months ended September 30, 2022, net of a \$2 credit recorded in the three months ended September 30, 2022. As of September 30, 2023, the cumulative amount incurred, in the aggregate, for the Company's 2022 restructuring programs amounted to \$8. The severance costs were recognized as follows: \$1 in Titanium Technologies, \$2 in Thermal & Specialized Solutions, \$2 in Advanced Performance Materials and \$3 in Corporate and Other. The program and related severance payments are expected to be substantially completed by the first quarter of 2024.

The following table sets forth the change in the Company's employee separation-related liabilities associated with its restructuring programs for the nine months ended September 30, 2023.

	2022 Restructuring Programs	ERP Implementation Abandonment	Titanium Technologies Transformation Plan	2023 Restructuring Program	Total
Balance at December 31, 2022	\$ 6	\$ —	\$ —	\$ —	\$ 6
(Credits) charges to income	(2)	1	20	6	25
Payments	(3)	—	—	—	(3)
Balance at September 30, 2023	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ 6</u>	<u>\$ 28</u>

At September 30, 2023, there were no significant outstanding liabilities related to the Company's decommissioning and other restructuring-related charges.

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Note 6. Other Income (Expense), Net

The following table sets forth the components of the Company's other income (expense), net for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Leasing, contract services, and miscellaneous income (1)	\$ 4	\$ 39	\$ 11	\$ 54
Royalty income (2)	2	3	5	5
Gain on sales of assets and businesses, net (3)	106	—	106	27
Exchange (losses) gains, net (4)	(9)	13	(21)	11
Non-operating pension and other post-retirement employee benefit (cost) income (5)	(1)	1	(1)	4
Total other income, net	<u>\$ 102</u>	<u>\$ 56</u>	<u>\$ 100</u>	<u>\$ 101</u>

- (1) For the three and nine months ended September 30, 2022, miscellaneous income includes proceeds from a settlement of a patent infringement matter relating to certain copolymer patents associated with the Company's Advanced Performance Materials segment.
- (2) Royalty income is primarily from technology licensing.
- (3) In 2023, gain on sale includes net pre-tax gain on sale of \$106 related to the Glycolic Acid Transaction. In 2022, gain on sale includes net pre-tax gain on sale of \$11 related to the Beaumont Transaction and \$18 related to the Pascagoula Transaction. Refer to "Note 3 - Acquisitions and Divestitures" for further details.
- (4) Exchange (losses) gains, net includes losses and gains on the Company's foreign currency forward contracts that have not been designated as a cash flow hedge.
- (5) Non-operating pension and other post-retirement employee benefit income represents the non-service component of net periodic pension income (cost).

Note 7. Earnings Per Share of Common Stock

The following table sets forth the reconciliations of the numerators and denominators of the Company's basic and diluted earnings per share ("EPS") calculations for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net income (loss) attributable to Chemours	\$ 20	\$ 240	\$ (212)	\$ 675
Denominator:				
Weighted-average number of common shares outstanding - basic	148,623,633	155,376,422	148,929,580	157,149,738
Dilutive effect of the Company's employee compensation plans (1)	1,562,005	2,473,700	—	3,199,339
Weighted-average number of common shares outstanding - diluted	<u>150,185,638</u>	<u>157,850,122</u>	<u>148,929,580</u>	<u>160,349,077</u>
Basic earnings (loss) per share of common stock (2)	\$ 0.13	\$ 1.54	\$ (1.42)	\$ 4.30
Diluted earnings (loss) per share of common stock (1) (2)	0.13	1.52	(1.42)	4.21

- (1) In periods where the Company incurs a net loss, the impact of potentially dilutive securities is excluded from the calculation of EPS, as their inclusion would have an anti-dilutive effect. As such, with respect to the measure of diluted EPS, the impact of 1,753,788 potentially dilutive securities is excluded from the calculation for the nine months ended September 30, 2023.
- (2) Figures may not recalculate exactly due to rounding. Basic and diluted (loss) earnings per share are calculated based on unrounded numbers.

The following table sets forth the average number of stock options that were out of the money and, therefore, were not included in the determination of potentially dilutive securities used in the Company's diluted EPS calculations for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Average number of stock options	1,325,972	993,598	1,305,941	1,113,383

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Note 8. Accounts and Notes Receivable, Net

The following table sets forth the components of the Company's accounts and notes receivable, net at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Accounts receivable - trade, net (1)	\$ 753	\$ 509
VAT, GST, and other taxes (2)	72	88
Other receivables (3)	21	29
Total accounts and notes receivable, net	\$ 846	\$ 626

- (1) Accounts receivable - trade, net includes trade notes receivable of \$4 and \$3 and is net of allowances for doubtful accounts of \$2 and \$10 at September 30, 2023 and December 31, 2022, respectively. Such allowances are equal to the estimated uncollectible amounts.
- (2) Value added tax ("VAT") and goods and services tax ("GST") for various jurisdictions.
- (3) Other receivables consist of derivative instruments, advances, and other deposits including receivables under the terms of the MOU. For details of the MOU, see "Note 17 – Commitments and Contingent Liabilities".

Accounts and notes receivable are carried at amounts that approximate fair value. Bad debt expense amounted to \$2 and \$3 for the three and nine months ended September 30, 2023, respectively and \$1 and \$9 for the three and nine months ended September 30, 2022, respectively.

Note 9. Inventories

The following table sets forth the components of the Company's inventories at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Finished products	\$ 853	\$ 910
Semi-finished products	234	218
Raw materials, stores, and supplies	604	654
Inventories before LIFO adjustment	1,691	1,782
Less: Adjustment of inventories to LIFO basis	(377)	(378)
Total inventories	\$ 1,314	\$ 1,404

Inventory values, before last-in, first-out ("LIFO") adjustment are generally determined by the average cost method, which approximates current cost. Inventories are valued under the LIFO method at the Company's U.S. locations, which comprised \$883 and \$835 (or 52% and 47%, respectively) of inventories before the LIFO adjustments at September 30, 2023 and December 31, 2022, respectively. The Company's inventories held in international locations are valued under the average cost method.

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Note 10. Property, Plant, and Equipment, Net

The following table sets forth the components of the Company's property, plant, and equipment, net at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Equipment	\$ 7,578	\$ 7,745
Buildings	1,160	1,180
Construction-in-progress	376	324
Land	93	102
Mineral rights	36	36
Property, plant, and equipment	9,243	9,387
Less: Accumulated depreciation	(6,124)	(6,216)
Total property, plant, and equipment, net	\$ 3,119	\$ 3,171

Property, plant, and equipment, net included gross assets under finance leases of \$91 at September 30, 2023 and December 31, 2022, respectively.

Depreciation expense amounted to \$74 and \$225 for the three and nine months ended September 30, 2023, respectively, and \$70 and \$214 for the three and nine months ended September 30, 2022, respectively.

Note 11. Investments in Affiliates

The Company engages in transactions with its equity method investees in the ordinary course of business. Net sales to the Company's equity method investees amounted to \$35 and \$118 for the three and nine months ended September 30, 2023, respectively, and \$52 and \$151 for the three and nine months ended September 30, 2022, respectively. Purchases from the Company's equity method investees amounted to \$52 and \$169 for the three and nine months ended September 30, 2023, respectively, and \$58 and \$168 for the three and nine months ended September 30, 2022, respectively. Dividends received from the equity method investees amounted to \$0 and \$3 for the three and nine months ended September 30, 2023, respectively, and \$0 and \$2 for the three and nine months ended September 30, 2022, respectively.

Note 12. Other Assets

The following table sets forth the components of the Company's other assets at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Capitalized repair and maintenance costs	\$ 172	\$ 240
Pension assets (1)	53	50
Deferred income taxes	277	152
Miscellaneous (2)	87	81
Total other assets	\$ 589	\$ 523

(1) Pension assets represents the funded status of certain of the Company's long-term employee benefit plans.

(2) Miscellaneous includes corresponding income tax benefits related to uncertain tax positions on transfer pricing.

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Note 13. Accounts Payable

The following table sets forth the components of the Company's accounts payable at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Trade payables	\$ 878	\$ 1,228
VAT and other payables	23	23
Total accounts payable	\$ 901	\$ 1,251

Supplier Financing

The Company maintains supply chain finance programs with several financial institutions. The programs allow its suppliers to sell their receivables to one of the participating financial institutions at the discretion of both parties on terms that are negotiated between the supplier and the respective financial institution. Pursuant to their agreement with a financial institution, certain suppliers may elect to be paid early at their discretion. The key terms of the supplier invoice, including the amounts due and scheduled payment dates, are not impacted by its suppliers' decisions to sell their receivables under the programs. As such, the Company agrees to pay the financial institution on those sold invoices on the original invoice due date. There are no assets pledged or other forms of guarantees associated with these programs. The Company or the financial institution may terminate the program upon at least 30 days' notice.

The outstanding payment obligations at September 30, 2023 and December 31, 2022 were \$63 and \$158, respectively, and are included in Accounts Payable in the Interim Consolidated Balance Sheets.

Note 14. Other Accrued Liabilities

The following table sets forth the components of the Company's other accrued liabilities at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Accrued litigation (1)	\$ 658	\$ 41
Asset retirement obligations (2)	15	10
Income taxes	67	19
Customer rebates	72	90
Accrued interest	47	17
Operating lease liabilities	55	49
Miscellaneous (3)	125	74
Total other accrued liabilities	\$ 1,039	\$ 300

- (1) At September 30, 2023, accrued litigation includes \$592 for the United States Public Water System Class Action Suit Settlement. Refer to "Note 17 – Commitments and Contingent Liabilities" for further details.
- (2) Represents the current portion of asset retirement obligations (see "Note 16 – Other Liabilities").
- (3) Miscellaneous primarily includes accruals related to utility expenses, property taxes, a workers compensation indemnification liability and other miscellaneous expenses.

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Note 15. Debt

The following table sets forth the components of the Company's debt at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Senior secured term loans:		
Tranche B-2 U.S. dollar term loan due April 2025	\$ —	\$ 766
Tranche B-2 euro term loan due April 2025 (€0 at September 30, 2023 and €333 at December 31, 2022)	—	355
Tranche B-3 U.S. dollar term loan due August 2028	1,070	—
Tranche B-3 euro term loan due August 2028 (€415 at September 30, 2023 and €0 at December 31, 2022)	438	—
Senior unsecured notes:		
4.000% due May 2026 (€441 at September 30, 2023 and December 31, 2022)	466	470
5.375% due May 2027	495	495
5.750% due November 2028	783	783
4.625% due November 2029	620	620
Finance lease liabilities	51	61
Financing obligation (1)	92	91
Total debt principal	4,015	3,641
Less: Unamortized issue discounts	(26)	(4)
Less: Unamortized debt issuance costs	(22)	(22)
Less: Short-term and current maturities of long-term debt	(23)	(25)
Total long-term debt, net	\$ 3,944	\$ 3,590

(1) At September 30, 2023 and December 31, 2022, financing obligation relates to the financed portion of the Company's research and development facility located in the Science, Technology, and Advanced Research Campus of the University of Delaware in Newark, Delaware ("Chemours Discovery Hub").

Senior Secured Credit Facilities

The Company's credit agreement, as amended and restated on April 3, 2018 (the "April 2018 Credit Agreement"), provided for seven-year, senior secured term loans and a five-year, \$800 senior secured revolving credit facility. The senior secured term loan facility under the April 2018 Credit Agreement provided for a class of term loans, denominated in U.S. dollars, in an aggregate principal amount of \$900 and a class of term loans, denominated in euros, in an aggregate principal amount of €350. On October 7, 2021, the Company entered into an amendment to the April 2018 Credit Agreement to, among other things, increase the aggregate commitment amount under the credit facility to \$900 and extend the stated maturity date to October 7, 2026 (from April 3, 2023). On March 10, 2023, the Company entered into a second amendment to the April 2018 Credit Agreement to replace the interest rate benchmark from LIBOR to the Secured Overnight Financing Rate ("SOFR"). On August 18, 2023, the Company entered into an amendment and restatement credit agreement (the "Restated Credit Agreement") that provides for a \$900 senior secured revolving credit facility (the "Revolving Credit Facility") and five-year senior secured term loans (the "Senior Secured Term Loan Facility", collectively, the "New Senior Secured Credit Facilities"). The New Senior Secured Credit Facilities amends and restates in its entirety, the Company's obligations under the April 2018 Credit Agreement.

The New Senior Secured Term Loan Facility provides for a Tranche B-3 class of term loans, denominated in U.S. dollars, in an aggregate principal amount of \$1,070 (the "New Dollar Term Loan") and a class of Tranche B-3 class term loans, denominated in euros, in an aggregate principal amount of €415 (the "New Euro Term Loan") (collectively, the "New Term Loans"). The Company received proceeds of \$367, net of original issue discount and bank fees of \$32. The proceeds of the New Term Loans were primarily used to prepay, in full, all outstanding amounts under the April 2018 Credit Agreement, which amounted to \$764 for the dollar term loan and €333 for the euro term loan, fees and expenses related therewith, and to fund the Water District Settlement Fund per the terms of the U.S. public water system Settlement Agreement pending final approval (see "Note 17 – Commitments and Contingent Liabilities"). The New Dollar Term Loan bears a variable interest rate equal to, at the election of the Company, adjusted Term SOFR plus 3.50%, subject to an adjusted SOFR floor of 0.50%, or adjusted base rate plus 2.50%, subject to a base rate floor of 0.0%. The New Euro Term Loan bears a variable interest rate equal to adjusted Euro Interbank Offered Rate ("EURIBOR") plus 4.00%, subject to an adjusted EURIBOR floor of 0.0%. The New Term Loans will mature on August 18, 2028, and are subject to acceleration in certain circumstances. The Restated Credit Agreement is subject to a springing maturity in the event that the senior unsecured notes due in May 2026 are not redeemed, repaid, modified, and/or refinanced within the 91-day period prior to their maturity date.

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Borrowings made under the Revolving Credit Facility may be used for working capital and other general corporate purchases and other transactions not prohibited by the Restated Credit Agreement. The Revolving Credit Facility bears a variable interest rate range based on the Company's total net leverage ratio, as defined in the Restated Credit Agreement, between (i) a 0.25% and a 1.00% spread for adjusted base rate loans, and (ii) a 1.25% and a 2.00% spread for SOFR and EURIBOR loans. In addition, the Company is required to pay a commitment fee on the average daily unused amount of the Revolving Credit Facility within an interest rate range based on its total net leverage ratio, between 0.10% and 0.25%.

There were no borrowings under the Revolving Credit Facility at September 30, 2023 and December 31, 2022. Issued and outstanding letters of credit under the Revolving Credit Facility amounted to \$99 and \$108 at September 30, 2023 and December 31, 2022, respectively. At September 30, 2023, the effective interest rates on the New Dollar Term Loan and the New Euro Term Loan were 8.82% and 7.86%, respectively, and commitment fees on the Revolving Credit Facility were assessed at a rate of 0.15% per annum.

The Restated Credit Agreement also modifies certain provisions of the April 2018 Credit Agreement, including certain negative covenants to allow further flexibility for the Company. Under the Restated Credit Agreement, solely with respect to the Revolving Credit Facility, the Company is required to not exceed a maximum senior secured net leverage ratio of 2.00 to 1.00 in any period of four consecutive fiscal quarters through the date of maturity. In addition, the New Term Loans contain customary affirmative and negative covenants that, among other things, limit or restrict the Company's and its subsidiaries' ability, subject to certain exceptions, to incur additional indebtedness or liens, pay dividends, and engage in certain transactions, including mergers, acquisitions, asset sales, or investments, outside of specified carve-outs. The Restated Credit Agreement also contains customary representations and warranties and events of default, which are substantially similar to those in the April 2018 Credit Agreement.

The obligations under the New Senior Secured Credit Facilities are guaranteed on a senior secured basis by all of the Company's material, wholly-owned domestic subsidiaries, subject to certain agreed upon exceptions. The obligations under the New Senior Secured Credit Facilities are also, subject to certain agreed upon exceptions, secured by a first priority lien on substantially all of the Company's assets and substantially all of the assets of the Company's material, wholly-owned domestic subsidiaries, including 100% of the stock of certain of the Company's domestic subsidiaries and 65% of the stock of certain of the Company's foreign subsidiaries.

Accounts Receivable Securitization Facility

The Company, through a wholly-owned special purpose entity ("SPE"), maintains an amended and restated receivables purchase agreement dated March 9, 2020, which was amended on March 5, 2021 and further amended on November 24, 2021 (the "Amended Purchase Agreement"). Pursuant to the Amended Purchase Agreement, the Company does not maintain effective control over the transferred receivables, and therefore accounts for these transfers as sales of receivables.

On March 23, 2023, the Company, through the SPE, entered into an amendment to its Amended Purchase Agreement to, among other things, increase the facility limit under the arrangement from \$150 to \$175, replace the interest rate benchmark from LIBOR to SOFR, add a conduit purchaser, and extend the term of the Amended Purchase Agreement, such that the SPE may sell certain receivables and request investments and letter of credit until the earlier of March 31, 2025 or another event that constitutes a "Termination Date" under the Amended Purchase Agreement.

Cash received from collections of sold receivables is used to fund additional purchases of receivables at 100% of face value on a revolving basis, not to exceed the facility limit, which is the aggregate purchase limit. During the three and nine months ended September 30, 2023, the Company received \$398 and \$1,079, respectively, of cash collections on receivables sold under the Amended Purchase Agreement, following which it sold and derecognized \$372 and \$1,079, respectively, of incremental accounts receivable. During the three and nine months ended September 30, 2022, the Company received \$393 and \$1,071, respectively, of cash collections on receivables sold under the Amended Purchase Agreement, following which it sold and derecognized \$393 and \$1,071, respectively, of incremental accounts receivable. The Company maintains continuing involvement as it acts as the servicer for the sold receivables and guarantees payment to the bank. As collateral against the sold receivables, the SPE maintains a certain level of unsold receivables, which amounted to \$126 and \$46 at September 30, 2023 and December 31, 2022, respectively. The Company incurred \$1 and \$2 of fees associated with the Securitization Facility during the three and nine months ended September 30, 2023 and 2022, respectively. Costs associated with the sales of receivables are reflected in the Company's consolidated statements of operations for the periods in which the sales occur.

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Maturities

The Company has required quarterly principal payments related to the New Dollar Term Loan equivalent to 1.00% per annum through June 2028, with the balance due at maturity. Also, on an annual basis, the Company is required to make additional principal payments depending on leverage levels, as defined in the Credit Agreement, equivalent to up to 50% of excess cash flows based on certain leverage targets with step-downs to 25% and 0% as actual leverage decreases to below a 3.50 to 1.00 leverage target. The Company was not required to make additional principal payments in 2023.

The following table sets forth the Company's debt principal maturities for the next five years and thereafter.

	Senior Debt	Finance Lease Liabilities	Financing Obligation	Total
Remainder of 2023	\$ 3	\$ 3	\$ 2	\$ 8
2024	11	13	7	31
2025	11	13	7	31
2026	476	10	7	493
2027	505	8	7	520
Thereafter	2,866	11	136	3,013
Total payments	3,872	58	166	4,096
Less: Imputed interest	—	(7)	(74)	(81)
Total principal maturities on debt	<u>\$ 3,872</u>	<u>\$ 51</u>	<u>\$ 92</u>	<u>\$ 4,015</u>

Debt Fair Value

The following table sets forth the estimated fair values of the Company's senior debt issues, which are based on quotes received from third-party brokers, and are classified as Level 2 financial instruments in the fair value hierarchy.

	September 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior secured term loans:				
Tranche B-2 U.S. dollar term loan due April 2025	\$ —	\$ —	\$ 766	\$ 755
Tranche B-2 euro term loan due April 2025 (€0 at September 30, 2023 and €333 at December 31, 2022)	—	—	355	345
Tranche B-3 U.S. dollar term loan due August 2028	1,070	1,070	—	—
Tranche B-3 euro term loan due August 2028 (€415 at September 30, 2023 and €0 at December 31, 2022)	438	437	—	—
Senior unsecured notes:				
4.000% due May 2026 (€441 at September 30, 2023 and December 31, 2022)	466	432	470	422
5.375% due May 2027	495	457	495	459
5.750% due November 2028	783	679	783	702
4.625% due November 2029	620	496	620	509
Total senior debt principal	<u>3,872</u>	<u>\$ 3,571</u>	<u>3,489</u>	<u>\$ 3,192</u>
Less: Unamortized issue discounts	(26)		(4)	
Less: Unamortized debt issuance costs	(22)		(22)	
Total senior debt, net	<u>\$ 3,824</u>		<u>\$ 3,463</u>	

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Note 16. Other Liabilities

The following table sets forth the components of the Company's other liabilities at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Employee-related costs (1)	\$ 69	\$ 82
Accrued litigation (2)	66	55
Asset retirement obligations (3)	69	73
Miscellaneous (4)	120	109
Total other liabilities	\$ 324	\$ 319

- (1) Employee-related costs primarily represents liabilities associated with the Company's long-term employee benefit plans.
- (2) Represents the long-term portion of accrued litigation (see "Note 17 – Commitments and Contingent Liabilities").
- (3) Represents the long-term portion of asset retirement obligations, which totaled \$84 and \$83 when combined with the current portion at September 30, 2023 and December 31, 2022, respectively (see "Note 14 – Other Accrued Liabilities"). For the nine months ended September 30, 2023, liabilities incurred during the period, reduction in estimated cash outflows, liabilities settled in the current period were not material. Accretion expense amounted to \$(3) and \$2 for the three and nine months ended September 30, 2023, respectively, and \$1 and \$5 for the three and nine months ended September 30, 2022, respectively.
- (4) Miscellaneous includes long-term income tax liabilities from uncertain tax positions. Miscellaneous also includes an accrued workers compensation indemnification liability of \$30 and \$33 at September 30, 2023 and December 31, 2022, respectively.

Note 17. Commitments and Contingent Liabilities

Litigation Overview

The Company and certain of its subsidiaries, from time to time, are subject to various lawsuits, claims, assessments, and proceedings with respect to product liability, intellectual property, personal injury, commercial, contractual, employment, governmental, environmental, anti-trust, and other such matters that arise in the ordinary course of business. In addition, Chemours, by virtue of its status as a subsidiary of EID prior to its separation on July 1, 2015 (the "Separation"), is subject to or required under the Separation-related agreements executed prior to the Separation to indemnify EID against various pending legal proceedings. Except as noted below, while management believes it is reasonably possible that Chemours could incur losses in excess of the amounts accrued, if any, for the aforementioned proceedings, it does not believe any such loss would have a material impact on the Company's consolidated financial position, results of operations, or cash flows. It is not possible to predict the outcomes of these various lawsuits, claims, assessments, or proceedings. Disputes between Chemours and EID may arise regarding indemnification matters, including disputes based on matters of law or contract interpretation. Should disputes arise, they could materially adversely affect Chemours.

If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. When a material loss contingency is reasonably possible, but not probable, the Company does not record a liability, but instead discloses the nature of the matter and an estimate of the loss or range of loss, to the extent such estimate can be made. Significant judgment is required in both the determination of probability and whether an exposure is reasonably estimable. The Company's judgments are subjective based on the status of the legal or regulatory proceedings, the merits of the Company's defenses and consultation with in-house and outside legal counsel. Because of uncertainties related to these matters, accruals are based on the best information available at the time, including, among others, settlement agreements. As additional information becomes available, the Company reassesses the potential liability related to pending claims and litigation and may revise its estimates accordingly. Due to the inherent uncertainties of the legal and regulatory process in the multiple jurisdictions in which Chemours operates, management's judgments may be materially different than the actual outcomes. Legal costs such as outside counsel fees and expenses are charged to expense in the period services are rendered.

Management believes the Company's litigation accruals are appropriate based on the facts and circumstances for each matter, which are discussed in further detail below.

The following table sets forth the components of the Company's accrued litigation at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Asbestos	\$ 35	\$ 35
PFOA (1)	49	45
PFAS (2)	633	2
All other matters	7	14
Total accrued litigation	\$ 724	\$ 96

(1) PFOA includes matters under the "PFOA" section within this "Note 17 - Commitments and Contingent Liabilities".

(2) PFAS includes matters under the "PFAS" section within this "Note 17 - Commitments and Contingent Liabilities".

The following table sets forth the current and long-term components of the Company's accrued litigation and their balance sheet locations at September 30, 2023 and December 31, 2022.

	Balance Sheet Location	September 30, 2023	December 31, 2022
Accrued Litigation:			
Current accrued litigation	Other accrued liabilities (Note 14)	\$ 658	\$ 41
Long-term accrued litigation	Other liabilities (Note 16)	66	55
Total accrued litigation		\$ 724	\$ 96

Memorandum of Understanding (the “MOU”) with DuPont, Corteva and EID

In January 2021, Chemours, DuPont, Corteva, and EID, a subsidiary of Corteva, entered into a binding MOU, reflecting the parties' agreement to share potential future legacy liabilities relating to per- and polyfluoroalkyl substances (“PFAS”) arising out of pre-July 1, 2015 conduct (i.e., “Indemnifiable Losses”, as defined in the separation agreement, dated as of June 26, 2015, as amended, between EID and Chemours (the “Separation Agreement”)) until the earlier to occur of: (i) December 31, 2040; (ii) the day on which the aggregate amount of Qualified Spend is equal to \$4,000; or, (iii) a termination in accordance with the terms of the MOU (e.g., non-performance of the escrow funding requirements pursuant to the MOU by any party). As defined in the MOU, Qualified Spend includes:

- All Indemnifiable Losses (as defined in the Separation Agreement), including punitive damages, to the extent relating to, arising out of, by reason of, or otherwise in connection with PFAS Liabilities as defined in the MOU (including any mutually agreed-upon settlements);
- Any costs or amounts to abate, remediate, financially assure, defend, settle, or otherwise pay for all pre-July 1, 2015 PFAS Liabilities or exposure, regardless of when those liabilities are manifested; includes Natural Resources Damages claims associated with PFAS Liabilities;
- Fines and/or penalties from governmental agencies for legacy EID PFAS emissions or discharges prior to the spin-off; and,
- Site-Related GenX Claims as defined in the MOU.

The parties have agreed that, during the term of the cost-sharing arrangement, Chemours will bear half of the cost of such future potential legacy PFAS liabilities, and DuPont and Corteva will collectively bear the other half of the cost of such future potential legacy PFAS liabilities up to an aggregate \$4,000, of which approximately \$2,300 is available after consideration of the funding of the Water District Settlement Fund (discussed below). Any recoveries of Qualified Spend from DuPont and/or Corteva under the cost-sharing arrangement will be recognized as an offset to the Company's cost of goods sold or selling, general, and administrative expense, as applicable, when realizable. Any Qualified Spend incurred by DuPont and/or Corteva under the cost-sharing arrangement will be recognized in the Company's cost of goods sold or selling, general, and administrative expense, as applicable, when the amounts of such costs are probable and estimable or expensed as incurred with respect to period costs, such as legal expenses. The Company incurred expenditures subject to cost-sharing as Qualified Spend under the MOU of approximately \$35 and \$112 during the three and nine months ended September 30, 2023, respectively, and \$44 and \$108 during the three and nine months ended September 30, 2022, respectively.

After the term of this arrangement, Chemours' indemnification obligations under the Separation Agreement would continue unchanged, subject in each case to certain exceptions set out in the MOU. Pursuant to the terms of the MOU, the parties have agreed to release certain claims regarding Chemours' Delaware lawsuit and confidential arbitration (concerning the indemnification of specified liabilities that EID assigned to Chemours in its spin-off), including that Chemours has released any claim set forth in the complaint filed in the Delaware lawsuit, any other similar claims arising out of or resulting from the facts recited by Chemours in the complaint or the process and manner in which EID structured or conducted the spin-off, and any other claims that challenge the spin-off or the assumption of Chemours Liabilities (as defined in the Separation Agreement) by Chemours and the allocation thereof, subject in each case to certain exceptions set out in the MOU. The parties have further agreed not to bring any future, additional claims regarding the Separation Agreement or the MOU outside of arbitration.

The parties have also agreed to establish an escrow account to support and manage the payments for potential future PFAS liabilities. The MOU provides that: (i) no later than each of September 30, 2021 and September 30, 2022, Chemours shall deposit \$100 into an escrow account and DuPont and Corteva shall together deposit \$100 in the aggregate into an escrow account, and (ii) no later than September 30 of each subsequent year through and including 2028, Chemours shall deposit \$50 into an escrow account and DuPont and Corteva shall together deposit \$50 in the aggregate into an escrow account. Subject to the terms and conditions set forth in the MOU, each party may be permitted to defer funding in any year. Additionally, if on December 31, 2028, the balance of the escrow account (including interest) is less than \$700, Chemours will make 50% of the deposits and DuPont and Corteva together will make 50% of the deposits necessary to restore the balance of the escrow account to \$700. Such payments will be made in a series of consecutive annual equal installments commencing on September 30, 2029 pursuant to the escrow account replenishment terms as set forth in the MOU. Any funds that remain in escrow at termination of the MOU will revert to the party that deposited them. As such, future payments made by the Company into the escrow account will remain an asset of Chemours, and such payments will be reflected as a transfer to restricted cash and restricted cash equivalents on its consolidated balance sheets. As per the terms of the MOU, the Company deposited \$100 into the escrow account in September 2022 and in 2021, which is recognized as restricted cash and restricted cash equivalents on its consolidated balance sheets at December 31, 2022. No withdrawals are permitted from the escrow account before January 2026, except for funding mutually agreed-upon third-party settlements in excess of \$125. Starting in January 2026, withdrawals may be made from the escrow account to fund Qualified Spend if the parties' aggregate Qualified Spend in that particular year is greater than \$200. Starting in January 2031, the amounts in the escrow account can be used to fund any Qualified Spend. Future payments from the escrow account for potential future PFAS liabilities will be reflected on the Company's consolidated statement of cash flows at that point in time.

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In September 2023, the parties entered into a supplemental agreement to the MOU, whereby i) the parties agreed to release the funds held in escrow to fund, in part, the Water District Settlement Fund (discussed further below), ii) waive the escrow funding obligation of each party due no later than September 30, 2023, and iii) with respect to the escrow funding obligation due no later than September 30, 2024, will be waived by each of the parties under certain conditions as agreed to by the parties.

The parties will cooperate in good faith to enter into additional agreements reflecting the terms set forth in the MOU.

Asbestos

In the Separation, EID assigned its asbestos docket to Chemours. At September 30, 2023 and December 31, 2022, there were approximately 900 lawsuits pending against EID alleging personal injury from exposure to asbestos, respectively. These cases are pending in state and federal court in numerous jurisdictions in the U.S. and are individually set for trial. A small number of cases are pending outside of the U.S. Most of the actions were brought by contractors who worked at sites between the 1950s and the 1990s. A small number of cases involve similar allegations by EID employees or household members of contractors or EID employees. Finally, certain lawsuits allege personal injury as a result of exposure to EID products.

At September 30, 2023 and December 31, 2022, Chemours had accruals of \$35 related to these matters.

Benzene

In the Separation, EID assigned its benzene docket to Chemours. At September 30, 2023 and December 31, 2022, there were 17 and 18 cases pending against EID alleging benzene-related illnesses, respectively. These cases consist of premises matters involving contractors and deceased former employees who claim exposure to benzene while working at EID sites primarily in the 1960s through the 1980s, and product liability claims based on alleged exposure to benzene found in trace amounts in aromatic hydrocarbon solvents used to manufacture EID products such as paints, thinners, and reducers.

Management believes that a loss is reasonably possible as to the docket as a whole; however, given the evaluation of each benzene matter is highly fact-driven and impacted by disease, exposure, and other factors, a range of such losses cannot be reasonably estimated at this time.

In May 2021, the Company and EID filed suit in Delaware state court against multiple insurance companies for breach of their contractual obligations to indemnify Chemours and EID against liabilities, costs and losses relating to benzene litigation which are covered under liability insurance policies purchased by EID during the period 1967 to 1986. EID and Chemours are seeking payment of all costs and settlement amounts for past and future benzene cases falling under those policies. The outcome of this matter is not expected to have a material impact on Chemours' results of operations or financial position.

PFOA

Chemours does not, and has never, used "PFOA" (collectively, perfluorooctanoic acids and its salts, including the ammonium salt) as a polymerization aid nor sold it as a commercial product. Prior to the Separation, the performance chemicals segment of EID made PFOA at its Fayetteville Works site in Fayetteville, North Carolina ("Fayetteville") and used PFOA as a polymerization aid in the manufacture of fluoropolymers and fluoroelastomers at certain sites, including: Washington Works, Parkersburg, West Virginia; Chambers Works, Deepwater, New Jersey; Dordrecht Works, Netherlands; Changshu Works, China; and, Shimizu, Japan. These sites are now owned and/or operated by Chemours.

At September 30, 2023 and December 31, 2022, Chemours maintained an accrual of \$26 and \$25, respectively, related to PFOA matters under the Leach Settlement (discussed below), EID's obligations under agreements with the U.S. Environmental Protection Agency (the "EPA"), and voluntary commitments to the New Jersey Department of Environmental Protection (the "NJ DEP"). These obligations and voluntary commitments include surveying, sampling, and testing drinking water in and around certain Company sites, and offering treatment or an alternative supply of drinking water if tests indicate the presence of PFOA in drinking water at or greater than the applicable levels. The Company will continue to work with EPA, NJ DEP and other authorities regarding the extent of work that may be required with respect to these matters.

Leach Settlement

In 2004, EID settled a class action captioned *Leach v. DuPont*, filed in West Virginia state court, alleging that approximately 80,000 residents living near the Washington Works facility had suffered, or may suffer, deleterious health effects from exposure to PFOA in drinking water. Among the settlement terms, EID funded a series of health studies by an independent science panel of experts ("C8 Science Panel") to evaluate available scientific evidence on whether any probable link exists, as defined in the settlement agreement, between exposure to PFOA and disease.

The C8 Science Panel found probable links, as defined in the settlement agreement, between exposure to PFOA and pregnancy-induced hypertension, including preeclampsia, kidney cancer, testicular cancer, thyroid disease, ulcerative colitis, and diagnosed high cholesterol. Under the terms of the settlement, EID is obligated to fund up to \$235 for a medical monitoring program for eligible class members and pay the administrative costs associated with the program, including class counsel fees. The court-appointed Director of Medical Monitoring implemented the program, and testing is ongoing with associated payments to service providers disbursed from an escrow account which the Company replenishes pursuant to the settlement agreement. Through September 30, 2023, approximately \$2 has been disbursed from escrow related to medical monitoring. While it is reasonably possible that the Company will incur additional costs related to the medical monitoring program, such costs cannot be reasonably estimated due to uncertainties surrounding the level of participation by eligible class members and the scope of testing.

In addition, under the Leach settlement agreement, EID must continue to provide water treatment designed to reduce the level of PFOA in water to six area water districts and private well users. At Separation, this obligation was assigned to Chemours and is included in the \$26 and \$25 accrued at September 30, 2023 and December 31, 2022, respectively.

PFOA Leach Class Personal Injury

Further, under the Leach settlement, class members may pursue personal injury claims against EID only for those diseases for which the C8 Science Panel determined a probable link exists. Approximately 3,500 lawsuits were subsequently filed in various federal and state courts in Ohio and West Virginia and consolidated in multi-district litigation ("MDL") in Ohio federal court. These were resolved in March 2017 when EID entered into an agreement settling all MDL cases and claims, including all filed and unfiled personal injury cases and claims that were part of the plaintiffs' counsel's claims inventory, as well as cases tried to a jury verdict (the "First MDL Settlement") for \$670.7 in cash, with half paid by Chemours, and half paid by EID.

Concurrently with the First MDL Settlement, EID and Chemours agreed to a limited sharing of potential future PFOA costs (i.e. "Indemnifiable Losses", as defined in the Separation Agreement between EID and Chemours) for a period of five years. The cost-sharing agreement entered concurrently with the First MDL Settlement has been superseded by the binding MOU addressing certain PFAS matters and costs. For more information on this matter refer to "Memorandum of Understanding (the "MOU") with Dupont, Corteva and EID" within this "Note 17 – Commitments and Contingent Liabilities".

While all MDL lawsuits were dismissed or resolved through the First MDL Settlement, the First MDL Settlement did not resolve PFOA personal injury claims of plaintiffs who did not have cases or claims in the MDL or personal injury claims based on diseases first diagnosed after February 11, 2017. Approximately 96 plaintiffs filed matters after the First MDL Settlement. In January 2021, EID and Chemours entered into settlement agreements with counsel representing these plaintiffs, providing for a settlement of all but one of the 96 then filed and pending cases, as well as additional pre-suit claims, under which those cases and claims of settling plaintiffs were resolved for approximately \$83 (the "Second MDL Settlement"). Chemours contributed approximately \$29, and DuPont and Corteva each contributed approximately \$27 to the Second MDL Settlement.

The single matter not included in the settlement is a testicular cancer case tried in March 2020 to a verdict of \$40 in compensatory and emotional distress damages and \$10 in loss of consortium damages. The jury found that EID's conduct did not warrant punitive damages. In March 2021, the trial court issued post trial rulings which reduced the consortium damages to \$0.25. EID appealed the verdict to the United States Court of Appeals for the 6th Circuit and, in December 2022, the 6th Circuit affirmed the verdict in a two-to-one decision, with one judge dissenting on two grounds including the district court's grant of collateral estoppel. In January 2023, EID petitioned for a rehearing of the appeal by the 6th Circuit en banc, which was denied in February 2023. EID has petitioned the United States Supreme Court to review the decision. The outcome of such petition is not determinable at this time and has significant uncertainties. Given the current status of this case and the significant uncertainties, the Company has a reserve for potential loss, on this matter of \$20 at September 30, 2023 and December 31, 2022, representing Chemours' share of the verdict under the terms of the MOU and in accordance with accounting guidance on obligations resulting from joint and several liability arrangements. The Company has reserved for pre-judgment and post-judgment interest.

In December 2022, the Judicial Panel on Multi-District Litigation (JPML) declined to close the Ohio MDL. As of September 30, 2023, 23 plaintiffs purporting to be Leach class members have filed personal injury cases and these matters are expected to proceed in the Ohio MDL.

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State of Ohio

In February 2018, the State of Ohio initiated litigation against EID regarding historical PFOA emissions from the Washington Works site. Chemours is an additional named defendant. Ohio alleges damage to natural resources and fraudulent transfer in the spin-off that created Chemours and seeks damages including remediation and other costs and punitive damages. The parties are engaged in ongoing settlement discussions related to this matter.

PFAS

EID and Chemours have received governmental and regulatory inquiries and have been named in other litigations, including class actions, brought by individuals, municipalities, businesses, and water districts alleging exposure to and/or contamination from PFAS, including PFOA. Many actions include an allegation of fraudulent transfer in the spin-off that created Chemours. Chemours has declined EID's requests for indemnity for fraudulent transfer claims.

Chemours has responded to letters and inquiries from governmental law enforcement entities regarding PFAS, including in January 2020, a letter informing it that the U.S. Department of Justice, Consumer Protection Branch, and the United States Attorney's Office for the Eastern District of Pennsylvania are considering whether to open a criminal investigation under the Federal Food, Drug, and Cosmetic Act and asking that it retain its documents regarding PFAS and food contact applications. In July 2020, Chemours received a grand jury subpoena for documents. The Company is presently unable to predict the duration, scope, or result of any potential governmental, criminal, or civil proceeding that may result, the imposition of fines and penalties, and/or other remedies. The Company is also unable to develop a reasonable estimate of a possible loss or range of losses, if any.

Fayetteville Works, Fayetteville, North Carolina

For information regarding the Company's ongoing litigation and environmental remediation matters at Fayetteville, refer to "Fayetteville Works, Fayetteville, North Carolina" under the "Environmental Overview" within this "Note 17 – Commitments and Contingent Liabilities".

Aqueous Film Forming Foam Matters

Chemours does not, and has never, manufactured nor sold aqueous film forming foam ("AFFF"). Numerous defendants, including EID and Chemours, have been named in approximately 5,400 matters involving AFFF, which is used to extinguish hydrocarbon-based (i.e., Class B) fires and subject to U.S. military specifications. Most matters have been transferred to or filed directly into a multi-district litigation ("AFFF MDL") in South Carolina federal court or identified by a party for transfer. The matters pending in the AFFF MDL allege damages as a result of contamination, in most cases due to migration from military installations or airports, or personal injury from exposure to AFFF. Plaintiffs seek to recover damages for investigating, monitoring, remediating, treating, and otherwise responding to the contamination. Others have claims for personal injury, property diminution, and punitive damages.

In March 2021, ten water provider cases within the AFFF MDL were approved by the court for purposes of commencing initial discovery (Tier One discovery) and in October 2021, the court approved three of these cases for additional discovery (Tier Two discovery). In September 2022, a water provider action filed by the City of Stuart, Florida was selected for the first bellwether trial. The court encouraged all parties to discuss resolution of the water provider category of cases, and in October 2022 appointed a mediator to facilitate discussions among and between the parties. Consistent with the court's instruction and under the mutual obligations of the MOU, Chemours, Corteva/EID and DuPont, together, engaged with Plaintiffs' Counsel on these cases, including through the court-appointed mediation. Prior to the public water system class action suit settlement discussed below, in May 2023, the Plaintiffs filed, and the court granted, a motion to sever all claims against Chemours and EID from the first bellwether trial for the water provider cases.

For non-water provider cases in the AFFF MDL, the parties will now proceed with Tier One discovery on 28 personal injury cases, with those cases to be identified in December 2023.

There are other AFFF lawsuits pending outside the AFFF MDL that have not been designated by a party for inclusion in the MDL. These matters identifying EID and/or Chemours as a defendant are:

Valero Refining ("Valero") has five pending state court lawsuits filed commencing in June 2019 regarding its Tennessee, Texas, Oklahoma, California, and Louisiana facilities. These lawsuits allege that several defendants that designed, manufactured, marketed, and/or sold AFFF or PFAS incorporated into AFFF have caused Valero to incur damages and costs including remediation, AFFF disposal, and replacement. Valero also alleges fraudulent transfer.

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In New York, four individuals filed a lawsuit against numerous defendants including Chemours. The lawsuit alleges personal injury resulting from exposure to AFFF in Long Island drinking water and violation of New York Uniform Fraudulent Conveyance Act. Plaintiffs seek compensatory and punitive damages and medical monitoring.

In Illinois, a lawsuit was filed in May 2022 in the state court against numerous defendants, including EID. The lawsuit alleges personal injury from occupational exposure, including from AFFF-related materials/products, and seeks compensatory damages and punitive damages. In July 2023, an agreement to resolve the lawsuit was reached. This matter is now closed. In February 2023, a separate lawsuit was filed in the state court against numerous defendants, including EID, which also alleges personal injury from occupational exposure, including from AFFF-related materials/products, and seeks compensatory damages and punitive damages. Chemours is not a named defendant in either of these lawsuits.

In Ontario, Canada, three lawsuits were filed by two parties in December 2022, against DuPont de Nemours, Inc. and another defendant, seeking contribution and indemnification, interest, and costs in connection with three underlying actions filed by property owners in Canada, and a related third-party action filed by some defendants in one of the matters. The plaintiffs in the underlying actions allege PFAS contamination of their respective properties from the use of firefighting foam. Chemours is not a named defendant in any of these matters but has agreed to defend pursuant to the MOU. These lawsuits against DuPont were noticed for discontinuance by one of the filing parties.

United States Public Water System Class Action Suit Settlement

On June 1, 2023, Chemours, Corteva/EID, and DuPont, together, entered into a binding agreement in principle to comprehensively resolve all drinking water claims related to PFAS of a defined class of U.S. public water systems that serve the vast majority of the United States population arising out of the AFFF MDL, that was finalized by a definitive agreement on June 30, 2023 (the "Settlement Agreement"), subject to approval by the United States District Court for the District of South Carolina (the "Court"). A preliminary approval of the Settlement Agreement by the Court was granted on August 22, 2023.

Under the Settlement Agreement, Chemours, Corteva and DuPont collectively established and contributed a total of \$1,185 to a qualified settlement fund ("Water District Settlement Fund"). Contribution rates were consistent with the MOU, with Chemours (together with its subsidiaries) contributing 50%, and DuPont and Corteva collectively (together with their subsidiaries) contributing the remaining 50%. The settlement amounts were funded in full and deposited into the Water District Settlement Fund within ten business days following preliminary approval of the settlement by the Court. On September 6, 2023, Chemours deposited \$592 into the Water District Settlement Fund, which is recognized as restricted cash and restricted cash equivalents on its consolidated balance sheet at September 30, 2023 as Chemours maintains a proportional reversionary interest to the underlying restricted cash equivalents in the Water District Settlement Fund. In exchange for the payment to the Water District Settlement Fund, Chemours, Corteva and DuPont (together with their subsidiaries) will receive a release of the claims from the Class (as defined below), upon entry into final judgment by the Court in accordance with the Settlement Agreement. The agreement was entered into solely by way of compromise and settlement and is not in any way an admission of liability or fault by Chemours or the other parties.

The class represented in the Settlement Agreement is composed of all Public Water Systems, as defined in 42 U.S.C. § 300f, with a current detection of PFAS or that are currently required to monitor for PFAS under the Environmental Protection Agency's Fifth Unregulated Contaminant Monitoring Rule or other applicable federal or state law (the "Class"). The following systems are excluded from the settlement class: water systems owned and operated by a State or the United States government; small systems that have not detected the presence of PFAS and are not currently required to monitor for it under federal or state requirements; and water systems in the lower Cape Fear River Basin of North Carolina (which are included only if they so request). PFAS, as defined in the Settlement Agreement, includes PFOA and HFPO-DA among a broad range of fluorinated organic substances. While it is reasonably possible that the excluded systems or claims could result in additional future lawsuits, claims, assessments or proceedings, it is not possible to predict the outcome of any such matters, and as such, the Company is unable to develop an estimate of a possible loss or range of losses, if any, at this time.

The Settlement Agreement does not resolve claims of Public Water Systems that are not included in the settlement as described above, or of Public Water Systems that request exclusion from the Class ("opt out") pursuant to the process established by the Court. It also does not resolve potential future claims of Public Water Systems that have not detected and do not detect any PFAS contamination, but where such contamination first occurs in the future. The Settlement Agreement also does not resolve certain claims not related to drinking water, such as certain specified separate alleged claims relating to stormwater or wastewater treatment, or other alleged types of claims such as for personal injury or for natural resource damages claimed by state attorneys general, that remain outstanding in the AFFF MDL or other courts. Matters related to claims from other public water systems, state natural resources damages and other PFAS matters are further described below.

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As part of the preliminary approval of the Settlement Agreement in August 2023, notice of the Settlement Agreement has been provided to class members and such members have until November 11, 2023 to object to the settlement or December 4, 2023 to submit a request for exclusion, indicating they wish to opt-out of the settlement class. The Companies can then determine whether to exercise their walk-away right. A Final Fairness Hearing on the Settlement Agreement is scheduled for December 14, 2023. Opt out notices or other inquiries have been received from certain water utilities, including some in the litigation identified below. While it is reasonably possible that claims from such utilities could result in additional future lawsuits, assessments or proceedings, unless provided herein, it is not possible to predict the outcome of any such matters due to various reasons including, among others, future actions and decisions relating to the Settlement Agreement and factual and legal issues to be resolved with individual water utilities. As such, the Company is unable to develop an estimate of a possible loss or range of losses, if any, for these claims at this time.

If the Settlement Agreement is not approved, and plaintiffs elect to pursue their claims in court, the parties will continue to assert their strong legal defenses in pending litigation. Chemours, Corteva and DuPont deny the allegations in the underlying litigation and reserve all legal and factual defenses against such claims if they were litigated to conclusion.

For the nine months ended September 30, 2023, the Company accrued \$592, included in selling, general, and administrative expense, representing Chemours' share of the settlement under the terms of the MOU and in accordance with accounting guidance on obligations resulting from joint and several liability arrangements.

Other Public Water System Matters

In addition to the matters described in the AFFF MDL, other public water systems have filed lawsuits against Chemours, Corteva/EID, and DuPont including the following:

In New York, 22 Long Island water suppliers that have filed lawsuits against several defendants including EID and Chemours alleging PFAS, PFOA, and perfluorooctanesulfonic acid ("PFOS") contamination through releases from industrial and manufacturing facilities and business locations where PFAS-contaminated water was used for irrigation and sites where consumer products were disposed. Claims vary between matters but include claims of personal injury alleging various disease conditions, product liability, negligence, nuisance, trespass and fraudulent transfer. All matters are seeking compensatory and punitive damages and, in certain cases, medical monitoring, declaratory and/or injunctive relief. In January 2022, Chemours filed a third-party claim for indemnity in connection with one of the Long Island water supplier matters.

The Town of Petersburg in New York also filed suit in New York state court in August 2022 alleging defendants 3M, EID, and other defendants, are responsible for PFOA contamination of its municipal drinking water supply. The complaint alleges product liability claims, negligence, and trespass. Plaintiff seeks injunctive and declaratory relief as well as compensatory and punitive damages.

In New York and New Jersey, lawsuits were filed by Suez Water against several defendants, including EID and Chemours, alleging damages from PFAS releases into the environment, including PFOA and PFOS, that impacted water sources that the utilities use to provide water, as well as products liability, negligence, nuisance, and trespass. Defendants filed motions to dismiss the complaints in both matters. The motion was denied in the Suez Water New Jersey lawsuit in October 2021. In January 2022, the court granted defendants' motion to dismiss in the Suez New York lawsuit without prejudice and the plaintiff filed a second amended complaint in February 2022. Following the filing of the second amended complaint in the Suez New York lawsuit, the defendants filed a motion to dismiss. In March 2023, the court granted in part defendants' motion to dismiss the second amended complaint, dismissing all claims against Chemours with prejudice, and finding a claim for design defect could be maintained against EID.

In California, several lawsuits were filed in state court against several defendants, including EID and Chemours. The complaints allege product liability, negligence, nuisance and trespass. Plaintiffs seek declaratory and injunctive relief, including abatement, as well as compensatory and punitive damages. The lawsuits, which have been transferred to the AFFF MDL, include matters filed by:

- 11 southern California public water systems, the City of Corona, California and the Corona Utility Authority that allege manufacturers of PFOA and PFOS are responsible for contaminating the drinking water supply. The matter involving the 11 southern California public water systems has been transferred to the AFFF MDL. In the matter involving the City of Corona, California and the Corona Utility Authority, in February 2022, the court dismissed the case against EID and Chemours on jurisdictional grounds and the plaintiffs appealed the decision.
- Atascadero Mutual Water Company in San Luis Obispo County, California alleging damages to drinking water supply from PFAS releases, including PFOA and PFOS, into the environment.
- Sacramento Suburban Water District alleging damages from PFAS releases into the environment, including PFOA and PFOS, that impacted water sources the Water District uses to provide water.

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In Georgia and Alabama, lawsuits were filed against numerous carpet manufacturers, certain municipal defendants, and suppliers and former suppliers, including EID and Chemours. The lawsuits include a matter filed by the Water Works and Sewer Board of the Town of Centre, Alabama alleging negligence, nuisance, and trespass in the release of PFAS, including PFOA, into a river leading to the town's water source. The matter filed by the Town of Centre, Alabama was scheduled for trial in November 2023, but has been stayed pursuant to the order granting preliminary approval to the Settlement Agreement, as described above.

Also, in Alabama, a purported class action was filed in July 2022 in Alabama federal court on behalf of certain drinking water utilities against 3M, EID, Corteva and the Company alleging contamination of drinking water. The complaints allege negligence, public nuisance, private nuisance and trespass. The plaintiffs seek injunctive relief as well as compensatory and punitive damages. In April 2023, Shelby County, Alabama and Talladega County, Alabama, filed suit in Alabama state court against numerous carpet manufacturers located near Dalton Georgia, suppliers, EID, Chemours, and other defendants to be named later. The complaint alleges negligence, nuisance and trespass in the release by the carpet mills of PFAS compounds, including PFOA, into the water sources used by the Counties to provide drinking water. The Counties seek compensatory and punitive damages as well as injunctive relief to remove PFAS from the water supply and prevent alleged ongoing contamination. In May 2023 the matter was removed to federal court.

In Georgia, a lawsuit was filed by the City of Rome against numerous carpet manufacturers, certain municipal defendants, and suppliers and former suppliers, including EID and Chemours, alleging negligence, nuisance, and trespass in the release of PFAS, including PFOA, into a river leading to the town's water source. In June 2023, Chemours, DuPont and Corteva entered into a confidential settlement with the City of Rome and its claims against these parties related to this matter have been released and the matter dismissed. The settled amount was included in Accrued Litigation at September 30, 2023.

Additionally, in Georgia, a putative class action was filed on behalf of customers of the Rome, Georgia water division and the Floyd County, Georgia water department alleging negligence and nuisance and related to the release of perfluorinated compounds, including PFOA, into a river leading to their water sources. This matter is pending in court.

State Natural Resource Damages Matters

In addition to the State of New Jersey actions (as detailed below) and the State of Ohio action (as detailed above), a majority of the states and certain territories of the U.S., have filed lawsuits against various defendants, including EID and Chemours, relating to the alleged contamination of state natural resources with PFAS compounds either from AFFF and/or other sources. These lawsuits seek damages including costs to investigate, clean up, restore, treat, monitor, or otherwise respond to contamination of natural resources and some include counts for fraudulent transfer. Chemours, Corteva/EID and DuPont, together under the MOU, are engaged with States and their counsel on certain of these cases, including through court-appointed mediations in the New Jersey and North Carolina actions outside of the AFFF MDL. It is reasonably possible that these discussions could result in a loss, which could be material; however, at this time, the Company is unable to predict the duration, scope, or result of such discussions, and because of these uncertainties, the Company is also unable to develop a reasonable estimate of a possible loss or range of losses, if any.

On July 13, 2021, Chemours, DuPont, Corteva, and EID entered into a settlement agreement with the State of Delaware to settle such potential claims, including for environmental releases or sales of products containing PFAS or other known contaminants. Under the agreement, in January 2022, the companies paid a total amount of \$50 to the State of Delaware, which shall be utilized to fund a Natural Resources and Sustainability Trust (the "Trust") to be used for environmental restoration and enhancement of resources, sampling and analysis, community environmental justice and equity grants, and other natural resource needs. Chemours contributed \$25 to the settlement and the remaining \$25 was divided between DuPont and Corteva which shall be treated as Qualified Spend under the MOU. If the companies enter into a proportionally similar agreement to settle or resolve claims of another state for PFAS-related natural resource damages, for an amount greater than \$50, the companies may be required to make one or more supplemental payment(s) directly to the Trust, with such payment(s) not to exceed \$25 in the aggregate.

Other PFAS Matters

In New York courts, EID has been named in approximately 40 lawsuits, which are not part of the Leach class, brought by individual plaintiffs alleging negligence and other claims in the release of PFAS, including PFOA, into drinking water against current and former owners and suppliers of a manufacturing facility in Hoosick Falls, New York. Two additional lawsuits have been filed by a business seeking to recover its losses and by nearby property owners and residents in a putative class action. The lawsuit filed by the business was dismissed, but the claims by the individual business owner were allowed to proceed. In September 2022, the Court certified the class action, and EID filed a petition for review of the certification, which was denied in January 2023. Chemours and EID, entered into settlement agreements in principle to resolve all but seven of the pending lawsuits, including the class action suit, during the second quarter of 2023, and such amount was included in the Accrued Litigation at September 30, 2023.

In New Jersey, lawsuits were filed against several defendants including EID and Chemours. The lawsuits include ten lawsuits alleging that defendants are responsible for PFAS contamination, including PFOA and PFOS, in groundwater and drinking water. During the second quarter of 2023, the companies resolved these claims. Eight lawsuits were also filed alleging exposure to PFAS and other chemicals, including two lawsuits by parents on behalf of their adult children claiming pre-natal exposure, resulted in the children's cognitive delays, neurological, genetic, and autoimmune conditions. Further, eleven additional lawsuits were filed in state court with similar allegations of personal injury, which have been removed to New Jersey federal court. Plaintiffs seek certain damages including punitive damages.

In Ohio, a putative class action ("Hardwick") was filed against several defendants including 3M, EID and Chemours seeking class action status for U.S. residents having a detectable level of PFAS in their blood serum. The complaint seeks declaratory and injunctive relief, including the establishment of a "PFAS Science Panel". In March 2022, the court granted in part and denied in part the plaintiff's class certification and certified a class covering anyone subject to Ohio laws having minimal levels of PFOA plus at least one other PFAS in their blood. The court requested further briefing on whether the class should be extended to include other states that recognize the claims for relief filed in the action. The defendants, including EID and Chemours, jointly filed a petition to appeal the class certification decision and in September 2022 the petition was granted and appellate review is proceeding. Defendants will continue to defend at the trial court level while this appeal is pending. Management believes that a loss is reasonably possible as to the Hardwick matter, but not estimable at this time given the significant class issues to be resolved and that the discovery phase is pending the appellate review.

In Delaware, a putative class action was filed against two electroplating companies, 3M and EID, and two other defendants added in an amended complaint, alleging responsibility for PFAS contamination, including PFOA and PFOS, in drinking water and the environment in the nearby community. Although initially named in the lawsuit, Chemours was subsequently dismissed. The putative class of residents alleges negligence, nuisance, trespass, and other claims and seeks medical monitoring, personal injury and property damages, and punitive damages.

In South Carolina, a putative class action was filed in March 2022 in the state court against 3M, EID and the Company alleging PFAS contamination from a former textile plant located in Society Hill, South Carolina which allegedly used PFAS containing textile treatment chemicals supplied by the defendants. The lawsuit alleges negligence, trespass, strict liability and nuisance and seeks monetary damages, including property diminution, and injunctive relief, including water treatment and remediation, as well as punitive damages. The matter has been removed to federal court.

In Maine, a previously filed lawsuit in federal court by individuals against various paper mills owners in Maine was amended in October 2022 to add various alleged suppliers to the paper mills as defendants, including EID. The lawsuit alleges PFAS chemicals were used in making paper products at the mills and that discharges, waste disposal and the selling of byproducts from paper mills caused property damages as well as personal injury to the plaintiffs. The lawsuit alleges various claims against the mills; alleges negligence, strict liability and nuisance against the supplier defendants; and seeks monetary damages. In March 2023, plaintiffs dismissed the case against EID and other defendants.

In the Netherlands, Chemours, along with DuPont and Corteva, received a civil summons filed before the Court of Rotterdam by four municipalities (Dordrecht, Papendrecht, Sliedrecht and Molenlanden) seeking liability declarations relating to the Dordrecht site's operations and emissions. Chemours reviewed the summons and filed a statement of defense during the fourth quarter of 2021, and in September 2022 the court entered an interlocutory judgment denying in part certain aspects of such statement of defense. A hearing on the merits of the municipalities' claims took place in March 2023. On September 27, 2023, the court entered a second interlocutory judgment, ruling, inter alia, that defendants were liable to the municipalities for (i) PFOA emissions during a certain time period and (ii) removal costs if deposited emissions on the municipalities land infringes their property rights by an objective standard. Additional briefing is expected on this judgment and any damages will be decided in a separate, subsequent proceeding. Chemours is in discussions with the municipalities to identify actions that may resolve their and other community concerns, including providing technical and financial support for activities. An estimate of a liability was included in Accrued Litigation at September 30, 2023.

Further in The Netherlands, in September 2023, a Dutch criminal defense lawyer announced a criminal complaint with the support of a few thousand citizens against Chemours and its current and former directors for alleged unlawful emissions of PFOA and GenX in Dordrecht. This claim has been filed with the Office of the Public Prosecutor, which will proceed with the investigation.

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In addition to the above matters, the Company may engage in discussions with various parties regarding other claims and potential resolutions of such matters. In the three and nine months ended September 30, 2023, the Company recorded an amount related to one or more of these matters. The Company does not expect the outcome of any of these matters, individually and in aggregate, to have a material impact on Chemours' results of operations or financial position.

New Jersey Department of Environmental Protection Directives and Litigation

In March 2019, NJ DEP issued two Directives and filed four lawsuits against Chemours and other defendants. The Directives are: (i) a state-wide PFAS Directive issued to EID, DowDuPont, DuPont Specialty Products USA ("DuPont SP USA"), Solvay S.A., 3M, and Chemours seeking a meeting to discuss future costs for PFAS-related costs incurred by NJ DEP and establishing a funding source for such costs by the Directive recipients, and information relating to historic and current use of certain PFAS compounds; and, (ii) a Pompton Lakes Natural Resources Damages ("NRD") Directive to EID and Chemours demanding \$0.1 to cover the cost of preparation of a natural resource damage assessment plan and access to related documents.

The lawsuits filed in New Jersey state courts by NJ DEP are: (i) in Salem County, against EID, 3M, and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, the Water Pollution Control Act ("WPCA"), the Industrial Site Recovery Act ("ISRA"), and common law regarding past and present operations at Chambers Works, a site assigned to Chemours at Separation; (ii) in Middlesex County, against EID, DuPont SP USA, 3M, and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, ISRA, WPCA, and common law regarding past and present operations at Parlin, an EID owned site; (iii) in Gloucester County, against EID and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, WPCA, and common law regarding past operations at Repauno, a non-operating remediation site assigned to Chemours at Separation which has been sold; and, (iv) in Passaic County, against EID and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, WPCA, and common law regarding past operations at Pompton Lakes, a non-operating remediation site assigned to Chemours at Separation. The alleged pollutants listed in the Salem County and Middlesex County matters above include PFAS. Each lawsuit also alleges fraudulent transfer.

In August 2020, a Second Amended Complaint was filed in each matter, adding fraudulent transfer and other claims against DuPont SP USA, Corteva, and DuPont. For the Salem County matter, NJ DEP added claims relating to failure to comply with state directives, including the state-wide PFAS Directive.

The matters were removed to federal court and consolidated for case management and pretrial purposes. In December 2021, the federal court entered a consolidated order granting, in part, and denying, in part, a motion to dismiss or strike parts of the Second Amended Complaints. In January 2022, NJ DEP filed a motion for a preliminary injunction requiring EID and Chemours to establish a remediation funding source ("RFS") in the amount of \$943 for the Chambers Works site, the majority of which is for non-PFAS remediation items. In March 2023 the four NJDEP lawsuits were referred to mediation by the federal court, with the proceedings in the matters stayed pending the mediation. Chemours believes that the January 2022 motion as directed to it is not supported by applicable law and the RFS sought by NJ DEP is not an appropriate estimate of remedial cost for the Chambers Works site and, subject to the discussions regarding overall remediation costs under "Environmental Overview" within this Note 17 – Commitments and Contingent Liabilities, management believes that a loss is reasonably possible, but not estimable at this time, due to various reasons, including that the motion is in its early stages and there are significant factual issues and legal questions to be resolved.

EID requested that Chemours defend and indemnify it in these matters. Chemours has accepted the indemnity and defense of EID while reserving rights and declining EID's demand as to matters involving other EID entities, as well as ISRA and fraudulent transfer, subject to the terms of the MOU.

PFOA and PFAS Summary

With the exception of the matters noted otherwise above, management believes that it is reasonably possible that the Company could incur losses related to PFOA and/or PFAS matters in excess of amounts accrued, but any such losses, which could be material, are not estimable at this time due to various reasons, including, among others, that some matters are in their early stages and that there are significant factual issues to be resolved.

U.S. Smelter and Lead Refinery, Inc.

There are six lawsuits, including a putative class action, by area residents concerning the U.S. Smelter and Lead Refinery multi-party Superfund site in East Chicago, Indiana. Several of the lawsuits allege that Chemours is now responsible for EID environmental liabilities. The lawsuits include allegations for personal injury damages, property diminution, and other damages. At Separation, EID assigned Chemours its former plant site, which is located south of the residential portion of the Superfund area, and its responsibility for the environmental remediation at the Superfund site.

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Management believes a loss is reasonably possible, but not estimable at this time due to various reasons including, among others, that such matters are in their early stages and have significant factual issues to be resolved.

Environmental Overview

Chemours, due to the terms of the Separation-related agreements with EID, is subject to contingencies pursuant to environmental laws and regulations that in the future may require further action to correct the effects on the environment of prior disposal practices or releases of chemical substances, which are attributable to EID's activities before it spun-off Chemours. Much of this liability results from the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA", often referred to as "Superfund"), the Resource Conservation and Recovery Act ("RCRA"), and similar federal, state, local, and foreign laws. These laws may require Chemours to undertake certain investigative, remediation, and restoration activities at sites where ownership was transferred to Chemours under the Separation-related agreements or at sites where EID-generated waste was disposed before the 2015 separation. The accrual also includes estimated costs related to a number of sites identified for which it is probable that environmental remediation will be required, but which are not currently the subject of enforcement activities.

Chemours accrues for remediation activities when it is probable that a liability has been incurred and a reasonable estimate of the liability can be made. Where the available information is sufficient to estimate the amount of liability, that estimate has been used. Where the available information is only sufficient to establish a range of probable liability, and no point within the range is more likely than any other, the lower end of the range has been used. Estimated liabilities are determined based on existing remediation laws and technologies and the Company's planned remedial responses, which are derived from environmental studies, sampling, testing, and analyses. Inherent uncertainties exist in such evaluations, primarily due to unknown environmental conditions, changing governmental regulations regarding liability, and emerging remediation technologies. The Company, from time to time, may engage third parties to assist in obtaining and/or evaluating relevant data and assumptions when estimating its remediation liabilities. These liabilities are adjusted periodically as remediation efforts progress and as additional technological, regulatory, and legal information becomes available. Environmental liabilities and expenditures include claims for matters that are liabilities of EID and its subsidiaries, which Chemours may be required to indemnify pursuant to the Separation-related agreements. These accrued liabilities are undiscounted and do not include claims against third parties. Costs related to environmental remediation are charged to expense in the period that the associated liability is accrued.

The following table sets forth the Company's environmental remediation liabilities at September 30, 2023 and December 31, 2022 for the five sites that are deemed the most significant, together with the aggregate liabilities for all other sites.

	September 30, 2023	December 31, 2022
Chambers Works, Deepwater, New Jersey	\$ 30	\$ 30
Fayetteville Works, Fayetteville, North Carolina (1)	399	465
Pompton Lakes, New Jersey	41	41
USS Lead, East Chicago, Indiana	13	17
Washington Works, West Virginia	22	17
All other sites	100	98
Total environmental remediation	\$ 605	\$ 668

(1) For more information on this matter refer to "Fayetteville Works, Fayetteville, North Carolina" within this "Note 17 – Commitments and Contingent Liabilities".

The following table sets forth the current and long-term components of the Company's environmental remediation liabilities at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Current environmental remediation	\$ 138	\$ 194
Long-term environmental remediation	467	474
Total environmental remediation	\$ 605	\$ 668

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Typically, the time-frame for a site to go through all phases of remediation (investigation and active clean-up) may take about 15 to 20 years, followed by several years of operation, maintenance, and monitoring ("OM&M") activities. Remediation activities, including OM&M activities, vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, and diverse regulatory requirements, as well as the presence or absence of other potentially responsible parties. In addition, for claims that Chemours may be required to indemnify EID pursuant to the Separation-related agreements, Chemours, through EID, has limited available information for certain sites or is in the early stages of discussions with regulators. For these sites in particular, there may be considerable variability between the clean-up activities that are currently being undertaken or planned and the ultimate actions that could be required. Therefore, considerable uncertainty exists with respect to environmental remediation costs and, under adverse changes in circumstances, management currently estimates the potential liabilities may range up to approximately \$730 above the amount accrued at September 30, 2023. This estimate is not intended to reflect an assessment of Chemours' maximum potential liability. As noted above, the estimated liabilities are determined based on existing remediation laws and technologies and the Company's planned remedial responses, which are derived from environmental studies, sampling, testing, and analyses. Inherent uncertainties exist in such evaluations, primarily due to unknown environmental conditions, changing governmental regulations regarding liability, and emerging remediation technologies. Management will continue to evaluate as new or additional information becomes available in the determination of its environmental remediation liability.

In October 2021, EPA released its PFAS Strategic Roadmap, identifying a comprehensive approach to addressing PFAS. The PFAS Strategic Roadmap sets timelines by which EPA plans to take specific actions through 2024, including establishing a national primary drinking water regulation ("NPDWR") for PFOA and PFOS and taking Effluent Limitations Guidelines actions to regulate PFAS discharges from industrial categories among other actions. As provided under its roadmap, EPA also released its National PFAS Testing Strategy, under which the agency will identify and select certain PFAS compounds for which it will require manufacturers to conduct testing pursuant to the Toxic Substances Control Act ("TSCA") section 4. Chemours has received various test orders and has formed consortia to jointly manage compliance with the test order requirements. Chemours expects to receive future test orders, however the timing of the remaining test orders is not determinable at this time.

Also in October 2021, EPA published a final toxicity assessment for GenX compounds that decreased the draft reference dose for GenX compounds based on EPA's review of new studies and analyses. On March 18, 2022, Chemours filed a petition to EPA requesting to withdraw and correct its toxicity assessment for GenX compounds, which was denied by EPA on June 14, 2022. The next day, on June 15, 2022, EPA released health advisories for four PFAS, including interim updated lifetime drinking water health advisories for PFOA and PFOS, and final health advisories for GenX compounds, including hexafluoropropylene oxide dimer acid ("HFPO Dimer Acid"), and another PFAS compound (PFBS). On July 13, 2022 the Company filed a Petition for Review of the GenX compounds health advisory. In March 2023, EPA proposed a NPDWR to establish Maximum Contaminant Levels ("MCLs") for six PFAS, with PFOA and PFOS having MCLs as individual compounds (each proposed as 4 parts per trillion ("ppt")) and four other PFAS compounds, including HFPO Dimer Acid, having a hazard index approach limit on any mixture containing one or more of the compounds. The proposed PFAS NPDWR was subject to public comment until May 30, 2023, and is expected to be finalized in late 2023 or early 2024. No action is required on the proposed NPDWR until it is final.

The environmental remediation liabilities and accrued litigation, as applicable, recorded for Fayetteville, Washington Works, Parkersburg, West Virginia and Chambers Works, Deepwater, New Jersey as of September 30, 2023 are based upon the existing Consent Orders, agreements and/or voluntary commitments with EPA, state and other local regulators and depending on the ultimate outcome of EPA's actions, could require adjustment to meet any new drinking water standards. It is reasonably possible that additional costs could be incurred in connection with EPA's actions, however, the Company cannot estimate the potential impact or additional cost at this time, due in part to the uncertainties on EPA's final rule making after the MCL comment period, regulatory implementation site by site, where applicable, the current condition and the additional sampling required to determine the level of contamination at the site, possible method(s) of remediation that may be required, and determination of other potential responsible parties. Refer to "Fayetteville Works, Fayetteville, North Carolina" below for further detail on the impact of EPA's final drinking water health advisory for GenX compounds, including HFPO Dimer Acid.

Chemours environmental remediation expenses were \$20 and \$50 for the three and nine months ended September 30, 2023, respectively, and \$24 and \$235 for the three and nine months ended September 30, 2022, respectively, of which \$4 and \$18 for the three and nine months ended September 30, 2023, respectively, and \$8 and \$201 for the three and nine months ended September 30, 2022, respectively, relate to Fayetteville (discussed further below).

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Fayetteville Works, Fayetteville, North Carolina

Fayetteville has been in operation since the 1970s and is located next to the Cape Fear River southeast of the City of Fayetteville, North Carolina. HFPO Dimer Acid, (sometimes referred to as “GenX” or “C3 Dimer Acid”) is manufactured at Fayetteville. The Company has operated the site since its Separation from EID in 2015.

While the Company believes that discharges from Fayetteville to the Cape Fear River, on-site surface water, groundwater, and air emissions have not impacted the safety of drinking water in North Carolina, the Company is cooperating with a variety of ongoing inquiries and investigations from federal, state, and local authorities, regulators, and other governmental entities including EPA.

Consent Order with North Carolina Department of Environmental Quality (“NC DEQ”)

In February 2019, the North Carolina Superior Court for Bladen County approved a Consent Order (“CO”) between NC DEQ, Cape Fear River Watch (“CFRW”), and the Company, resolving the State’s and CFRW’s lawsuits and other matters (including Notices of Violation (“NOVs”) issued by the State). Under the terms of the CO, Chemours paid \$13 in March 2019 to cover a civil penalty and investigative costs and agreed to certain compliance measures (with stipulated penalties for failures to do so), including the following:

- Install a thermal oxidizer (“TO”) to control all PFAS in process streams from certain processes at Fayetteville at an efficiency of 99.99%;
- Develop, submit, and implement, subject to approval from NC DEQ and CFRW, a plan for interim actions that are economically and technologically feasible to achieve the maximum PFAS reduction from Fayetteville to the Cape Fear River within a two-year period;
- Develop and implement, subject to approval, a Corrective Action Plan (“CAP”) that complies with North Carolina’s groundwater standards and guidance provided by NC DEQ. At a minimum, the CAP must require Chemours to reduce the total loading of PFAS originating from Fayetteville to surface water by at least 75% from baseline, as defined by the CO; and,
- Provide and properly maintain permanent drinking water supplies, including via whole-building filtration units and reverse osmosis (“RO”) units to qualifying surrounding properties with private drinking water wells.

In August 2020, NC DEQ, CFRW, and the Company reached agreement on the terms of an addendum to the CO (the “Addendum”), which includes procedures for implementing specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River. The Addendum also includes stipulated financial penalties, inclusive of daily and weekly fines for untimeliness in meeting deadlines for construction, installation and other requirements, as well as intermittent performance-based fines for noncompliance in meeting PFAS loading reduction requirements and removal efficiency targets. After a period of public comment in October 2020, the Addendum was approved by the North Carolina Superior Court for Bladen County. A Motion to Intervene filed by Cape Fear Public Utility Authority was denied.

The following table sets forth the on-site and off-site components of the Company’s accrued environmental remediation liabilities related to PFAS at Fayetteville at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
On-site remediation	\$ 219	\$ 264
Off-site groundwater remediation	180	201
Total Fayetteville environmental remediation	\$ 399	\$ 465

The following table sets forth the current and long-term components of the Company’s accrued environmental remediation liabilities related to PFAS at Fayetteville at September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Current environmental remediation	\$ 90	\$ 139
Long-term environmental remediation	309	326
Total Fayetteville environmental remediation	\$ 399	\$ 465

Chemours environmental remediation expenses related to Fayetteville were \$4 and \$18 for the three and nine months ended September 30, 2023, respectively, and \$8 and \$201 for the three and nine months ended September 30, 2022, respectively.

Emissions to air

Fayetteville operates multiple permitted air discharge stacks, blowers, and vents as part of its manufacturing activities. A TO became fully operational at the site on December 27, 2019, and Chemours switched to the permitted operating scenario for the TO on December 31, 2019 as set forth in the CO. The TO is designed to reduce aerial PFAS emissions from Fayetteville, and testing results showed that the TO is controlling PFAS emissions at an average efficiency exceeding 99.999%. Testing was conducted by Chemours and monitored by the North Carolina Division of Air Quality ("NC DAQ"). The cost related to the installation of the TO were capitalized in accordance with the Company's policy.

Off-site replacement drinking water supplies

The CO requires the Company to provide permanent replacement drinking water supplies, including via connection to public water supply, whole building filtration units and/or RO units, to qualifying surrounding residents, businesses, schools, and public buildings with private drinking water wells. Qualifying surrounding properties with private drinking water wells that have tested for GenX above the state provisional health goal of 140 ppt, or any applicable health advisory, whichever is lower, may be eligible for public water or a whole building filtration system. Qualifying surrounding properties with private drinking water wells that have tested above 10 ppt for GenX or other perfluorinated compounds ("Table 3 Compounds") are eligible for three under-sink RO units. The Company provides bottled drinking water to a qualifying property when it becomes eligible for a replacement drinking water supply, and continues to provide delivery of bottled drinking water to the qualifying property until the eligible supply is established or installed. Under the terms of the CO, Chemours must make the offer to install a water treatment system to property owners in writing multiple times, and property owners have approximately one year to accept the Company's offer before it expires. In September 2021, the Company entered into an agreement with Bladen County, North Carolina to fund public water system upgrades and connections associated with providing permanent replacement drinking water supplies under the CO.

Further, in addition to the surrounding counties, in November 2021, NC DEQ sent a notice to Chemours regarding PFAS contamination from the Cape Fear River of groundwater monitoring wells and water supply wells in New Hanover County and potentially three other downstream counties based on new sampling data by NC DEQ and its determination of Chemours' obligations for such contamination. NC DEQ directed Chemours to submit for its review and approval a comprehensive groundwater contamination assessment in such counties, as well as an updated drinking water program to provide for sampling under the CO in such counties. In response, in February 2022, the Company submitted an interim drinking water plan and a separate assessment framework plan, which were subsequently updated and resubmitted in August 2022, based on comments received from NC DEQ. On January 30, 2023, NC DEQ provided additional comments to the August 2022 submittal identifying additional actions regarding the groundwater assessment as well as the drinking water program, which the Company responded to on March 16, 2023.

In June 2022, following EPA's release of a final drinking water health advisory for GenX compounds, including HFPO Dimer Acid, by EPA, NC DEQ sent a notice to Chemours requiring the Company to revise its drinking water compliance plan and feasibility study report, and to provide public water or whole building filtration systems to eligible properties with a private drinking water well that have tested above 10 ppt for GenX compounds under Paragraph 19 of the CO.

In July 2022, Chemours submitted its response to NC DEQ, providing information and other items requested by NC DEQ for its approval. Notwithstanding the Petition for Review of the EPA GenX compounds health advisory, and reserving its rights related thereto, the Company proposed a plan to extend Paragraph 19 options to properties that have tested above 10 ppt for GenX compounds, including conducting a feasibility review. As a result of Chemours' proposed plan in response to the NC DEQ notice, the Company recorded approximately \$108 in selling, general, and administrative expense, reflecting a change in estimate for the estimated qualifying properties previously qualified for under-sink RO units that may now be eligible for public water or a whole building filtration system resulting from the lower health advisory for GenX of 10ppt.

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The Company's estimated liability for off-site replacement drinking water supplies is based on management's assessment of the current facts and circumstances for this matter, including comments received from NC DEQ, which are subject to various assumptions that include, but are not limited to, the number of affected surrounding properties, response rates to the Company's offer, the timing of expiration of offers made to the property owners, the type of water treatment systems selected (i.e., public water, whole building filtration, or RO units), the cost of the selected water treatment systems, and any related OM&M requirements, fines and penalties, and other charges contemplated by the CO. For off-site drinking water supplies, OM&M is accrued for 20 years on an undiscounted basis based on the Company's current plans under the CO.

At September 30, 2023 and December 31, 2022, the Company had \$151 and \$163 of accrued liabilities, respectively, for off-site groundwater testing and water treatment system installations at qualifying third-party properties primarily in Bladen and Cumberland counties surrounding Fayetteville, which is expected to be disbursed over approximately 20 years. In addition, as of September 30, 2023 and December 31, 2022, the Company had \$29 and \$38, respectively, of accrued liabilities for the assessment and for sampling related to potential PFAS contamination of groundwater and supply of alternative drinking water in New Hanover and three other downstream counties. Off-site installation, maintenance, and monitoring cost estimates are based on management's assessment of the current facts and circumstances for these matters, including comments received from NC DEQ, and could change as actual experience may differ from management's estimates or new information may become available.

The estimated liability was based on certain assumptions, which management believes are reasonable under the circumstances and include, but are not limited to, implementation of the soil and groundwater assessment, the source and cause of PFAS contamination for the four downstream counties, the estimated number of properties at which sampling is conducted and whether such property will qualify for an alternative drinking water supply, other potentially responsible parties and the method of long-term alternative water supply, if any. Further, management's estimate of the ultimate liability for this matter is dependent upon NC DEQ approval of the proposed plans in response to various NC DEQ letters, obtaining additional information, implementation of EPA's health advisories, additional feasibility and investigation work that has not yet been scoped or performed, and the estimated additional future cost of OM&M. The ultimate resolution of the matters could have a material adverse effect on the Company's financial position, results of operations and cash flow.

On-site surface water and groundwater remediation

Abatement and remediation measures already taken by Chemours, including the capture and disposal of its operations' process wastewater and other interim actions, have addressed and abated nearly all PFAS discharges from the Company's continuing operations at Fayetteville. However, the Company continues to have active dialogue with NC DEQ and other stakeholders regarding the potential incremental remedies that are both economically and technologically feasible to achieve the CO and Addendum objectives related to the impact of site surface water and groundwater contamination from historical operations, during and subsequent to the optimization period of the groundwater treatment system and following installation of the barrier wall.

In 2019, the Company completed and submitted its Cape Fear River PFAS Loading Reduction Plan - Supplemental Information Report and its CAP to NC DEQ. The Supplemental Information Report provided information to support the evaluation of potential interim remedial options to reduce PFAS loadings to surface waters. The CAP described potential long-term remediation activities to address PFAS in groundwater and surface waters at the site, in accordance with the requirements of the CO and the North Carolina groundwater standards, and built upon the previous submissions to NC DEQ. The NC DEQ received comments on the CAP during a public comment period, and the Company is awaiting formal response to the CAP from NC DEQ. With respect to the CO, the Addendum was approved by the North Carolina Superior Court for Bladen County in October 2020 and establishes the procedure to implement specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River, including construction of a barrier wall with a groundwater extraction system to be completed by March 15, 2023, or the extended date consistent with the CO and Addendum, as noted by the NC DEQ in its letter dated March 2, 2023 (discussed further below).

The Company began operation of a capture and treatment system from the site's old outfall channel following the issuance of a National Pollutant Discharge Elimination System ("NPDES") permit by NC DEQ in September 2020. In January 2021, the operation of the old outfall treatment system was interrupted on two occasions, and notice was provided to NC DEQ of the low treatment flow conditions through the system. The Company received an NOV from NC DEQ, alleging violations of the CO and the NPDES water permit arising from the design and operation of the treatment system related to the old outfall. The Company and its third-party service provider have taken, and continue to take, interim actions intended to improve the operation of the old outfall treatment system and address challenges posed by substantial rain events, sediment loading into the system, and variability in water influent conditions. In addition, the Company and its third-party service provider are actively working on long-term enhancements to the treatment system based on learnings from the recent challenges. System enhancements completed or being implemented consist of a holding pond, installation of new ultra-filtration units and additional water pretreatment equipment which is anticipated to be completed by the end of 2023.

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In 2021, work commenced on the detailed engineering design of the barrier wall and refinement of models for the planned groundwater extraction system. Engineering designs for the Company's major construction projects are typically reviewed at 30%, 60% and 90% complete. Chemours submitted the design reports for the 90% stage in March 2022 and received final approval of the 90% design from NC DEQ in October 2022. In June 2023, the Company completed the construction of the barrier wall and the groundwater extraction and treatment system in accordance with the requirements under the CO, subject to its terms and receipt of final quality assurance samples and engineer certification. Under the Addendum specific penalties of \$0.15 plus an additional \$0.02 per week if the company did not achieve project completion as provided therein. As construction is complete, payment of financial penalties is deemed remote.

In September 2022, NC DEQ issued a permit for discharge of treated groundwater and surface water associated with the project. The permit contained conditions and limits that exceeded the requirements contained within the CO and the previously public-noticed draft discharge permit. The Company filed an administrative petition contesting the discharge permit on October 14, 2022. On November 14, 2022, the Company reached an agreement with NC DEQ and the Cape Fear Public Utility Authority with respect to the discharge permit that, inter alia, facilitated the construction of the barrier wall and groundwater extraction and treatment system and recognizes an optimization period after commencement of discharge from the system. Chemours has since dismissed its petition without prejudice pursuant to the agreement.

Based on the CO, the Addendum, the CAP, and management's plans, which are based on current regulations and technology, the Company has accrued \$219 and \$264 at September 30, 2023 and December 31, 2022, respectively, related to the estimated cost of on-site remediation, based on the range of potential outcomes on current potential remedial options, and the projected amounts to be paid over a period of approximately 20 years. The final costs of any selected remediation will depend primarily on performance during the optimization period, permit compliance requirements, and ongoing dialogue with NC DEQ and other stakeholders regarding the potential incremental remedies that are both economically and technologically feasible to achieve the CO and Addendum objectives, and estimated future cost and time period of OM&M. Further, the final cost of the on-site groundwater treatment system depends on water treatment requirements and estimated carbon usage and achieving the successful optimization of the system during the period stated in the permit. As such, cost estimates could change as actual experience may differ from management's estimates. Changes in estimates are recorded in results of operations in the period that the events and circumstances giving rise to such changes occur.

The Company's estimated liability for the remediation activities that are probable and estimable is based on the CO, the Addendum, the CAP, and management's assessment of the current facts and circumstances, which is subject to various assumptions including the transport pathways (being pathways by which PFAS reaches the Cape Fear River) that will require remedial actions, the types of interim and permanent site surface water and on-site remedies and treatment systems selected and implemented, the estimated cost of such potential remedies and treatment systems, any related OM&M requirements, and other charges contemplated by the CO and the Addendum.

The Company accrued 20 years of OM&M for Fayetteville environmental remediation systems based on the CO and Addendum, which includes estimated higher power consumption, ongoing monitoring, pretreatment, filtering supplies (principally carbon) and regular maintenance of the system over a 20-year period of estimated operation starting in 2023.

It is possible that issues relating to site discharges in various transport pathways, the selection of remediation alternatives to achieve PFAS loading reductions, or the operating effectiveness of the TO could result in further litigation and/or regulatory demands with regards to Fayetteville, including potential permit modifications or penalties under the CO and the Addendum. It is also possible that, as additional data is collected on the transport pathways and dialogue continues with NC DEQ and other stakeholders, the type or extent of remediation actions required to achieve the objectives committed to in the CO may change (increase or decrease) or remediation activities could be delayed. If such issues arise, or if the CO is further amended, an additional loss is reasonably possible, but not estimable at this time.

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Litigation and Other matters related to Fayetteville

In February 2019, the Company received an NOV from EPA, alleging certain TSCA violations at Fayetteville. Matters raised in the NOV could have the potential to affect operations at Fayetteville. For this NOV, the Company responded to EPA in March 2019, asserting that the Company has not violated environmental laws. The Company also received an NOV in April 2020 from NC DEQ, alleging an air permit violation under the North Carolina Administrative Code. As of September 30, 2023, management does not believe that a loss is probable.

Civil actions have been filed against EID and Chemours in North Carolina courts relating to discharges from Fayetteville. These actions include a consolidated action brought by public water suppliers seeking damages and injunctive relief, a consolidated purported class action seeking medical monitoring, and property damage and/or other monetary and injunctive relief on behalf of the putative classes of property owners and residents in areas near or that draw drinking water from the Cape Fear River, and two actions encompassing approximately 2,300 private well owners seeking compensatory and punitive damages. Ruling on the Company's motions in April 2019, the court dismissed the medical monitoring, injunctive demand, and many other alleged causes of actions in these lawsuits. In October 2023, the court certified the property damages class action. In March 2023, one of the public water suppliers brought a complaint in Delaware Chancery Court against EID, Chemours, Corteva and DuPont alleging voidable transfer and other claims arising from the Chemours separation and DowDuPont merger and subsequent restructurings, asset transfers and separations.

In addition to natural resource damages matter filed by the State of North Carolina (as discussed within the "PFAS" section of this "Note 17 – Commitments and Contingent Liabilities"), in September 2020, three additional lawsuits were filed in North Carolina state court against Chemours and EID, as well as other defendants. One of the lawsuits is a putative class action on behalf of residents who are served by the Cape Fear Public Water utility, alleges negligence, nuisance, and other claims related to the release of perfluorinated compounds from Fayetteville, and seeks compensatory and punitive damages and medical monitoring. The other two lawsuits were filed on behalf of individuals residing near Fayetteville and allege negligence, nuisance, and other claims related to the release of perfluorinated compounds. The individuals seek compensatory property damages, punitive damages, and, in some cases, medical monitoring. All three lawsuits allege fraudulent transfer against EID and other EID entities, but not against Chemours. In October 2020, the cases were removed to federal court and then the two lawsuits filed on behalf of individuals were remanded back to state court.

In March 2022, a lawsuit was filed on behalf of an individual residing near the Fayetteville site against Chemours, EID and other defendants alleging negligence, nuisance and other claims related to the discharges from the Fayetteville site. The individual seeks compensatory property damages, punitive damages and medical monitoring. The lawsuit also alleges fraudulent transfer against EID and other EID entities, but not against Chemours.

Also, in March 2022, Cumberland County, North Carolina filed suit in state court against Chemours, EID and other defendants related to discharges from the Fayetteville site alleging negligence, nuisance, trespass and fraudulent transfer. The lawsuit seeks damages as well as injunctive and equitable relief.

In December 2022, Aqua North Carolina, Inc. filed suit in North Carolina state court alleging EID, DuPont, DowDuPont, Inc and the Company are responsible for polyfluorinated chemical contamination of the Cape Fear River, groundwater and other water sources used by Aqua North Carolina across the state to serve its water customers. The complaint alleges product liability, negligence, trespass, deceptive trade practices, unjust enrichment and fraudulent transfer. Plaintiff seeks equitable relief as well as compensatory and punitive damages. In February 2023, the matter was removed to federal court.

As of October 2023, two lawsuits were filed in the Eastern District of North Carolina on behalf of individuals residing near Fayetteville against Chemours, EID, Corteva and DuPont alleging personal injury and property diminution related to the discharges from Fayetteville. The individuals seek compensatory and punitive damages. The lawsuits also allege fraudulent transfer against the defendants.

It is possible that additional litigation may be filed against the Company and/or EID concerning the Fayetteville discharges. It is not possible at this point to predict the timing, course, or outcome of all governmental and regulatory inquiries and notices and litigation related to Fayetteville, and it is reasonably possible that these matters could have a material adverse effect on the Company's financial position, results of operations, and cash flows. In addition, local communities, organizations, and federal and state regulatory agencies have raised questions concerning HFPO Dimer Acid and other perfluorinated and polyfluorinated compounds at certain other manufacturing sites operated by the Company. It is possible that additional developments similar to those described above and centering on Fayetteville could arise in other locations.

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Other

In addition, in the ordinary course of business, the Company may make certain commitments, including representations, warranties, and indemnities relating to current and past operations, including environmental remediation and other potential costs related to divested assets and businesses, and issue guarantees of third-party obligations. The Company accrues for these matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. In connection with the sale of the Mining Solutions business, the Company provided a limited indemnification with respect to environmental liabilities that may arise from activities prior to the closing date. Such indemnification would not exceed approximately \$78 and will expire on December 1, 2026. No liabilities have been recorded at September 30, 2023 and December 31, 2022 with respect to this indemnification.

Note 18. Equity

2018 Share Repurchase Program

The following table sets forth the Company's share repurchase activity under the 2018 Share Repurchase Program for the three and nine months ended September 30, 2023 and 2022, respectively.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total number of shares purchased	—	—	—	7,824,039
Total amount for shares purchased	\$ —	\$ —	\$ —	\$ 251
Average price paid per share	\$ —	\$ —	\$ —	\$ 32.06

On May 19, 2022, the Company completed the aggregate \$1,000 in authorized purchases of Chemours' issued and outstanding common stock under the 2018 Share Repurchase Program, which amounted to a cumulative 28,603,784 shares purchased at an average share price of \$34.96 per share.

2022 Share Repurchase Program

On April 27, 2022, the Company's board of directors approved a share repurchase program authorizing the purchase of shares of Chemours' issued and outstanding common stock in an aggregate amount not to exceed \$750, plus any associated fees or costs in connection with the Company's share repurchase activity (the "2022 Share Repurchase Program"). Under the 2022 Share Repurchase Program, shares of Chemours' common stock can be purchased in the open market from time to time, subject to management's discretion, as well as general business and market conditions. The Company's 2022 Share Repurchase Program became effective on April 27, 2022 and is scheduled to continue through the earlier of its expiration on December 31, 2025 or the completion of repurchases up to the approved amount. The program may be suspended or discontinued at any time. All common shares purchased under the 2022 Share Repurchase Program are expected to be held as treasury stock and accounted for using the cost method.

The following table sets forth the Company's share repurchase activity under the 2022 Share Repurchase Program for the three and nine months ended September 30, 2023 and 2022, respectively.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total number of shares purchased	450,667	2,910,688	2,108,408	3,462,181
Total amount for shares purchased	\$ 17	\$ 87	\$ 69	\$ 106
Average price paid per share	\$ 37.60	\$ 29.69	\$ 32.48	\$ 30.56

Through September 30, 2023, the Company purchased a cumulative 10,342,722 shares of Chemours' issued and outstanding common stock under the 2022 Share Repurchase Program, which amounted \$309 at an average share price of \$29.90 per share. The aggregate amount of Chemours' common stock that remained available for purchase under the 2022 Share Repurchase Program at September 30, 2023 was \$441.

Note 19. Stock-based Compensation

The Company's total stock-based compensation expense amounted to \$6 and \$13 for the three and nine months ended September 30, 2023, respectively, and \$7 and \$24 for the three and nine months ended September 30, 2022, respectively.

Stock Options

During the nine months ended September 30, 2023, Chemours granted approximately 560,000 non-qualified stock options to certain of its employees. These awards will vest over a three-year period and expire 10 years from the date of grant. The fair value of the Company's stock options is based on the Black-Scholes valuation model.

The following table sets forth the assumptions used at the grant date to determine the fair value of the Company's stock option awards granted during the nine months ended September 30, 2023.

	Nine Months Ended September 30, 2023
Risk-free interest rate	4.18 %
Expected term (years)	6.00
Volatility	55.63 %
Dividend yield	2.87 %
Fair value per stock option	\$ 15.36

The Company recorded \$2 and \$6 in stock-based compensation expense specific to its stock options for both the three and nine months ended September 30, 2023 and 2022, respectively. At September 30, 2023, approximately 3,696,000 stock options remained outstanding.

Restricted Stock Units

During the nine months ended September 30, 2023, Chemours granted approximately 443,000 restricted stock units ("RSUs") to certain management and employees. These awards generally vest over a three-year period and, upon vesting, convert one-for-one to Chemours' common stock. The fair value of all stock-settled RSUs is based on the market price of the underlying common stock at the grant date.

The Company recorded \$4 and \$6 in stock-based compensation expense specific to its RSUs for the three and nine months ended September 30, 2023, respectively, and \$3 and \$9 for the three and nine months ended September 30, 2022, respectively. At September 30, 2023, approximately 1,197,000 RSUs remained non-vested.

Performance Share Units

On March 1, 2023, Chemours granted approximately 103,000 performance share units ("PSUs") to key senior management employees. Upon vesting, these awards convert one-for-one to Chemours' common stock if specified performance goals, including certain market-based conditions, are met over the three-year performance period specified in the grant, subject to exceptions through the vesting period of three years. Each grantee is granted a target award of PSUs, and may earn between 0% and 200% of the target amount depending on the Company's performance against stated performance goals.

A portion of the fair value of PSUs was estimated at the grant date based on the probability of satisfying the market-based conditions associated with the PSUs using a Monte Carlo valuation method, which assesses probabilities of various outcomes of market conditions. The other portion of the fair value of the PSUs is based on the fair market value of the Company's stock at the grant date, regardless of whether the market-based conditions are satisfied.

The Company recorded less than \$1 in stock-based compensation expense specific to its PSUs for both the three and nine months ended September 30, 2023, and \$2 and \$9 for the three and nine months ended September 30, 2022, respectively, based on its assessment of Company performance relative to award-based financial objectives. At September 30, 2023, approximately 394,000 PSUs at 100% of the target amount remained non-vested.

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Performance Stock Options

On March 1, 2023, the Company granted approximately 240,000 performance stock options (“PSOs”) to certain of its key senior management employees. These awards have a strike price that is 10% above the closing stock value on the grant date and become exercisable when vested and this market condition is satisfied. These awards will vest over a three-year period and expire 10 years from the date of grant. The fair value of the Company's PSOs was estimated using a Monte Carlo valuation method.

The following table sets forth the assumptions used at the grant date to determine the fair value of the Company's performance stock option awards granted during the nine months ended September 30, 2023.

	Nine Months Ended September 30, 2023
Risk-free interest rate	4.13%
Expected term (years)	7.00
Volatility	56.32%
Dividend yield	2.87%
Fair value per performance stock option (1)	\$ 14.97

(1) Represents the weighted-average fair value at each point of projected exercise under the Monte Carlo valuation method.

The Company recorded less than \$1 and \$1 in stock-based compensation expense specific to its PSOs for the three and nine months ended September 30, 2023, respectively. At September 30, 2023, approximately 175,000 PSOs remained non-vested.

Note 20. Accumulated Other Comprehensive Loss

The following table sets forth the changes and after-tax balances of the Company's accumulated other comprehensive loss for the nine months ended September 30, 2023 and 2022.

	Net Investment Hedge	Cash Flow Hedge	Cumulative Translation Adjustment	Defined Benefit Plans	Total
Balance at January 1, 2023	\$ 19	\$ 6	\$ (268)	\$ (100)	\$ (343)
Other comprehensive income (loss)	10	(4)	9	13	28
Balance at September 30, 2023	\$ 29	\$ 2	\$ (259)	\$ (87)	\$ (315)
Balance at January 1, 2022	\$ (21)	\$ 5	\$ (236)	\$ (112)	\$ (364)
Other comprehensive income (loss)	106	22	(216)	19	(69)
Balance at September 30, 2022	\$ 85	\$ 27	\$ (452)	\$ (93)	\$ (433)

Note 21. Financial Instruments

Objectives and Strategies for Holding Financial Instruments

In the ordinary course of business, Chemours enters into contractual arrangements to reduce its exposure to foreign currency risks. The Company has established a financial risk management program, which includes distinct risk management instruments: (i) foreign currency forward contracts, which are used to minimize the volatility in the Company's earnings related to foreign exchange gains and losses resulting from remeasuring its monetary assets and liabilities that are denominated in non-functional currencies; (ii) foreign currency forward contracts, which are used to mitigate the risks associated with fluctuations in the euro against the U.S. dollar for forecasted U.S. dollar-denominated inventory purchases in certain of the Company's international subsidiaries that use the euro as their functional currency; (iii) interest rate swaps, which are used to mitigate the volatility in the Company's cash payments for interest due to fluctuations in variable interest rates, as is applicable to the portion of the Company's senior secured term loan facility denominated in U.S. dollars; and, (iv) euro-denominated debt, which is used to reduce the volatility in stockholders' equity caused by changes in foreign currency exchange rates of the euro with respect to the U.S. dollar for certain of its international subsidiaries that use the euro as their functional currency. The Company's financial risk management program reflects varying levels of exposure coverage and time horizons based on an assessment of risk. The program operates within Chemours' financial risk management policies and guidelines, and the Company does not enter into derivative financial instruments for trading or speculative purposes.

Net Monetary Assets and Liabilities Hedge – Foreign Currency Forward Contracts

At September 30, 2023, the Company had 11 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of \$268, and an average maturity of one month. At December 31, 2022, the Company had 9 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of \$180, and an average maturity of one month. Chemours recognized net losses of \$1 and \$8 for the three and nine months ended September 30, 2023, respectively, and net gains of \$3 for both the three and nine months ended September 30, 2022, respectively, in other income (expense), net.

Cash Flow Hedge – Foreign Currency Forward Contracts

At September 30, 2023, the Company had 157 foreign currency forward contracts outstanding under its cash flow hedge program with an aggregate notional U.S. dollar equivalent of \$193, and an average maturity of five months. At December 31, 2022, the Company had 153 foreign currency forward contracts outstanding under its cash flow hedge program with an aggregate notional U.S. dollar equivalent of \$180, and an average maturity of four months. Chemours recognized pre-tax gains of \$7 and \$5 for the three and nine months ended September 30, 2023, respectively, and pre-tax gains of \$18 and \$30 for the three and nine months ended September 30, 2022, respectively, within accumulated other comprehensive loss. For the three and nine months ended September 30, 2023, \$1 of loss and \$5 of gain was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively. For the three and nine months ended September 30, 2022, \$5 and \$11 of gain was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively.

The Company expects to reclassify approximately \$3 of net pre-tax gain, based on current foreign currency exchange rates, from accumulated other comprehensive loss to the cost of goods sold over the next 12 months.

Cash Flow Hedge – Interest Rate Swaps

In September 2022, the Company terminated all of its outstanding interest rate swaps, which resulted in a cash settlement of \$8. Chemours recognized a pre-tax gains of \$2 and \$8 for the three and nine months ended September 30, 2022, respectively, within accumulated other comprehensive loss. For the three and nine months ended September 30, 2023, \$0 and \$4 of gain were reclassified to interest expense, net from accumulated other comprehensive loss, respectively. For the three and nine months ended September 30, 2022, \$2 of gain was reclassified to interest expense, net from accumulated other comprehensive loss, respectively.

Net Investment Hedge – Foreign Currency Borrowings

The Company recognized pre-tax gains of \$35 and \$13 for the three and nine months ended September 30, 2023, respectively, and pre-tax gains of \$81 and \$139 for the three and nine months ended September 30, 2022, respectively, on its net investment hedge within accumulated other comprehensive loss. No amounts were reclassified from accumulated other comprehensive loss for the Company's net investment hedges during the three and nine months ended September 30, 2023 and 2022.

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Fair Value of Derivative Instruments

The following table sets forth the fair value of the Company's derivative assets and liabilities at September 30, 2023 and December 31, 2022.

	Balance Sheet Location	Fair Value Using Level 2 Inputs	
		September 30, 2023	December 31, 2022
Asset derivatives:			
Foreign currency forward contracts not designated as a hedging instrument	Accounts and notes receivable, net (Note 8)	\$ 1	\$ —
Foreign currency forward contracts designated as a cash flow hedge	Accounts and notes receivable, net (Note 8)	6	2
Total asset derivatives		<u>\$ 7</u>	<u>\$ 2</u>
Liability derivatives:			
Foreign currency forward contracts not designated as a hedging instrument	Other accrued liabilities (Note 14)	\$ 1	\$ 1
Foreign currency forward contracts designated as a cash flow hedge	Other accrued liabilities (Note 14)	—	4
Total liability derivatives		<u>\$ 1</u>	<u>\$ 5</u>

The Company's foreign currency forward contracts are classified as Level 2 financial instruments within the fair value hierarchy as the valuation inputs are based on quoted prices and market observable data of similar instruments. For derivative assets and liabilities, standard industry models are used to calculate the fair value of the various financial instruments based on significant observable market inputs, such as foreign exchange rates and implied volatilities obtained from various market sources. Market inputs are obtained from well-established and recognized vendors of market data, and are subjected to tolerance and/or quality checks.

The Chemours Company
Notes to the Interim Consolidated Financial Statements (Unaudited)
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Summary of Financial Instruments

The following table sets forth the pre-tax changes in fair value of the Company's financial instruments for the three and nine months ended September 30, 2023 and 2022.

Three Months Ended September 30,	Gain (Loss) Recognized In			Accumulated Other Comprehensiv e Loss
	Cost of Goods Sold	Interest Expense, Net	Other Income (Expense), Net	
2023				
Foreign currency forward contracts not designated as a hedging instrument	\$ —	\$ —	\$ (1)	\$ —
Foreign currency forward contracts designated as a cash flow hedge	(1)	—	—	7
Euro-denominated debt designated as a net investment hedge	—	—	—	35
2022				
Foreign currency forward contracts not designated as a hedging instrument	\$ —	\$ —	\$ 3	\$ —
Foreign currency forward contracts designated as a cash flow hedge	5	—	—	18
Interest rate swaps designated as a cash flow hedge	—	2	—	2
Euro-denominated debt designated as a net investment hedge	—	—	—	81
Gain (Loss) Recognized In				
Nine Months Ended September 30,	Gain (Loss) Recognized In			Accumulated Other Comprehensiv e Loss
	Cost of Goods Sold	Interest Expense, Net	Other Income (Expense), Net	
2023				
Foreign currency forward contracts not designated as a hedging instrument	\$ —	\$ —	\$ (8)	\$ —
Foreign currency forward contracts designated as a cash flow hedge	5	—	—	5
Interest rate swaps designated as a cash flow hedge	—	4	—	—
Euro-denominated debt designated as a net investment hedge	—	—	—	13
2022				
Foreign currency forward contracts not designated as a hedging instrument	\$ —	\$ —	\$ 3	\$ —
Foreign currency forward contracts designated as a cash flow hedge	11	—	—	30
Interest rate swaps designated as a cash flow hedge	—	2	—	8
Euro-denominated debt designated as a net investment hedge	—	—	—	139

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Note 22. Long-term Employee Benefits

Chemours sponsors defined benefit pension plans for certain of its employees in various jurisdictions outside of the U.S. The Company's net periodic pension (cost) income is based on estimated values and the use of assumptions about the discount rate, expected return on plan assets, and the rate of future compensation increases received by its employees.

The following table sets forth the Company's net periodic pension cost and amounts recognized in other comprehensive income (loss) for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Service cost	\$ (2)	\$ (3)	\$ (7)	\$ (10)
Interest cost	(4)	(1)	(11)	(5)
Expected return on plan assets	5	4	15	14
Amortization of actuarial loss	(3)	(2)	(7)	(6)
Amortization of prior service gain	1	—	2	1
Total net periodic pension cost	\$ (3)	\$ (2)	\$ (8)	\$ (6)
Net loss	\$ (1)	\$ —	\$ (1)	\$ —
Amortization of actuarial loss	3	2	7	6
Amortization of prior service gain	(1)	—	(2)	(1)
Curtailed gain	10	—	10	—
Effect of foreign exchange rates	4	9	2	16
Benefit recognized in other comprehensive income	15	11	16	21
Total changes in plan assets and benefit obligations recognized in other comprehensive income	\$ 12	\$ 9	\$ 8	\$ 15

The Company made cash contributions of \$2 and \$9 to its defined benefit pension plans during the three and nine months ended September 30, 2023 and 2022, respectively. The Company expects to make additional cash contributions of \$2 to its defined benefit pension plans during the remainder of 2023.

During the third quarter of 2023, the Company announced the closure of its manufacturing site in Kuan Yin, Taiwan, which will result in employment termination of substantially all of the employees based in Kuan Yin by the second quarter of 2024. The employee terminations related to the shutdown meets the definition of a plan curtailment event by eliminating the additional accrual of defined benefits for impacted employees. As a result of the curtailment, the Company remeasured its Taiwan projected pension obligation and recorded a \$1 mark-to-market loss on remeasurement of the pension liability as a result of a decrease in discount rates since December 31, 2022, and recorded a curtailment gain of \$10 which was recognized in accumulated other comprehensive income and will be amortized to the consolidated statements of operations as the impacted employees are terminated from the plan.

Note 23. Supplemental Cash Flow Information

The following table provides a reconciliation of cash and cash equivalents, as reported on the Company's consolidated balance sheets, to cash, cash equivalents, restricted cash and restricted cash equivalents, as reported on the Company's consolidated statements of cash flows.

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 852	\$ 1,102
Restricted cash and restricted cash equivalents (1)	595	202
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 1,447	\$ 1,304

- (1) At September 30, 2023, the restricted cash and restricted cash equivalents balance includes cash and cash equivalents deposited in the Water District Settlement Fund related to the U.S. Public Water System Class Action Suit Settlement and is classified as a current asset. At December 31, 2022, restricted cash and restricted cash equivalents includes cash and cash equivalents deposited in an escrow account as per the terms of the MOU and was classified as a noncurrent asset. See "Note 2 - Summary of Significant Accounting Policies" and "Note 17 - Commitments and Contingent Liabilities" for further details.

The Chemours Company
Notes to the Interim Consolidated Financial Statements (Unaudited)
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Note 24. Segment Information

Chemours operates through its three reportable segments, which were organized based on their similar economic characteristics, the nature of products and production processes, end-use markets, channels of distribution, and regulatory environments: Titanium Technologies, Thermal & Specialized Solutions, and Advanced Performance Materials. The Company's Performance Chemicals and Intermediates business is included in Other Segment. Corporate costs and certain legal and environmental expenses, stock-based compensation expenses, and foreign exchange gains and losses arising from the remeasurement of balances in currencies other than the functional currency of the Company's legal entities are reflected in Corporate and Other.

Adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA") is the primary measure of segment profitability used by the Company's Chief Operating Decision Maker ("CODM") and is defined as income (loss) before income taxes, excluding the following:

- interest expense, depreciation, and amortization;
- non-operating pension and other post-retirement employee benefit costs, which represents the non-service cost component of net periodic pension costs;
- exchange (gains) losses included in other income (expense), net;
- restructuring, asset-related, and other charges;
- (gains) losses on sales of assets and businesses; and,
- other items not considered indicative of the Company's ongoing operational performance and expected to occur infrequently, including certain litigation related and environmental charges and Qualified Spend reimbursable by DuPont and/or Corteva as part of the Company's cost-sharing agreement under the terms of the MOU that were previously excluded from Adjusted EBITDA.

The following table sets forth certain summary financial information for the Company's reportable segments for the periods presented.

	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Segment Total
Three Months Ended September 30, 2023					
Net sales to external customers	\$ 690	\$ 436	\$ 343	\$ 18	\$ 1,487
Adjusted EBITDA	69	162	68	2	301
Depreciation and amortization	34	15	21	1	71
Three Months Ended September 30, 2022					
Net sales to external customers	\$ 877	\$ 417	\$ 450	\$ 33	\$ 1,777
Adjusted EBITDA	137	162	112	3	414
Depreciation and amortization	31	13	20	2	66
Nine Months Ended September 30, 2023					
Net sales to external customers	\$ 2,029	\$ 1,445	\$ 1,118	\$ 74	\$ 4,666
Adjusted EBITDA	226	561	233	18	1,038
Depreciation and amortization	101	47	64	5	217
Nine Months Ended September 30, 2022					
Net sales to external customers	\$ 2,774	\$ 1,360	\$ 1,236	\$ 86	\$ 5,456
Adjusted EBITDA	559	549	306	1	1,415
Depreciation and amortization	93	40	61	6	200
Total Assets					
September 30, 2023	\$ 2,275	\$ 1,370	\$ 1,803	\$ 98	\$ 5,546
December 31, 2022	2,384	1,238	1,742	124	5,488

Corporate and Other depreciation and amortization expense amounted to \$5 and \$16 for the three and nine months ended September 30, 2023, respectively, and \$6 and \$17 for the three and nine months ended September 30, 2022, respectively. Corporate and Other total assets amounted to \$2,402 and \$2,152 at September 30, 2023 and December 31, 2022, respectively.

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Notes to the Interim Consolidated Financial Statements (Unaudited)
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The following table sets forth a reconciliation of Segment Adjusted EBITDA to the Company's consolidated income (loss) before income taxes for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Segment Adjusted EBITDA	\$ 301	\$ 414	\$ 1,038	\$ 1,415
Corporate and Other expenses (excluding items below)	(54)	(51)	(164)	(174)
Interest expense, net	(55)	(41)	(145)	(123)
Depreciation and amortization	(76)	(72)	(233)	(217)
Non-operating pension and other post-retirement employee (cost) income	(1)	1	(1)	4
Exchange (losses) gains, net	(9)	13	(21)	11
Restructuring, asset-related, and other charges (1)	(153)	2	(168)	(14)
(Loss) gain on extinguishment of debt	(1)	7	(1)	7
Gain on sales of assets and businesses (2)	106	—	106	27
Transaction costs (3)	(7)	—	(7)	—
Qualified spend recovery (4)	11	14	43	41
Litigation-related charges (5)	(31)	23	(675)	15
Environmental charges (6)	(8)	(11)	(9)	(182)
Income (loss) before income taxes	<u>\$ 23</u>	<u>\$ 299</u>	<u>\$ (237)</u>	<u>\$ 810</u>

- (1) Refer to "Note 5 – Restructuring, Asset-related, and Other charges" for further details. In addition, the periods ended in September 30, 2023 include \$28 related to the write-off of certain raw materials inventory from the Kuan Yin, Taiwan plant closure. In 2022, the nine months ended September 30, 2022 includes asset charges and write-offs resulting from the conflict between Russia and Ukraine and the Company's decision to suspend its business with Russian entities. Refer to "Note 5 – Restructuring, Asset-related, and Other Charges" for further details.
- (2) Refer to "Note 6 – Other Income (Expense), Net" to the *Interim Consolidated Financial Statements* for further details.
- (3) Includes costs associated with the New Senior Secured Credit Facilities entered into during the third quarter of 2023 which is discussed in further detail in "Note 15 – Debt".
- (4) Qualified spend recovery represents costs and expenses that were previously excluded from Adjusted EBITDA, reimbursable by DuPont and/or Corteva as part of the Company's cost-sharing agreement under the terms of the MOU which is discussed in further detail in "Note 17 – Commitments and Contingent Liabilities".
- (5) Litigation-related charges pertains to litigation settlements, PFOA drinking water treatment accruals, and related legal fees. In the periods ended in September 30, 2022, litigation-related charges include proceeds from a settlement in a patent infringement matter. Refer to "Note 17 – Commitments and Contingent Liabilities" for further details.
- (6) Environmental charges pertains to management's assessment of estimated liabilities associated with certain non-recurring environmental remediation expenses at various sites. In 2022, environmental charges include \$175 primarily related to an update to the off-site drinking water programs at Fayetteville and changes in estimates related to the barrier wall constructions. Refer to "Note 17 – Commitments and Contingent Liabilities" for further details.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") supplements the unaudited Interim Consolidated Financial Statements and the related notes thereto included elsewhere herein to help provide an understanding of our financial condition, changes in our financial condition, and the results of our operations for the periods presented. Unless the context otherwise requires, references herein to "The Chemours Company", "Chemours", "the Company", "our Company", "we", "us", and "our" refer to The Chemours Company and its consolidated subsidiaries. References herein to "EID" refer to EIDP, Inc., formerly known as E. I. du Pont de Nemours and Company, which is our former parent company and is now a subsidiary of Corteva, Inc. ("Corteva"), a Delaware corporation. References herein to "DuPont" refer to DuPont de Nemours, Inc., a Delaware Corporation.

This MD&A should be read in conjunction with the unaudited Interim Consolidated Financial Statements and the related notes thereto included in Item 1 of this Quarterly Report on Form 10-Q, as well as our audited Consolidated Financial Statements and the related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022.

This section and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. The words "believe", "expect", "anticipate", "plan", "estimate", "target", "project", and similar expressions, among others, generally identify "forward-looking statements", which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those set forth in the forward-looking statements.

Our forward-looking statements are based on certain assumptions and expectations of future events that may not be accurate or realized. These statements, as well as our historical performance, are not guarantees of future performance. Forward-looking statements also involve risks and uncertainties that are beyond our control. Additionally, there may be other risks and uncertainties that we are unable to identify at this time or that we do not currently expect to have a material impact on our business. Factors that could cause or contribute to these differences include, but are not limited to, the risks, uncertainties, and other factors discussed in the Forward-looking Statements and the Risk Factors sections in our Annual Report on Form 10-K for the year ended December 31, 2022, and as otherwise discussed in this report. We assume no obligation to revise or update any forward-looking statement for any reason, except as required by law.

Overview

We are a leading, global provider of performance chemicals that are key inputs in end-products and processes in a variety of industries. We deliver customized solutions with a wide range of industrial and specialty chemical products for markets, including coatings, plastics, refrigeration and air conditioning, transportation, semiconductor and consumer electronics, general industrial, and oil and gas. Our principal products include titanium dioxide ("TiO₂") pigment, refrigerants, industrial fluoropolymer resins, and performance chemicals and intermediates. We manage and report our operating results through three reportable segments: Titanium Technologies, Thermal & Specialized Solutions, and Advanced Performance Materials. Our Titanium Technologies segment is a leading, global provider of TiO₂ pigment, a premium white pigment used to deliver whiteness, brightness, opacity, and protection in a variety of applications. Our Thermal & Specialized Solutions segment is a leading, global provider of refrigerants, thermal management solutions, propellants, blowing agents, and specialty solvents. Our Advanced Performance Materials segment is a leading, global provider of high-end polymers and advanced materials that deliver unique attributes, including low friction coefficients, extreme temperature resistance, weather resistance, ultraviolet and chemical resistance, and electrical insulation. Our Performance Chemicals and Intermediates business is presented under Other Segment.

We are a different kind of chemistry company, driven by our vision to create a better world through the power of our chemistry. Our world-class product portfolio brings everyday convenience to virtually everything people touch in their daily lives, making our products and the solutions they enable both vital and essential. We are committed to creating value for our customers and stakeholders around the world through innovative and sustainable solutions, environmental leadership, community impact and making Chemours the greatest place to work for every employee. Our global workforce, renowned for its deep and unmatched expertise, bring our chemistry to life, guided by five core values that form the bedrock foundation for how we operate: (i) **Customer Centricity** – driving customer growth, and our own, by understanding our customers' needs and building long-lasting relationships with them; (ii) **Refreshing Simplicity** – cutting complexity by investing in what matters, and getting results faster; (iii) **Collective Entrepreneurship** – empowering our employees to act like they own our business, while embracing the power of inclusion and teamwork; (iv) **Safety Obsession** – living our steadfast belief that a safe workplace is a profitable workplace; and, (v) **Unshakable Integrity** – doing what's right for our customers, colleagues, and communities – always.

We recognize that our responsibility to all stakeholders goes well beyond our Corporate Responsibility Commitment ("CRC") goals, and our commitment to sustainability cannot be separated from our growth strategy or our vision. As a result, in 2023 we are aligning our sustainability focus and actions to the four key strategic pillars that support our Chemours vision: Innovation and Sustainable Solutions, Environmental Leadership, Community Impact, and Greatest Place to Work for All. The four key areas support an effort to achieve, among other goals, increased sustainability of our products, addressing our carbon emissions, and increased diversity and inclusion in our global workforce. We call this responsible chemistry – it is rooted in who we are, and we expect that our CRC will drive sustainable, long-term earnings growth.

Our core values, together with our company purpose and vision, underpin our commitment to our stakeholders to make chemistry as responsible as it is essential. Sustainability is embedded within our growth strategy as a company, with 10 ambitious goals that we aim to achieve by 2030, built on our key strategic pillars of Innovation and Sustainable Solutions, Environmental Leadership, Community Impact, and Greatest Place to Work for All. These goals are designed to promote accountability to our commitment and position us for sustainable, long-term earnings growth. While we utilize environmental, social, and governance ("ESG") issue prioritization and a defined governance framework to manage sustainability, our goal is to embed sustainability into our organization and our business managing processes. We understand that maintaining safe, sustainable operations has an impact on us, our communities, the environment, and our collective future. With this focus, we invest in research and development ("R&D") in order to develop safer, cleaner, and more efficient products and processes that enable our operations, customers, and consumers to reduce their greenhouse gas ("GHG") emissions, carbon footprint, and overall environmental footprint. We value collaboration to drive change and commit to continue working with policymakers, our value chain, and other organizations to encourage collective action to reduce GHG emissions and encourage lower-carbon forms of energy.

Recent Developments

Titanium Technologies Transformation Plan

In line with our strategic priorities for creating long-term shareholder value and building on the legacy of delivering high-quality Ti-Pure™ offerings and stable pricing strategy, the Titanium Technologies segment commenced certain transformation initiatives to streamline our workforce and improve other operational costs. We expect these transformation initiatives to deliver an earnings benefit of approximately \$100 million. As part of cost optimization efforts, in July 2023, we announced our decision to shut down our TiO₂ manufacturing facility in Kuan Yin, Taiwan.

As a result of the Titanium Technologies Transformation Plan, for the period ended September 30, 2023, we recorded a pre-tax charge of approximately \$147 million, comprised primarily of cash charges of \$31 million related to severance, contract termination, and decommissioning charges, and non-cash charges of approximately \$78 million related to asset-related impairments, \$28 million related to the write-off of certain raw materials inventory, and \$10 million in other charges. We anticipate additional charges of approximately \$20 million to \$30 million for decommission, dismantling and removal activities.

Sale of Glycolic Acid Business

On August 1, 2023, we completed the sale of our Glycolic Acid business included in Other Segment for net cash proceeds of approximately \$138 million under the definitive agreement entered into with PureTech Scientific Inc. on June 1, 2023 (the "Glycolic Acid Transaction"). As a result of the sale, we recorded a net pre-tax gain on sale of \$106 million in other income (expense), net in the consolidated statements of operations.

Senior Secured Credit Facilities

On August 18, 2023, we entered into an amendment and restatement credit agreement, which amends and restates in its entirety the April 2018 Credit Agreement, that provides for five-year senior secured term loans in an aggregate principal amount equal to \$1,070 million and €415 million (collectively, the "New Term Loans"), and a \$900 million senior secured revolving credit facility. Proceeds from the New Term Loans were primarily used to prepay, in full, all outstanding amounts under the April 2018 Credit Agreement and fund our portion of the qualified settlement fund per the terms of the U.S. public water system settlement agreement. Refer to "Note 15 - Debt" to the *Interim Consolidated Financial Statements* in this Quarterly Report on Form 10-Q for further details.

Results of Operations and Business Highlights

Results of Operations

The following table sets forth our results of operations for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(Dollars in millions, except per share amounts)</i>				
Net sales	\$ 1,487	\$ 1,777	\$ 4,666	\$ 5,456
Cost of goods sold	1,206	1,345	3,607	4,042
Gross profit	281	432	1,059	1,414
Selling, general, and administrative expense	165	140	1,067	535
Research and development expense	28	32	82	88
Restructuring, asset-related, and other charges	124	(1)	139	10
Total other operating expenses	317	171	1,288	633
Equity in earnings of affiliates	13	16	38	44
Interest expense, net	(55)	(41)	(145)	(123)
(Loss) gain on extinguishment of debt	(1)	7	(1)	7
Other income, net	102	56	100	101
Income before income taxes	23	299	(237)	810
Provision for (benefit from) income taxes	3	59	(26)	135
Net income (loss)	20	240	(211)	675
Less: Net income attributable to non-controlling interests	—	—	1	—
Net income (loss) attributable to Chemours	\$ 20	\$ 240	\$ (212)	\$ 675
Per share data				
Basic earnings (loss) per share of common stock	\$ 0.13	\$ 1.54	\$ (1.42)	\$ 4.30
Diluted earnings (loss) per share of common stock (1)	0.13	1.52	(1.42)	4.21

(1) In periods where we incur a net loss, the impact of potentially dilutive securities is excluded from the calculation of EPS, as their inclusion would have an anti-dilutive effect. As such, with respect to the measure of diluted EPS, the impact of 1,753,788 potentially dilutive securities is excluded from the calculation for the nine months ended September 30, 2023.

Net Sales

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our net sales for the three and nine months ended September 30, 2023, compared with the same periods in 2022.

Change in net sales from prior period	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Price	(1)%	2%
Volume	(15)%	(16)%
Currency	—%	—%
Total change in net sales	(16)%	(14)%

Our net sales decreased by \$290 million (or 16%) to \$1.5 billion for the three months ended September 30, 2023, compared with net sales of \$1.8 billion for the same period in 2022. The decrease in our net sales for the three months ended September 30, 2023 was primarily attributable to a decrease in volume of 15% and a decrease in price of 1%. Volume decreases were attributed to our Titanium Technologies and Advanced Performance Materials segments, partially offset by higher volume in our Thermal & Specialized Solutions segment. Price decreases were attributed to our Titanium Technologies and Thermal & Specialized Solutions segments, partially offset by our Advanced Performance Materials segment.

Our net sales decreased by \$790 million (or 14%) to \$4.7 billion for the nine months ended September 30, 2023, compared with net sales of \$5.5 billion for the same period in 2022. The decrease in our net sales for the nine months ended September 30, 2023 was primarily attributable to a decrease in volume of 16%, partially offset by an increase in price of 2%. Volume decreases were attributed to our Titanium Technologies and Advanced Performance Materials segments, partially offset by higher volume in our Thermal & Specialized Solutions segment. Price increases were attributable to our Thermal & Specialized Solutions and Advanced Performance Materials segments.

The key drivers of these changes for each of our reportable segments are discussed further under the “Segment Reviews” section within this MD&A.

Cost of Goods Sold

Our cost of goods sold (“COGS”) decreased by \$139 million (or 10%) and \$435 million (or 11%) to \$1.2 billion and \$3.6 billion for three and nine months ended September 30, 2023, respectively, compared with COGS of \$1.3 billion and \$4 billion for the same periods in 2022. The decrease in our COGS for the three and nine months ended September 30, 2023 was primarily attributable to lower sales volume, partially offset by higher raw material costs due to inflation, lower fixed cost absorption in all our segments, and \$28 million of certain raw materials inventory written off related to the Kuan Yin, Taiwan plant shutdown.

Selling, General, and Administrative Expense

Our selling, general, and administrative (“SG&A”) expense increased by \$25 million (or 18%) and \$532 million (or 99%) to \$165 million and \$1.1 billion for the three and nine months ended September 30, 2023, respectively, compared with SG&A expense of \$140 million and \$535 million for the same periods in 2022. The increase in our SG&A expense was primarily attributable to the approximately \$31 million and \$675 million of legal charges during the three and nine months ended September 30, 2023, respectively, which includes the \$592 million of legal charges during the second quarter of 2023 related to the U.S. public water system settlement agreement. The increase was partially offset by lower long-term performance-related compensation expense relative to the third quarter of 2022, and, during the nine months ended September 30, 2023, lower off-site environmental remediation costs of approximately \$126 million at our Fayetteville Works site in Fayetteville, North Carolina (“Fayetteville”) relative to the nine months ended September 30, 2022, respectively.

Research and Development Expense

Our research and development (“R&D”) expense decreased by \$4 million (or 13%) and \$6 million (or 7%) to \$28 million and \$82 million for the three and nine months ended September 30, 2023, respectively, compared with R&D expense of \$32 million and \$88 million for the same periods in 2022. The decrease in our R&D expense for the three and nine months ended September 30, 2023 was primarily attributable to decisions to delay certain projects given current macroeconomic conditions.

Restructuring, Asset-Related, and Other Charges

Our restructuring, asset-related, and other charges were \$124 million and \$139 million for the three and nine months ended September 30, 2023, respectively, compared with restructuring, asset-related, and other charges of \$(1) million and \$10 million for the three and nine months ended September 30, 2022, respectively.

Restructuring, asset-related, and other charges in the three and nine months ended September 30, 2023 were primarily attributable to \$119 million of charges related to the Titanium Technologies Transformation Plan, consisting of \$78 million of asset-related charges, employee separation charges of \$20 million, \$7 million of contract termination costs, and \$14 million of decommissioning and other charges. In addition, in the three and nine months ended September 30, 2023, charges included \$6 million related to our 2023 Restructuring Program and, in the nine months, charges of \$16 million resulting from our decision to abandon the implementation of a new enterprise resource planning ("ERP") software platform.

Restructuring, asset-related, and other charges for the nine months ended September 30, 2022 were primarily attributable to \$5 million of asset charges resulting from our decision to suspend business with Russian entities due to the conflict between Russia and Ukraine, and \$4 million of employee separation charges incurred in connection with our 2022 restructuring programs.

Equity in Earnings of Affiliates

Our equity in earnings of affiliates decreased by \$3 million (or 19%) and \$6 million (or 14%) to \$13 million and \$38 million for the three and nine months ended September 30, 2023, respectively, compared with equity in earnings of affiliates of \$16 million and \$44 million for the same periods in 2022. The decrease in our equity in earnings of affiliates for the three and nine months ended September 30, 2023 was primarily attributable to lower demand in the region where our investees' operate.

Interest Expense, Net

Our interest expense, net increased by \$14 million (or 34%) and \$22 million (or 18%) to \$55 million and \$145 million for the three and nine months ended September 30, 2023, respectively, compared with interest expense, net of \$41 million and \$123 million for the same periods in 2022. The increase in our interest expense, net for the three and nine months ended September 30, 2023 was primarily attributable to higher interest rates on our variable rate debt, partially offset by higher interest income.

(Loss) Gain on Extinguishment of Debt

For the three and nine months ended September 30, 2023, we recognized a net loss on extinguishment of debt of \$1 million in connection with the issuance of the New Term Loans.

For the three and nine months ended September 30, 2022, we recognized a net gain on extinguishment of debt of \$7 million in connection with the open market repurchases of various portions of our senior unsecured notes.

Other Income, Net

Our other income, net increased by \$46 million (or 82%) and decreased by \$1 million (or 1%) to \$102 million and \$100 million for the three and nine months ended September 30, 2023, respectively, compared with other income, net of \$56 million and \$101 million for the same periods in 2022.

Our other income, net in the three and nine months ended September 30, 2023, includes a net pre-tax gain on sale of \$106 million, associated with the Glycolic Acid Transaction, partially offset by net losses from foreign currency exchanges, primarily driven by devaluation of the Argentine peso and the strengthening of the euro against the U.S. dollar.

Our other income, net in the three and nine months ended September 30, 2022 includes proceeds from a settlement of a patent infringement matter relating to certain copolymer patents associated with our Advanced Performance Materials segment during the third quarter of 2022 and net gains from foreign currency exchanges, primarily due to the devaluation of the euro against the U.S. dollar. For the nine months ended September 30, 2022, we also recognized a net pre-tax gain on sale of \$11 million and \$18 million, respectively, associated with the sale of land at our former operating site in Beaumont, Texas (the "Beaumont Transaction") and the stock sale of certain of our wholly-owned subsidiaries and the remaining assets at our former Aniline business facilities in Pascagoula, Mississippi (the "Pascagoula Transaction").

Provision for (Benefit from) Income Taxes

We had a provision for income taxes of \$3 million and \$59 million for the three months ended September 30, 2023 and 2022, respectively, which represented effective tax rates of 13% and 20%, respectively. The \$56 million decrease in our provision for income taxes for the three months ended September 30, 2023 was attributable to decreased profitability, changes in our geographic mix of earnings, and changes to non-recurring items. In the third quarter of 2023, we recognized a \$28 million income tax benefit associated with the Kuan Yin, Taiwan plant shutdown, net of a \$13 million valuation allowance recorded on certain deferred tax assets of one of our Taiwanese subsidiaries. This income tax benefit was offset by \$26 million of income tax expense associated with the Glycolic Acid Transaction that occurred during the quarter.

We had a benefit from income taxes of \$26 million and a provision for income taxes of \$135 million for the nine months ended September 30, 2023 and 2022, respectively, which represented effective tax rates of 11% and 17%, respectively. The \$161 million decrease in our provision for income taxes and lower effective tax rate for the nine months ended September 30, 2023 were primarily attributable to the same factors discussed in the preceding paragraph. Additionally, we recorded \$88 million tax benefit associated with the U.S. public water system settlement agreement in the second quarter of 2023.

Segment Reviews

Adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA") is the primary measure of segment profitability used by our Chief Operating Decision Maker ("CODM") and is defined as income (loss) before income taxes, excluding the following:

- interest expense, depreciation, and amortization;
- non-operating pension and other post-retirement employee benefit costs, which represents the non-service cost component of net periodic pension costs;
- exchange (gains) losses included in other income (expense), net;
- restructuring, asset-related, and other charges;
- (gains) losses on sales of assets and businesses; and,
- other items not considered indicative of our ongoing operational performance and expected to occur infrequently, including certain litigation related and environmental charges and Qualified Spend reimbursable by DuPont and/or Corteva as part of our cost-sharing agreement under the terms of the Memorandum of Understanding ("MOU") that were previously excluded from Adjusted EBITDA.

A reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA for the three and nine months ended September 30, 2023 and 2022 is included in the "Non-GAAP Financial Measures" section of this MD&A.

The following table sets forth our Adjusted EBITDA by segment for the three and nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Titanium Technologies	\$ 69	\$ 137	\$ 226	\$ 559
Thermal & Specialized Solutions	162	162	561	549
Advanced Performance Materials	68	112	233	306
Other Segment	2	3	18	1
Corporate and Other	(54)	(51)	(164)	(174)
Total Adjusted EBITDA	\$ 247	\$ 363	\$ 874	\$ 1,241

Titanium Technologies

The following table sets forth the net sales, Adjusted EBITDA, and Adjusted EBITDA margin amounts for our Titanium Technologies segment for the three and nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Segment net sales	\$ 690	\$ 877	\$ 2,029	\$ 2,774
Adjusted EBITDA	69	137	226	559
Adjusted EBITDA margin	10%	16%	11%	20%

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our Titanium Technologies segment's net sales for the three and nine months ended September 30, 2023, compared with the same periods in 2022.

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Change in segment net sales from prior period		
Price	(3)%	—%
Volume	(18)%	(27)%
Currency	—%	—%
Total change in segment net sales	(21)%	(27)%

Segment Net Sales

Our Titanium Technologies segment's net sales decreased by \$187 million (or 21%) to \$690 million for the three months ended September 30, 2023, compared with segment net sales of \$877 million for the same period in 2022. The decrease in segment net sales for the three months ended September 30, 2023 was primarily attributable to a decrease in volume of 18% and price of 3%. Volumes decreased due to softer market demand in all regions. Prices decreased primarily due to pricing in our market exposed customer portfolio. Currency was flat for the three months ended September 30, 2023 when compared to the same period of the prior year.

Our Titanium Technologies segment's net sales decreased by \$745 million (or 27%) to \$2 billion for the nine months ended September 30, 2023, compared with segment net sales of \$2.8 billion for the same period in 2022. The decrease in segment net sales for the nine months ended September 30, 2023 was primarily attributable to a decrease in volume of 27%. Volumes decreased due to softer market demand in all regions. Prices were flat in comparison with the prior period as contractual price increases offset by decreases in our market exposed customer portfolio. Currency was flat for the nine months ended September 30, 2023 when compared to the same period of the prior year.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended September 30, 2023, segment Adjusted EBITDA decreased by \$68 million (or 50%) to \$69 million and Adjusted EBITDA margin decreased by approximately 600 basis points to 10%, compared with segment Adjusted EBITDA of \$137 million and Adjusted EBITDA margin of 16% for the same period in 2022. For the nine months ended September 30, 2023, segment Adjusted EBITDA decreased by \$333 million (or 60%) to \$226 million and Adjusted EBITDA margin decreased by approximately 900 basis points to 11%, compared with segment Adjusted EBITDA of \$559 million and Adjusted EBITDA margin of 20% for the same period in 2022. The decreases in segment Adjusted EBITDA and Adjusted EBITDA margin during the three months ended September 30, 2023, was primarily attributable to the aforementioned decrease in sales volumes and price. The decreases in segment Adjusted EBITDA and Adjusted EBITDA margin during the nine months ended September 30, 2023, were primarily attributable to the aforementioned decrease in sales volumes, the effects of inflation on costs, and lower fixed cost absorption.

Thermal & Specialized Solutions

The following table sets forth the net sales, Adjusted EBITDA, and Adjusted EBITDA margin amounts for our Thermal & Specialized Solutions segment for the three and nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Segment net sales	\$ 436	\$ 417	\$ 1,445	\$ 1,360
Adjusted EBITDA	162	162	561	549
Adjusted EBITDA margin	37%	39%	39%	40%

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our Thermal & Specialized Solutions segment's net sales for the three and nine months ended September 30, 2023, compared with the same periods in 2022.

Change in segment net sales from prior period	Three Months Ended	Nine Months Ended
	September 30, 2023	September 30, 2023
Price	(1)%	2%
Volume	5%	4%
Currency	1%	—%
Total change in segment net sales	5%	6%

Segment Net Sales

Our Thermal & Specialized Solutions segment's net sales increased by \$19 million (or 5%) to \$436 million for the three months ended September 30, 2023, compared with segment net sales of \$417 million for the same period in 2022. The increase in segment net sales for the three months ended September 30, 2023 was primarily attributable to an increase in volume of 5% partially offset by a decrease in price of 1%. Volumes increased due to the continued adoption of Opteon™ products in stationary and automotive original equipment manufacturers. Prices decreased slightly primarily due to unfavorable regional product mix in legacy refrigerants and lower pricing in our automotive end markets. Favorable currency movements added a 1% tailwind to the segment's net sales during three months ended September 30, 2023.

Our Thermal & Specialized Solutions segment's net sales increased by \$85 million (or 6%) to \$1.4 billion for the nine months ended September 30, 2023, respectively, compared with segment net sales of \$1.4 billion for the same period in 2022. The increase in segment net sales for the nine months ended September 30, 2023 was primarily attributable to increases in volume of 4% and price of 2%. Volumes increased due to strong automotive original equipment manufacturer demand and continued adoption of Opteon™ products. Prices increased across the portfolio, excluding automotive end markets, due to changing market and regulatory dynamics and steady value-based pricing growth within our Refrigerants and Foam, Propellants and Other Products portfolio. Currency was flat for the nine months ended September 30, 2023 when compared to the same period of the prior year.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended September 30, 2023, segment Adjusted EBITDA was \$162 million, which was flat with adjusted EBITDA in the same period in 2022. For the three months ended September 30, 2023, Adjusted EBITDA margin decreased by approximately 200 basis points to 37%, compared with Adjusted EBITDA margin of 39% for the same period in 2022. For the nine months ended September 30, 2023, segment Adjusted EBITDA increased by \$12 million (or 2%) to \$561 million and Adjusted EBITDA margin decreased by approximately 100 basis points to 39%, compared with segment Adjusted EBITDA of \$549 million and Adjusted EBITDA margin of 40% for the same period in 2022. The decrease in segment Adjusted EBITDA margin for the three months ended September 30, 2023 was primarily attributable to lower earnings from our equity affiliates and other income, higher production related fixed costs, and the continued investment in R&D growth initiatives partially offset by lower raw material costs experienced in the current quarter. The increase in segment Adjusted EBITDA for the nine months ended September 30, 2023 was primarily attributable to the aforementioned increase in sales volume and price, partially offset by higher raw material costs and lower earnings from our equity affiliates and other income. The decrease in Adjusted EBITDA margin during the nine months ended September 30, 2023 was primarily attributable to the aforementioned higher raw material costs and lower earnings from our equity affiliates and other income.

Advanced Performance Materials

The following table sets forth the net sales, Adjusted EBITDA, and Adjusted EBITDA margin amounts for our Advanced Performance Materials segment for the three and nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Segment net sales	\$ 343	\$ 450	\$ 1,118	\$ 1,236
Adjusted EBITDA	68	112	233	306
Adjusted EBITDA margin	20%	25%	21%	25%

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our Advanced Performance Materials segment's net sales for the three and nine months ended September 30, 2023, compared with the same periods in 2022.

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Change in segment net sales from prior period		
Price	2%	6%
Volume	(26)%	(15)%
Currency	—%	(1)%
Total change in segment net sales	(24)%	(10)%

Segment Net Sales

Our Advanced Performance Materials segment's net sales decreased by \$107 million (or 24%) and \$118 million (or 10%) to \$343 million and \$1.1 billion for the three and nine months ended September 30, 2023, respectively, compared with segment net sales of \$450 million and \$1.2 billion for the same period in 2022. The decreases in segment net sales for the three and nine months ended September 30, 2023 were primarily attributable to a decreases in volume of 26% and 15%, respectively, partially offset by increases in price of 2% and 6%, respectively. Volumes decreased primarily due to demand softening in the Advanced Materials portfolio which serves more economically sensitive end-markets. Prices increased due to increasing sales in high-value end-markets, including advanced electronics and clean energy, in the Performance Solutions portfolio, as well as pricing actions to offset higher raw material costs in our Advanced Materials portfolio. Unfavorable currency movements added a 1% headwind to the segment's net sales during the nine months ended September 30, 2023.

Our Performance Solutions portfolio's net sales were \$129 million and \$413 million for the three and nine months ended September 30, 2023, respectively, and \$133 million and \$373 million for the same period in 2022. Our Advanced Materials portfolio's net sales were \$214 million and \$705 million for the three and nine months ended September 30, 2023, respectively, and \$317 million and \$863 million for the same period in 2022.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended September 30, 2023, segment Adjusted EBITDA decreased by \$44 million (or 39%) to \$68 million and Adjusted EBITDA margin decreased by approximately 500 basis points to 20%, compared with segment Adjusted EBITDA of \$112 million and Adjusted EBITDA margin of 25% for the same period in 2022. For the nine months ended September 30, 2023, segment Adjusted EBITDA decreased by \$73 million (or 24%) to \$233 million and Adjusted EBITDA margin decreased by approximately 400 basis points to 21%, compared with segment Adjusted EBITDA of \$306 million and Adjusted EBITDA margin of 25% for the same period in 2022. The decreases in segment Adjusted EBITDA and Adjusted EBITDA margin for the three and nine months ended September 30, 2023 were primarily attributable to the aforementioned decreases in sales volume driving lower fixed cost absorption, impact of higher raw material costs, and the continued effects of inflation on other costs.

Corporate and Other

Corporate and Other costs increased by \$3 million (or 6%) and decreased by \$10 million (or 6%) to \$54 million and \$164 million for the three and nine months ended September 30, 2023, respectively, compared with Corporate and Other costs of \$51 and \$174 million for the same periods in 2022. The increase in Corporate and Other costs for the three months ended September 30, 2023, was primarily attributable to higher legacy related legal spend. The decrease in Corporate and Other costs for the nine months ended September 30, 2023, was primarily attributable to lower legacy environmental costs and lower long-term performance-related compensation partially offset by higher legacy related legal spend.

2023 Outlook

Our 2023 results will be driven by the following expectations in each of our reportable segments:

- **Titanium Technologies** – Fourth quarter demand is expected to be down sequentially consistent with normal seasonal patterns. Input costs are expected to improve inclusive of the benefits of the Kuan Yin plant closure;
- **Thermal & Specialized Solutions** – Continued Opteon™ adoption in mobile and stationary applications ahead of the next EU and United States hydrofluorocarbons ("HFC") step-down in 2024, paired with uncertainty in the rate of automotive and construction end-market demand recovery. Expect typical seasonality in customer demand trends for the remainder of the year; and
- **Advanced Performance Materials** – Anticipate weaker demand for products in the Advanced Materials portfolio which serves economically sensitive end-markets, paired with continued elevated unit costs, partially offset by strong demand for high-value, differentiated products in the Performance Solutions portfolio.

We expect that our capital expenditures will be approximately \$400 million, with approximately \$200 million for growth capital expenditures and approximately \$200 million for run and maintain, and sustainability.

Our outlook for 2023 reflects our current visibility and expectations based on market factors, such as currency movements, macro-economic factors, and end-market demand. In particular, macro-economic factors may be impacted by factors beyond our control, including the ongoing Russia-Ukraine conflict. Our ability to meet our expectations are subject to numerous risks, including, but not limited to, those described in *Item 1A – Risk Factors* within our Annual Report on Form 10-K for the year ended December 31, 2022 and those updated in *Item 1A – Risk Factors* within this Quarterly Report on Form 10-Q for the period ended September 30, 2023.

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operations and available cash, along with our receivables securitization and borrowings under our debt financing arrangements, which includes borrowing capacity under our revolving credit facility. Our operating cash flow generation is driven by, among other things, the general global economic conditions at any point in time and their resulting impacts on demand for our products, raw materials and energy prices, and industry-specific issues, such as production capacity and utilization. During the third quarter of 2023, we announced our Titanium Technologies Transformation Plan, that includes incremental efforts to streamline our workforce and improve other operational costs designed to yield cost savings and drive improved margins. We expect these transformation initiatives to deliver an earnings benefit of approximately \$100 million in 2024. Despite the current challenging market conditions across the industry, we anticipate that through our cost efforts and growth initiatives, our operations will provide sufficient liquidity, together with the availability under our Revolving Credit Facility, to support the cash needs for the businesses. We have a historical pattern of seasonality, with working capital use of cash in the first half of the year, and a working capital source of cash in the second half of the year. We have generated strong operating cash flows through various past industry and economic cycles, evidencing the underlying operating strength of our businesses. The availability under our Revolving Credit Facility of \$801 million as of September 30, 2023 is subject to the last 12 months of our consolidated EBITDA and senior secured net debt as defined under the Credit Agreement. Our debt financing arrangements are described in further detail in "Note 15 – Debt" to the *Interim Consolidated Financial Statements* in this Quarterly Report on Form 10-Q and "Note 20 – Debt" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2022.

Over the course of the next 12 months and beyond, we anticipate making significant cash payments for known contractual and other obligations, which we expect to fund through cash generated from operations, available cash, receivables securitization, and debt financing arrangements. Such obligations include principal and interest obligations on long-term debt, contractual obligations for operating and finance leases, purchase obligations, legal settlement agreements, and our expectations for capital expenditures, which, except as noted below, did not significantly change from what was previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022. Our contractual and other obligations also include:

- **Principal and interest obligations on long-term debt** – In the third quarter of 2023, we entered into an amendment and restatement credit agreement, which amends and restates in its entirety the April 2018 Credit Agreement, that provides for New Term Loans, and a \$900 million senior secured revolving credit facility. Proceeds from the New Term Loans were primarily used to prepay, in full, all outstanding amounts under the April 2018 Credit Agreement and fund our portion of the qualified settlement fund per the terms of the U.S. public water system settlement agreement. For a schedule of our debt principal maturities for the next five years and thereafter, refer to “Note 15 – Debt” to the *Interim Consolidated Financial Statements*.
- **Environmental remediation** – We, due to the terms of our Separation-related agreements with EID, are subject to contingencies pursuant to environmental laws and regulations that in the future may require further action to correct the effects on the environment of prior disposal practices or releases of chemical substances, which are attributable to EID’s activities before our spin-off. Much of this liability results from Comprehensive Environmental Response Compensation and Liability Act (“CERCLA”), Resource Conservation and Recovery Act (“RCRA”), and similar federal, state, local, and foreign laws. These laws may require us to undertake certain investigative, remediation, and restoration activities at sites where we conduct or EID once conducted operations or at sites where waste generated by us was disposed. At September 30, 2023, our consolidated balance sheets include \$605 million for environmental remediation liabilities, of which \$138 million was classified as current, and a portion is subject to recovery under the MOU. Of the current environmental liabilities of \$138 million, \$90 million relates to Fayetteville. Pursuant to the binding MOU that we entered into with DuPont, Corteva, and EID in January 2021, costs related to potential future legacy “PFAS” (perfluoroalkyl and polyfluoroalkyl substances) liabilities arising out of pre-July 1, 2015 conduct will be subject to the cost-sharing arrangement, where we bear half of the cost of such future potential legacy PFAS liabilities, and DuPont and Corteva will collectively bear the other half of the cost of such future potential legacy PFAS liabilities. Through September 30, 2023, aggregate Qualified Spend including settlements, by us, DuPont, and Corteva under the MOU amounted to \$467 million. Refer to the “Environmental Matters” section within this *MD&A* for the anticipated environmental remediation payments over the next three years. Refer to “Note 17 – Commitments and Contingent Liabilities” to the *Interim Consolidated Financial Statements* for further discussion of the MOU and Qualified Spend.
- **PFAS escrow funding requirements** – In September 2023, we entered into a supplemental agreement to the binding MOU with DuPont, Corteva, and EID, whereby i) the parties agreed to release funds held in escrow to fund, in part, the qualified settlement fund per the terms of the U.S. public water system settlement agreement, ii) waive the escrow funding obligation of each party due no later than September 30, 2023 and iii) with respect to the escrow funding obligation due no later than September 30, 2024, will be waived by each of the parties under certain conditions as agreed to by the parties. The next escrow payment of \$50 million is expected to be made on or before September 30, 2025 and on or before September 30 of each subsequent year through and including 2028. Refer to “Note 17 – Commitments and Contingent Liabilities” to the *Interim Consolidated Financial Statements* for further discussion.
- **U.S Public Water District Settlement Agreement** – In June 2023, we, Corteva/EID, and DuPont, together, entered into the U.S. public water system settlement agreement, under which the parties will collectively establish and contribute a total of \$1.185 billion to the qualified settlement fund per the terms of the U.S. public water system settlement agreement. Contribution rates will be consistent with the binding MOU entered into among the parties in January 2021, with us contributing 50% (or approximately \$592 million), and DuPont and Corteva collectively contributing the remaining 50%. The settlement amounts were to be funded by the parties in full and deposited into the qualified settlement fund within ten business days following preliminary approval of the settlement by the Court. Preliminary approval of the settlement by the Court was received on August 22, 2023, and on September 6, 2023, we funded \$592 million into the qualified settlement fund, using a combination of proceeds from the issuance of the New Term Loans, funds available under the MOU escrow account, and available cash. The qualified settlement fund is recognized as restricted cash and restricted cash equivalents on our consolidated balance sheet at September 30, 2023. Refer to “Note 17 – Commitments and Contingent Liabilities” to the *Interim Consolidated Financial Statements* for further discussion.

We continue to believe our sources of liquidity are sufficient to fund our planned operations and to meet our interest, dividend, and contractual obligations, through at least October 2024. Our financial policy seeks to: (i) selectively invest in organic and inorganic growth to enhance our portfolio, including certain strategic capital investments; (ii) maintain appropriate leverage by using free cash flows to repay outstanding borrowings; and, (iii) return cash to shareholders through dividends and share repurchases. Specific to our objective to return cash to shareholders, in recent quarters, we have previously announced dividends of \$0.25 per share, amounting to approximately \$150 million per year, and, on October 26, 2023, we announced our quarterly cash dividend of \$0.25 per share for the fourth quarter of 2023. Under our share repurchase program, as further discussed in *Item 2 –Unregistered Sales of Equity Securities and Use of Proceeds* in this Quarterly Report on Form 10-Q, we also have remaining authority to repurchase \$441 million of our outstanding common stock. The share repurchase program may be suspended or discontinued at any time. Subject to approval by our board of directors, we may raise additional capital or borrowings from time to time, or seek to refinance our existing debt. There can be no assurances that future capital or borrowings will be available to us, and the cost and availability of new capital or borrowings could be materially impacted by market conditions. Further, the decision to refinance our existing debt is based on a number of factors, including general market conditions and our ability to refinance on attractive terms at any given point in time. Any attempts to raise additional capital or borrowings or refinance our existing debt could cause us to incur significant charges. Such charges could have a material impact on our financial position, results of operations, or cash flows.

At September 30, 2023, we had total cash and cash equivalents of \$852 million, of which \$526 million was held by our foreign subsidiaries. All cash and cash equivalents held by our foreign subsidiaries is readily convertible into currencies used in our operations, including the U.S. dollar. During the nine months ended September 30, 2023, we received approximately \$210 million of net cash in the U.S. through intercompany dividends and loans. For further information related to our income tax positions, refer to "Note 9 – Income Taxes" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2022.

Cash Flows

The following table sets forth a summary of the net cash provided by (used for) our operating, investing, and financing activities for the nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions)</i>	Nine Months Ended September 30,			
	2023		2022	
Cash provided by operating activities	\$	72	\$	594
Cash used for investing activities		(99)		(219)
Cash provided by (used for) financing activities		179		(495)

Operating Activities

We generated \$72 million and \$594 million in cash flows from our operating activities during the nine months ended September 30, 2023 and 2022, respectively. The decrease in our operating cash inflows was primarily attributable to lower earnings, changes in net working capital, primarily due to higher payment of payables due to timing, inventory build and higher cost of raw materials, and higher spend at our Fayetteville site. These decreases were partially offset by lower incentive compensation payment in 2023 compared to 2022 and the one-time payment of the \$25 million settlement with the State of Delaware in 2022 that did not recur in 2023.

Investing Activities

We used \$99 million and \$219 million in cash flows for our investing activities during the nine months ended September 30, 2023 and 2022, respectively which were primarily attributable to purchases of property, plant, and equipment amounting to \$235 million and \$240 million, respectively. Cash outflows from investing activities during the nine months ended September 30, 2023 were partially offset by \$138 million of cash proceeds related to the Glycolic Acid Transaction. Cash outflows from investing activities during the nine months ended September 30, 2022 were partially offset by \$17 million of cash proceeds related to the Beaumont Transaction and \$16 million of cash proceeds related to the Pascagoula Transaction.

Financing Activities

We generated \$179 million in cash flows for our financing activities during the nine months ended September 30, 2023 which were primarily attributable \$367 million of net proceeds received in connection with the issuance of the New Term Loans. We also used cash for capital allocation activities, resulting in \$69 million in purchases of our issued and outstanding common stock under our 2022 Share Repurchase Program and \$112 million of cash dividends.

We used \$495 million in cash flows for our financing activities during the nine months ended September 30, 2022 which were primarily attributable to our capital allocation activities, resulting in \$351 million in purchases of our issued and outstanding common stock under our 2022 and 2018 Share Repurchase Programs, \$117 million of cash dividends and \$64 million in debt repayments, including open market repurchases, partially offset by \$51 million in stock option exercises.

Current Assets

The following table sets forth the components of our current assets at September 30, 2023 and December 31, 2022.

<i>(Dollars in millions)</i>	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 852	\$ 1,102
Restricted cash and restricted cash equivalents	595	—
Accounts and notes receivable, net	846	626
Inventories	1,314	1,404
Prepaid expenses and other	76	82
Total current assets	\$ 3,683	\$ 3,214

Restricted cash and restricted cash equivalents of \$595 million represents cash and cash equivalents deposited in the Water District Settlement Fund, which was classified as a current asset at September 30, 2023 in line with the expected timing of the Final Judgment, as defined in the Settlement Agreement.

Our accounts and notes receivable, net increased by \$220 million (or 35%) to \$846 million at September 30, 2023, compared with accounts and notes receivable, net of \$626 million at December 31, 2022. This increase in our accounts and notes receivable, net at September 30, 2023 was primarily attributable to the timing of collections from our customers and higher sales in the third quarter of 2023 (primarily in our Titanium Technologies and Thermal & Specialized Solutions businesses) driving higher receivables when compared to the fourth quarter of 2022, partially offset by the increased utilization of our Securitization Facility.

Our inventories decreased by \$90 million (or 6%) to \$1.3 billion at September 30, 2023, compared with inventories of \$1.4 billion at December 31, 2022. The decrease in our inventories at September 30, 2023 was primarily attributable to efforts to optimize inventory levels to the current demand environment within our Titanium Technologies business and the write-off of \$28 million of certain raw materials inventory from the Kuan Yin, Taiwan plant closure, partially offset by build-up of our finished product inventories within our Advanced Performance Materials business in anticipation of planned plant maintenance during the second half of 2023, a favorable foreign currency translation adjustment of approximately \$21 million and an increase in the value of our raw material inventories due to higher raw material costs.

Our prepaid expenses and other decreased by \$6 million (or 7%) to \$76 million at September 30, 2023, compared with prepaid expenses and other of \$82 million at December 31, 2022. The decrease in our prepaid expenses and other was primarily due to decreases in prepaid income tax balances.

Current Liabilities

The following table sets forth the components of our current liabilities at September 30, 2023 and December 31, 2022.

<i>(Dollars in millions)</i>	September 30, 2023	December 31, 2022
Accounts payable	\$ 901	\$ 1,251
Compensation and other employee-related costs	94	121
Short-term and current maturities of long-term debt	23	25
Current environmental remediation	138	194
Other accrued liabilities	1,039	300
Total current liabilities	\$ 2,195	\$ 1,891

Our accounts payable decreased by \$350 million (or 28%) to \$901 million at September 30, 2023 compared with accounts payable of \$1.3 billion at December 31, 2022. The decrease in our accounts payable at September 30, 2023 was primarily attributable to the timing of vendor payments and lower purchases due to lower demand (primarily in our Titanium Technologies business).

Our compensation and other employee-related costs decreased by \$27 million (or 22%) to \$94 million at September 30, 2023 compared with compensation and other employee-related costs of \$121 million at December 31, 2022. The decrease in our compensation and other employee-related costs at September 30, 2023 was primarily attributable to decreased accruals for employee performance-based compensation following payout of 2022 employee performance-based compensation during the first quarter of 2023 and lower accruals in 2023 relative to prior year.

Our current environmental remediation decreased by \$56 million (or 29%) to \$138 million at September 30, 2023 compared with current environmental remediation of \$194 million at December 31, 2022. The decrease in our current environmental remediation at September 30, 2023 was primarily attributable to the lower on-site accrual at Fayetteville following completion of the barrier wall and groundwater extraction and treatment systems to meet the requirements of the Consent Order ("CO") from the North Carolina Department of Environmental Quality (the "NC DEQ").

Our other accrued liabilities increased by \$739 million (or over 100%) to \$1 billion at September 30, 2023 compared with other accrued liabilities of \$300 million at December 31, 2022. The increase in our other accrued liabilities was primarily attributable to litigation and other legal accruals, including the \$592 million accrual related to the U.S. public water system settlement agreement, along with increases in our accrued interest due to the timing of payment under our senior unsecured notes, accrued income taxes, and accrued severance primarily related to the Titanium Technologies Transformation Plan. The increase in our other accrued liabilities at September 30, 2023 was partially offset by payments made for customer rebates during the first quarter of 2023. The litigation matters are further discussed in "Note 17 - Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* in this Quarterly Report on Form 10-Q.

Credit Facilities and Notes

Refer to “Note 15 – Debt” to the *Interim Consolidated Financial Statements* in this Quarterly Report on Form 10-Q and “Note 20 – Debt” to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of our credit facilities and notes.

Guarantor Financial Information

The following disclosures set forth summarized financial information and alternative disclosures in accordance with Rule 13-01 of Regulation S-X (“Rule 13-01”). These disclosures have been made in connection with certain subsidiaries’ guarantees of the 4.000% senior unsecured notes due May 2026, which are denominated in euros and the 5.375% senior unsecured notes due May 2027 (collectively, the “Registered Notes”), which are registered under the Securities Act of 1933, as amended. Each series of the Registered Notes was issued by The Chemours Company (the “Parent Issuer”), and was fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the existing and future domestic subsidiaries of the Parent Issuer (together, the “Guarantor Subsidiaries”), subject to certain conditions, which are further discussed in “Note 20 – Debt” to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2022. The assets, liabilities, and operations of the Guarantor Subsidiaries primarily consist of those attributable to The Chemours Company FC, LLC, our primary operating subsidiary in the United States, as well as certain U.S.-based subsidiaries included in *Exhibit 22* to this Quarterly Report on Form 10-Q. Each of the Guarantor Subsidiaries is 100% owned by the Company. None of our other subsidiaries, either direct or indirect, guarantee the Registered Notes (together, the “Non-Guarantor Subsidiaries”). Pursuant to the indentures governing the Registered Notes, the Guarantor Subsidiaries will be automatically released from those guarantees upon the occurrence of certain customary release provisions.

Our summarized financial information is presented on a combined basis, consisting of the Parent Issuer and Guarantor Subsidiaries (collectively, the “Obligor Group”), in accordance with the requirements under Rule 13-01, and is presented after the elimination of: (i) intercompany transactions and balances among the Parent Issuer and Guarantor Subsidiaries, and (ii) equity in earnings from and investments in the Non-Guarantor Subsidiaries.

<i>(Dollars in millions)</i>	Nine Months Ended September 30, 2023	
Net sales	\$	3,109
Gross profit		622
Loss before income taxes		(320)
Net loss		(250)
Net loss attributable to Chemours		(250)

<i>(Dollars in millions)</i>	September 30, 2023		December 31, 2022	
Assets				
Current assets (1,2,3)	\$	2,129	\$	1,553
Long-term assets (4)		3,250		3,485
Liabilities				
Current liabilities (2)	\$	1,928	\$	1,554
Long-term liabilities		4,897		4,528

- (1) Current assets includes \$325 million and \$514 million of cash and cash equivalents at September 30, 2023 and December 31, 2022, respectively. Current assets at September 30, 2023 also includes \$595 million of restricted cash and restricted cash equivalents related to qualified settlement funds under the U.S. public water system class action suit settlement.
- (2) Current assets includes \$386 million and \$326 million of intercompany accounts receivable from the Non-Guarantor Subsidiaries at September 30, 2023 and December 31, 2022, respectively. Current liabilities includes \$230 million and \$318 million of intercompany accounts payable to the Non-Guarantor Subsidiaries at September 30, 2023 and December 31, 2022, respectively.
- (3) As of September 30, 2023 and December 31, 2022, \$126 million and \$46 million of accounts receivable generated by the Obligor Group, respectively, remained outstanding with one of the Non-Guarantor Subsidiaries under the Securitization Facility.
- (4) Long-term assets includes \$210 million and \$303 million of intercompany notes receivable from the Non-Guarantor Subsidiaries at September 30, 2023 and December 31, 2022, respectively. Long-term assets at December 31, 2022 also includes \$202 million of restricted cash and restricted cash equivalents related to an escrow account as per the terms of the MOU.

There are no significant restrictions that may affect the ability of the Guarantor Subsidiaries in guaranteeing the Parent Issuer’s obligations under our debt financing arrangements. While the Non-Guarantor Subsidiaries do not guarantee the Parent Issuer’s obligations under our debt financing arrangements, we may, from time to time, repatriate post-2017 earnings from certain of these subsidiaries to meet our financing obligations, as well.

Supplier Financing

We maintain supply chain finance programs with several financial institutions. The available capacity under these programs can vary based on the number of investors and/or financial institutions participating in these programs at any point in time. See "Note 13 – Accounts Payable" to the *Interim Consolidated Financial Statements* for further details regarding supplier financing programs.

Off-Balance Sheet Arrangements

In March 2023, through a wholly-owned special purpose entity ("SPE"), we entered into the Third Amendment to the Purchase Agreement, as amended, under our Securitization Facility, which among other things, extends the term of the Purchase Agreement, increases the facility limit from \$150 million to \$175 million, replaces the interest rate benchmark from the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR"), and adds a conduit purchaser.

See "Note 15 – Debt" to the *Interim Consolidated Financial Statements* for further details regarding this off-balance sheet arrangement.

Historically, we have not made any payments to satisfy guarantee obligations; however, we believe we have the financial resources to satisfy these guarantees in the event required.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in our MD&A and "Note 3 – Summary of Significant Accounting Policies" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to the critical accounting policies and estimates previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, except as described in "Note 2 – Summary of Significant Accounting Policies" to the *Interim Consolidated Financial Statements*.

Recent Accounting Pronouncements

See "Note 2 – Summary of Significant Accounting Policies" to the *Interim Consolidated Financial Statements* for a discussion about recent accounting pronouncements.

Environmental Matters

Consistent with our values and our *Environment, Health, Safety, and Corporate Responsibility* policy, we are committed to preventing releases to the environment at our manufacturing sites to keep our people and communities safe, and to be good stewards of the environment. We are also subject to environmental laws and regulations relating to the protection of the environment. We believe that, as a general matter, our policies, standards, and procedures are properly designed to prevent unreasonable risk of harm to people and the environment, and that our handling, manufacture, use, and disposal of hazardous substances are in accordance with applicable environmental laws and regulations.

Environmental Remediation

In large part, because of past operations, operations of predecessor companies, or past disposal practices, we, like many other similar companies, have clean-up responsibilities and associated remediation costs, and are subject to claims by other parties, including claims for matters that are liabilities of EID and its subsidiaries that we may be required to indemnify pursuant to the Separation-related agreements executed prior to our separation from EID on July 1, 2015 (the "Separation").

Our environmental liabilities include estimated costs, including certain accruable costs associated with on-site capital projects. The accruable costs relate to a number of sites for which it is probable that environmental remediation will be required, whether or not subject to enforcement activities, as well as those obligations that result from environmental laws such as CERCLA, RCRA, and similar federal, state, local, and foreign laws. These laws may require certain investigative, remediation, and restoration activities at sites where we conduct or EID once conducted operations or at sites where our generated waste was disposed. Our consolidated balance sheets at September 30, 2023 and December 31, 2022 include environmental remediation liabilities of \$605 million and \$668 million, respectively, relating to these matters, which, as discussed in further detail below, include \$399 million and \$465 million, respectively, for Fayetteville.

As remediation efforts progress, sites move from the investigation phase ("Investigation") to the active clean-up phase ("Active Remediation"), and as construction is completed at Active Remediation sites, those sites move to the operation, maintenance, and monitoring ("OM&M"), or closure phase. As final clean-up activities for some significant sites are completed over the next several years, we expect our annual expenses related to these active sites to decline over time. The time frame for a site to go through all phases of remediation (Investigation and Active Remediation) may take about 15 to 20 years, followed by several years of OM&M activities. Remediation activities, including OM&M activities, vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, and diverse regulatory requirements, as well as the presence or absence of other Potentially Responsible Parties ("PRPs"). In addition, for claims that we may be required to indemnify EID pursuant to the Separation-related agreements, we and EID may have limited available information for certain sites or are in the early stages of discussions with regulators. For these sites, there may be considerable variability between the clean-up activities that are currently being undertaken or planned and the ultimate actions that could be required. Therefore, considerable uncertainty exists with respect to environmental remediation costs, and, under adverse changes in circumstances, we currently estimate the potential liabilities may range up to approximately \$730 million above the amount accrued at September 30, 2023. This estimate is not intended to reflect an assessment of our maximum potential liability. The estimated liabilities are determined based on existing remediation laws and technologies and our planned remedial responses, which are derived from environmental studies, sampling, testing, and analyses. Inherent uncertainties exist in such evaluations, primarily due to unknown environmental conditions, changing governmental regulations regarding liability, and emerging remediation technologies. We will continue to evaluate as new or additional information becomes available in the determination of our environmental remediation liability.

In general, uncertainty is greatest and the range of potential liability is widest in the Investigation phase, narrowing over time as regulatory agencies approve site remedial plans. As a result, uncertainty is reduced, and sites ultimately move into OM&M, as needed. As more sites advance from Investigation to Active Remediation to OM&M or closure, the upper end of the range of potential liability is expected to decrease over time. Some remediation sites will achieve site closure and will require no further action to protect people and the environment and comply with laws and regulations. At certain sites, we expect that there will continue to be some level of remediation activity due to ongoing OM&M of remedial systems. In addition, portfolio changes, such as an acquisition or divestiture, or notification as a PRP for a multi-party Superfund site, could result in additional remediation activity and potentially additional accrual.

Management does not believe that any loss, in excess of amounts accrued, related to remediation activities at any individual site will have a material impact on our financial position or cash flows for any given year, as such obligation can be satisfied or settled over many years.

Significant Environmental Remediation Sites

While there are many remediation sites that contribute to our total accrued environmental remediation liabilities at September 30, 2023 and December 31, 2022, the following table sets forth the liabilities of the five sites that are deemed the most significant, together with the aggregate liabilities for all other sites.

<i>(Dollars in millions)</i>	September 30, 2023	December 31, 2022
Chambers Works, Deepwater, New Jersey	\$ 30	\$ 30
Fayetteville Works, Fayetteville, North Carolina	399	465
Pompton Lakes, New Jersey	41	41
USS Lead, East Chicago, Indiana	13	17
Washington Works, West Virginia	22	17
All other sites	100	98
Total environmental remediation	\$ 605	\$ 668

The five sites listed above represent 83% and 85% of our total accrued environmental remediation liabilities at September 30, 2023 and December 31, 2022, respectively. For these five sites, we expect to spend, in the aggregate, \$187 million over the next three years. For all other sites, we expect to spend \$63 million over the next three years.

Chambers Works, Deepwater, New Jersey (“Chambers Works”)

The Chambers Works complex is located on the eastern shore of the Delaware River in Deepwater, Salem County, New Jersey. The site comprises the former Carneys Point Works in the northern area and the Chambers Works manufacturing area in the southern area. Site operations began in 1892 when the former Carneys Point smokeless gunpowder plant was constructed at the northern end of Carneys Point. Site operations began in the manufacturing area around 1914 and included the manufacture of dyes, aromatics, elastomers, chlorofluorocarbons, and tetraethyl lead. We continue to manufacture a variety of fluoropolymers and finished products at Chambers Works. In addition, two tenants operate processes at Chambers Works. As a result of over 100 years of continuous industrial activity, site soils and groundwater have been impacted by chemical releases.

In response to identified groundwater contamination, a groundwater interceptor well system (“IWS”) was installed in 1970, which was designed to contain contaminated groundwater and restrict off-site migration. Additional remediation is being completed under a federal RCRA Corrective Action permit. The site has been studied extensively over the years, and more than 25 remedial actions have been completed to date and engineering and institutional controls put in place to ensure protection of people and the environment. In 2017, a site perimeter sheet pile barrier intended to more efficiently contain groundwater was completed.

Remaining work beyond continued operation of the IWS and groundwater monitoring includes completion of various targeted studies on site and in adjacent water bodies to close investigation data gaps, as well as selection and implementation of final remedies under RCRA Corrective Action for various solid waste management units and areas of concern not yet addressed through interim measures. Discussions are ongoing with the U.S. Environmental Protection Agency (the “EPA”) and the New Jersey Department of Environmental Protection (the “NJ DEP”) relating to such remaining work as well as the scope of remedial programs and investigation relating to the Chambers Works site historic industrial activity as well as ongoing remedial programs.

Fayetteville Works, Fayetteville, North Carolina

Fayetteville is located southeast of the City of Fayetteville in Cumberland and Bladen counties, North Carolina. The facility encompasses approximately 2,200 acres, which were purchased by EID in 1970, and are bounded to the east by the Cape Fear River and to the west by North Carolina Highway 87. Currently, we manufacture fluorinated monomers, fluorinated vinyl ethers, Nafion™ membranes and dispersions, and polymerization aids at the site. A former manufacturing area, which was sold in 1992, produced nylon strapping and elastomeric tape. EID sold its Butacite® and SentryGlas® manufacturing units to Kuraray America, Inc. in September 2014. In July 2015, upon our Separation from EID, we became the owner of the Fayetteville land assets along with fluoromonomers, Nafion™ membranes, and the related polymerization aid manufacturing units. A polyvinyl fluoride resin manufacturing unit remained with EID.

Beginning in 1996, several stages of site investigation were conducted under oversight by NC DEQ, as required by the facility's hazardous waste permit. In addition, the site has voluntarily agreed to agency requests for additional investigations of the potential release of PFAS beginning with "PFOA" (collectively, perfluorooctanoic acids and its salts, including the ammonium salt) in 2006. As a result of detection of GenX in on-site groundwater wells during our investigations in 2017, NC DEQ issued a Notice of Violation ("NOV") in September 2017 alleging violations of North Carolina water quality statutes and requiring further response. Since that time, and in response to three additional NOVs issued by NC DEQ and pursuant to the Consent Order (as discussed below), we have worked cooperatively with the agency to investigate and address releases of PFAS to on-site and off-site groundwater and surface water.

As discussed in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*, we, along with NC DEQ and Cape Fear River Watch ("CFRW"), a non-profit organization, have filed a final CO that comprehensively addressed various issues, NOVs, and court filings made by NC DEQ regarding Fayetteville and resolved litigations filed by NC DEQ and CFRW. In connection with the CO, a thermal oxidizer became fully operational at the site in December 2019 to reduce aerial PFAS emissions from Fayetteville. The CO requires us to provide permanent replacement drinking water supplies, via connection to public water supply, whole building filtration units and/or reverse osmosis units, to qualifying surrounding residents, businesses, schools, and public buildings with private drinking water wells.

In 2020, we, along with NC DEQ and CFRW, reached agreement on the terms of an addendum to the CO (the "Addendum"). The Addendum establishes the procedure to implement specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River, including construction of a barrier wall with groundwater extraction system to be completed by March 15, 2023, or an extended date in accordance with the Addendum. In June 2023, we completed the construction of the barrier wall with a groundwater extraction and treatment system in accordance with the requirements under the CO, subject to receipt of final quality assurance samples, engineers certification and NC DEQ's review.

Further discussion related to Fayetteville is included under the heading "Fayetteville Works, Fayetteville, North Carolina" in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Pompton Lakes, New Jersey

During the 20th century, blasting caps, fuses, and related materials were manufactured at Pompton Lakes, Passaic County, New Jersey. Operating activities at the site were ceased in the mid-1990s. The primary contaminants in the soil and sediments are lead and mercury. Groundwater contaminants include volatile organic compounds. Under the authority of EPA and NJ DEP, remedial actions at the site are focused on investigating and cleaning-up the area. Groundwater monitoring at the site is ongoing, and we have installed and continue to install vapor mitigation systems at residences within the groundwater plume. In addition, we are further assessing groundwater conditions. In September 2015, EPA issued a modification to the site's RCRA permit that requires us to dredge mercury contamination from a 36-acre area of the lake and remove sediment from two other areas of the lake near the shoreline. The remediation activities commenced when permits and implementation plans were approved in May 2016, and work on the lake dredging project is now complete. In April 2019, we submitted a revised Corrective Measures Study ("CMS") proposing actions to address on-site soils impacted from past operations that exceed applicable clean-up criteria. We received comments on the CMS from EPA and NJ DEP in March 2020, and we responded to their comments in June 2020 and continue to seek resolution with EPA.

U.S. Smelter and Lead Refinery, Inc., East Chicago, Indiana

The U.S. Smelter and Lead Refinery, Inc. ("USS Lead") Superfund site is located in the Calumet neighborhood of East Chicago, Lake County, Indiana. The site includes the former USS Lead facility along with nearby commercial, municipal, and residential areas. The primary compounds of interest are lead and arsenic which may be found in soils within the impacted area. The EPA is directing and organizing remediation on this site, and we are one of a number of parties working cooperatively with EPA on the safe and timely completion of this work. EID's former East Chicago manufacturing facility was located adjacent to the site, and EID assigned responsibility for the site to us in the Separation Agreement.

The USS Lead Superfund site was listed on the National Priorities List in 2009. To facilitate negotiations with PRPs, EPA divided the residential part of the USS Lead Superfund site into three zones, referred to as Zone 1, Zone 2, and Zone 3. The division into three zones resulted in Atlantic Richfield Co. ("Atlantic Richfield") and EID entering into an agreement in 2014 with EPA and the State of Indiana to reimburse EPA's costs to implement clean-up in Zone 1 and Zone 3. In March 2017, we and three other parties – Atlantic Richfield, EID, and the U.S. Metals Refining Co. ("U.S. Metals") – entered into an administrative order on consent to reimburse EPA's costs to clean-up a portion of Zone 2. In March 2018, EPA issued a Unilateral Administrative Order for the remainder of the Zone 2 work to five parties, including us, Atlantic Richfield, EID, U.S. Metals, and USS Lead Muller Group, and these parties entered into an interim allocation agreement to perform that work. As of the end of 2019, the required work in Zone 3 had been completed, and Zone 2 was nearly complete by the end of 2020. The determination of a final allocation for Zone 2 and/or the other Zones is ongoing, and additional PRPs may be identified.

The environmental accrual for USS Lead includes completion of the remaining obligations under the 2012 Record of Decision ("ROD") and Statement of Work, which principally encompasses completion of Zone 1. The EPA released a proposed amendment to the 2012 ROD (the "ROD Amendment") for a portion of Zone 1 in December 2018 (following its August 2018 Feasibility Study Addendum), with its recommended option based on future residential use. The EPA's ROD Amendment for modified Zone 1 was released in March 2020, and selects as the preferred remedy one which requires a clean-up to residential standards based on the current applicable residential zoning. The ROD Amendment for modified Zone 1 also sets forth a selected contingent remedy which requires clean-up to commercial/industrial standards if the future land use becomes commercial/industrial. In November 2019, a Letter of Intent was executed by the City of East Chicago, Indiana and Industrial Development Advantage, LLC ("IDA"), relating to modified Zone 1 development, and EPA has indicated that it is "more likely" that future land use in this area will be commercial/industrial and not residential.

In 2021, we resolved the claims asserted by EPA related to past indirect costs associated with the 2012 ROD as amended, and the 2014 agreement entered into with EPA and the State of Indiana. In September 2022, EPA confirmed the selection of remedial actions for modified Zone 1 and provided notice to all relevant parties, including IDA, to cause the agreements between EPA, DOJ, the State of Indiana, us and other PRPs to become effective. We expect that our future costs relating to the USS Lead site will be contingent on implementation of these agreements, resolution of EPA's costs as well as any final allocation between PRPs.

Washington Works, Parkersburg, West Virginia ("Washington Works")

The Washington Works complex is located on the eastern shore of the Ohio River south of Parkersburg, West Virginia. The facility encompasses approximately 400 acres, which were purchased by EID in the late 1940's. Other nearby land parcels purchased by EID included Blennerhassett Island, and three separate properties where West Virginia Department of Environmental Protection ("WV DEP") permitted landfills were operated. Site operations began in 1948 and included the manufacture of nylon, filaments, and acrylics. In 1949, fluoropolymer manufacturing began, and in 1959, Delrin production was started. Landfill operations occurred from the 1960's through the early 2000's when all three were closed according to WV DEP approved closure plans. Beginning in 2014, EID no longer used PFOA as a polymerization aid to manufacture some fluoropolymer resins at Washington Works.

In July 2015, upon our separation from EID, we became the owner of the Washington Works complex. The site has implemented environmental investigations, including Verification Investigation in 1992 and RCRA Facility Investigation ("RFI") in 1999 pursuant to corrective action requirements of its RCRA Part B and HSWA Permit under EPA and the West Virginia Department of Natural Resources oversight. The RFI was approved in 2012 and a CMS was completed in 2015 that recommended certain remedial actions, including capping of the former on-site landfill and ponds, which had already been completed, sitewide groundwater hydraulic control, drinking water supply well treatment via granular activated carbon, and long-term groundwater monitoring. These actions were memorialized in a RCRA final remedy implementation plan approved by the agencies in 2018 and integrated into the updated RCRA permit in August 2020.

The remedial actions required by the RCRA final remedy implementation plan have been completed or are part of routine operations, maintenance and monitoring. Landfill post closure care includes systems to treat surface water, leachate or groundwater, landfill cover or cap maintenance, monitoring and reporting. Additionally, upgrades to the Local landfill cover are being developed. Accruals related to these remedial actions were \$22 million and \$17 million as of September 30, 2023 and December 31, 2022, respectively.

Chemours Washington Works discharges, through outfalls at the site, wastewater and stormwater pursuant to a National Pollutant Discharge Elimination System ("NPDES") permit issued by the WV DEP. In connection with actions being taken by us to comply with certain NPDES effluent limits, including for PFOA and hexafluoropropylene oxide dimer acid, we submitted a permit modification to WV DEP relating to groundwater abatement for certain process water used at the facility, a temperature reduction project and realigning discharge flows to certain outfalls. In July 2021, EPA provided a specific objection to the draft modification based on Clean Water Act ("CWA") regulations and requirements. In August 2021, WV DEP issued a NPDES permit modification to provide for the start-up of an abatement unit at the facility and to extend compliance dates for certain limits to December 2021 due to delays from the COVID-19 pandemic. In September 2021, WV DEP issued a further NPDES modification, including for the operation of an abatement unit from the site's Ranney Well, and the site is taking additional actions to reduce PFAS discharges associated with wet weather flows and continuing to assess future stormwater discharges and permitting. In April 2023, we agreed to an Administrative Order on Consent with EPA that includes additional sampling as well as a compliance analysis and implementation of actions to address PFOA and hexafluoropropylene oxide dimer acid ("HFPO Dimer Acid") discharge exceedances that occurred following the outfall limits for these compounds coming into effect in January 2022. We expect to make future capital and other operating related expenditures at Washington Works in connection with this Consent Order.

Pursuant to an Order on Consent ("OC"), entered into by EID with EPA since 2006, we provide alternate drinking water supplies, via granular activated carbon ("GAC") treatment or other approved supply, to residential well owners and local public drinking water systems near the Washington Works complex whose PFOA concentration exceeds 70 parts per trillion. We also provide regular sampling and GAC change outs activities as per OC requirements. Accruals related to this matter were \$16 million and \$15 million as of September 30, 2023 and December 31, 2022, respectively, and were included in Accrued Litigation liability in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

New Jersey Department of Environmental Protection Directives and Litigation

In March 2019, NJ DEP issued two Directives, one being a state-wide PFAS Directive, and filed four lawsuits against us and other defendants, including allegations relating to clean-up and removal costs at four sites including Chambers Works. In December 2021, a consolidated order was entered in the lawsuits granting, in part, and denying, in part a motion to dismiss or strike parts of the Second Amended Complaints. In January 2022, NJ DEP filed a motion for a preliminary injunction requiring EID and us to establish a remediation funding source ("RFS") in the amount of \$943 million for Chambers Works, the majority of which is for non-PFAS remediation items. Further discussion related to these matters is included in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Climate Change

Central to our commitment to sustainability are our ten CRC goals that we aim to achieve by 2030. These goals map to the United Nations Sustainable Development Goals. We recognize that our responsibility to all stakeholders goes well beyond our CRC goals, and our commitment to sustainability cannot be separated from our growth strategy or our vision. As a result, in 2023 we are aligning our sustainability focus and actions to the four key strategic pillars that support our Chemours vision: Innovation and Sustainable Solutions, Environmental Leadership, Community Impact, and Greatest Place to Work for All.

The Environmental Leadership pillar underlines our commitment to deliver essential solutions responsibly, without causing harm to the Earth. With a focus on the responsible treatment of climate, water, and waste, our Environmental Leadership 2030 goals are comprised of the following:

- 60% reduction in Scope 1 and Scope 2 absolute GHG emissions;
- 99% or more reduction of air and water process emissions of fluorinated organic chemicals ("FOCs"); and,
- 70% reduction in landfill volume intensity.

In 2021, we announced an update to our climate goals to better align our climate commitment with the Paris Accord and set us on a path to achieve net zero greenhouse gas emissions from our operations by 2050. In 2022, we announced our signed commitment with the Science Based Targets initiative ("SBTi") to establish science-based targets for scopes 1, 2, and 3 GHG emissions.

As part of the Innovation and Sustainable Solutions pillar, we are reimagining our portfolio to offer solutions that are also safer, healthier, and more resilient for a world that demands more. We believe that climate change is an important global issue that presents both opportunities and challenges for our company, our partners, our customers, and our communities. Climate change matters for our company are likely to be driven by changes in physical and transition risk, such as regulations and/or public policy, and changes in technology and product demand. Our operations and business results are increasingly subject to evolving climate-related legislation and regulations, inclusive of restrictions on GHG emissions, cap and trade emissions trading systems, and taxes on GHG emissions, fuel, and energy, among other provisions. Such regulatory matters have led, and are expected to continue to lead, to subsequent developments in product technology and demand. This helps guide our investment decisions and drive growth in demand for low-carbon and energy-efficient products, manufacturing technologies, and services that facilitate adaptation to a changing climate. Our business segments conduct market trend impact assessments, continuously evaluate opportunities for existing and new products and are well-positioned to take advantage of opportunities that may arise from increased consumer demand for and/or legislation mandating or incentivizing the use of products and technologies necessary to achieve a low-carbon economy.

In our Thermal & Specialized Solutions segment, global regulations driving the phase-down of hydrofluorocarbons ("HFCs"), including the EU's F-Gas Directive, the EU's Mobile Air Conditioning Directive, and the recently enacted U.S. American Innovation and Manufacturing Act ("AIM"), promote the adoption and sale of our high performing Opteon™ products, which have lower global warming potential ("GWP") and zero ozone-depletion footprint. Our Opteon™ portfolio has been developed to meet global regulations while maintaining or improving performance compared to the products they replace in refrigeration and cooling applications, such as food transportation, food and pharmaceutical/medical storage, food manufacturing and retail, automotive air conditioning, and residential and commercial building air conditioning. By the year 2025, we estimate that our low GWP products will eliminate an estimated 325 million tons of carbon dioxide equivalents on a global basis.

We are a proponent of the recently passed bipartisan AIM Act, that went into effect in 2022, and will begin the national phase-down of hydrofluorocarbons. We successfully completed an improvement project to significantly reduce emissions of HFC-23 at our Louisville, Kentucky manufacturing site. The project includes the design, custom-build and installation of proprietary technology to capture at least 99% of HFC-23 process emissions from the site. This project was operational as of October 2022 and we are completing compliance validation of the system under an extension granted by the EPA.

In our Advanced Performance Materials segment, our growth prospects in fluoropolymers are also enhanced by regulation driving the increasing demand for electric vehicles and high-performance, low-emission vehicles. Our fluoropolymers are critical to delivering high performance over a wide range of harsh operating conditions, enhancing passenger safety, improving emission controls and fuel economy, and enabling vehicle electrification and the shift to hydrogen-powered vehicles. We expect the use of our fluoropolymers in vehicles to increase, driven by the automotive industry's trends toward energy efficiency and clean energy due to evolving emissions performance regulations and increasing adoption of electric vehicles. Our fluoropolymer technology supports growing market demand for clean hydrogen generation using water electrolyzers, energy storage in flow batteries, and hydrogen conversion to power fuel cell vehicles.

In our Titanium Technologies business, we recently unveiled our new Ti-Pure™ Sustainability ("TS") product series, designed to advance our customers' and company's sustainability goals through TiO₂ innovation. The product series includes enhanced product sustainability designations—including climate impact, circularity, resource efficiency, and health and wellness. The business is aligning its new product development pipeline to the same categories, ensuring all innovations align with critical customer and societal challenges, enable at-a-glance product sustainability comparisons, and ultimately help customers advance their sustainability goals. New TS innovations will be launched across market segments in 2023.

As an energy and emissions intensive company, our costs of complying with complex environmental laws and regulations, as well as internal and external voluntary programs, are significant and will continue to be significant for the foreseeable future. These laws and regulations may change and could become more stringent over time, which could result in significant additional compliance costs, increased costs of purchased energy or other raw materials, increased transportation costs, investments in, or restrictions on, our operations, installation or modification of GHG-emitting equipment, or additional costs associated with GHG emissions. Additionally, significant regional or national differences in approaches to the imposition of such regulations and restrictions could present competitive challenges or opportunities in a global marketplace. Currently, most of our global operating facilities are required to monitor and report their GHG emissions but may or may not be subject to programs requiring trading or emission controls. The EU Emission Trading System applies to our operating sites in that region. Furthermore, U.S. political administration could lead to additional federal regulation with respect to GHG emissions limits and/or other legislation that could impact our operations. By tracking and taking action to reduce our GHG emissions footprint through energy efficiency programs, increased use of renewable energy and focused GHG emissions reduction programs, we can decrease the potential future impact of these regulatory matters.

PFOA

See our discussion under the heading "PFOA" in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

GenX

In June 2019, the Member States Committee of the European Chemicals Agency ("ECHA") voted to list HFPO Dimer Acid as a Substance of Very High Concern. The vote was based on Article 57(f) – equivalent level of concern having probable serious effects to the environment. This identification does not impose immediate regulatory restriction or obligations, but may lead to a future authorization or restriction of the substance. On September 24, 2019, we filed an application with the EU Court of Justice for the annulment of the decision of ECHA to list HFPO Dimer Acid as a Substance of Very High Concern. In February 2022, the General Court dismissed the annulment action and we have appealed such decision.

PFAS

Refer to our discussion in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

In May 2020, ECHA announced that five Member States (Germany, the Netherlands, Norway, Sweden, and Denmark) launched a call for evidence to inform a PFAS restriction proposal to restrict the manufacture, placing on the market and use of PFAS in the EU. In this regulatory process, more than 4,000 substances, including F-gases and fluoropolymers are being considered as part of this broad regulatory action. Companies producing or using PFAS, as well as selling mixture or products containing PFAS, were invited to provide input. This call for evidence closed July 31, 2020. Thousands of substances meet the definition of PFAS as outlined in the call for evidence. This very broad definition covers substances with a variety of physical and chemical properties, health and environmental profiles, uses, and benefits. We submitted information on the substances covered by the call for evidence to the Member State competent authority for Germany, which is the Federal Institute for Occupational Safety and Health ("BAuA"). On July 15, 2021, the countries submitted their restriction proposal, which informs ECHA of the intent to prepare a PFAS restriction dossier for fluorinated substances within a defined structural formula scope, including branched fluoroalkyl groups and substances containing ether linkages, fluoropolymers and side chain fluorinated polymers. The restriction dossier was submitted to ECHA in January 2023, and in February 2023 ECHA published a report and supporting annexes on the restriction proposal, which includes identified concerns for in-scope PFAS and their degradation products and the proposed restriction of a full ban with certain use-specific time-limited derogation periods. The restriction dossier will be reviewed by the ECHA Risk Assessment Committee ("RAC") and Socio-economic Analysis Committee ("SEAC") and proposals submitted to the EU Commission in 2023. The estimated earliest entry into force of restrictions is 2025, contingent upon timely completion of the remaining steps in the EU Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") restriction process.

Non-GAAP Financial Measures

We prepare our interim consolidated financial statements in accordance with generally accepted accounting principles in the U.S. (“GAAP”). To supplement our financial information presented in accordance with GAAP, we provide the following non-GAAP financial measures – Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings per Share (“EPS”), Free Cash Flows (“FCF”), Adjusted FCF, Return on Invested Capital (“ROIC”), and Net Leverage Ratio – in order to clarify and provide investors with a better understanding of our performance when analyzing changes in our underlying business between reporting periods and provide for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. We utilize Adjusted EBITDA as the primary measure of segment profitability used by our CODM.

Adjusted EBITDA is defined as income (loss) before income taxes, excluding the following:

- interest expense, depreciation, and amortization;
- non-operating pension and other post-retirement employee benefit costs, which represents the non-service cost component of net periodic pension costs;
- exchange (gains) losses included in other income (expense), net;
- restructuring, asset-related, and other charges;
- (gains) losses on sales of assets and business; and,
- other items not considered indicative of our ongoing operational performance and expected to occur infrequently, including certain litigation related and environmental charges and Qualified Spend reimbursable by DuPont and/or Corteva as part of our cost-sharing agreement under the terms of the MOU that were previously excluded from Adjusted EBITDA.

Adjusted Net Income is defined as our net income (loss), adjusted for items excluded from Adjusted EBITDA, except interest expense, depreciation, amortization, and certain provision for (benefit from) income tax amounts. Adjusted EPS is calculated by dividing Adjusted Net Income by the weighted-average number of our common shares outstanding. Diluted Adjusted EPS accounts for the dilutive impact of our stock-based compensation awards, which includes unvested restricted shares. FCF is defined as our cash flows provided by (used for) operating activities, less purchases of property, plant, and equipment as shown in our consolidated statements of cash flows. ROIC is defined as Adjusted Earnings before Interest and Taxes (“Adjusted EBIT”), divided by the average of our invested capital, which amounts to our net debt, or debt less cash and cash equivalents, plus equity. Net Leverage Ratio is defined as our total debt principal outstanding less cash and cash equivalents, divided by Adjusted EBITDA.

Beginning in the third quarter of 2023, we added a new non-GAAP liquidity measure of Adjusted FCF to exclude the impact of cash inflows/outflows that are significant, unusual in nature and/or infrequent in occurrence that neither relate to the ordinary course of our business nor reflect the ongoing operational performance and underlying cash generation of our businesses. The change was driven by certain PFAS related settlements and legal fees that we believe were unusual in nature or infrequent in occurrence that neither related to the Company’s ordinary course of business nor ongoing operational performance and underlying cash generation of our businesses. We believe that excluding items of this nature provides the Company’s investors with better understanding of, and enables them to compare, the underlying cash generation of our businesses from period to period. Prior year measures have been presented to conform with the current measure of Adjusted FCF for the nine months ended September 30, 2022.

We believe the presentation of these non-GAAP financial measures, when used in conjunction with GAAP financial measures, is a useful financial analysis tool that can assist investors in assessing our operating performance and underlying prospects. This analysis should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. In the future, we may incur expenses similar to those eliminated in this presentation. Our presentation of Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, FCF, Adjusted FCF, ROIC, and Net Leverage Ratio should not be construed as an inference that our future results will be unaffected by unusual or infrequently occurring items. Additionally, FCF or Adjusted FCF should not be used in a manner that inappropriately implies that the measure represents the residual cash flow available for discretionary expenditures, since mandatory debt service requirements or other non-discretionary expenditures are not deducted from these measures. The non-GAAP financial measures we use may be defined differently from measures with the same or similar names used by other companies. This analysis, as well as the other information provided in this Quarterly Report on Form 10-Q, should be read in conjunction with the *Interim Consolidated Financial Statements* and notes thereto included in this report, as well as the *Consolidated Financial Statements* and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022.

The Chemours Company

The following table sets forth a reconciliation of our net income (loss) attributable to Chemours to Adjusted Net Income, Adjusted EBITDA, and Adjusted EPS for the three and nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) attributable to Chemours	\$ 20	\$ 240	\$ (212)	\$ 675
Non-operating pension and other post-retirement employee benefit cost (income)	1	(1)	1	(4)
Exchange losses (gains), net	9	(13)	21	(11)
Restructuring, asset-related, and other charges (1)	153	(2)	168	14
Loss (gain) on extinguishment of debt	1	(7)	1	(7)
Gain on sales of assets and businesses (2)	(106)	—	(106)	(27)
Transaction costs (3)	7	—	7	—
Qualified spend recovery (4)	(11)	(14)	(43)	(41)
Litigation-related charges (5)	31	(23)	675	(15)
Environmental charges (6)	8	11	9	182
Adjustments made to income taxes (7)	(1)	(3)	(5)	(9)
(Benefit from) provision for income taxes relating to reconciling items (8)	(16)	8	(107)	(20)
Adjusted Net Income	96	196	409	737
Net income attributable to non-controlling interests	—	—	1	—
Interest expense, net	55	41	145	123
Depreciation and amortization	76	72	233	217
All remaining provision for income taxes	20	54	86	164
Adjusted EBITDA	\$ 247	\$ 363	\$ 874	\$ 1,241
Weighted-average number of common shares outstanding - basic	148,623,633	155,376,422	148,929,580	157,149,738
Dilutive effect of our employee compensation plans (9)	1,562,005	2,473,700	1,753,788	3,199,339
Weighted-average number of common shares outstanding - diluted	150,185,638	157,850,122	150,683,368	160,349,077
Per share data				
Basic earnings (loss) per share of common stock (10)	\$ 0.13	\$ 1.54	\$ (1.42)	\$ 4.30
Diluted earnings (loss) per share of common stock (9) (10)	0.13	1.52	(1.42)	4.21
Adjusted basic earnings per share of common stock (9)	0.64	1.26	2.75	4.69
Adjusted diluted earnings per share of common stock (9)	0.63	1.24	2.71	4.60

- (1) Refer to "Note 5 – Restructuring, Asset-related, and Other Charges" to the *Interim Consolidated Financial Statements* for further details. In addition, the periods ended in September 30, 2023 include \$28 million related to the write-off of certain raw materials inventory from the Kuan Yin, Taiwan plant closure. In 2022, includes asset charges and write-offs resulting from the conflict between Russia and Ukraine and our decision to suspend our business with Russian entities.
- (2) Refer to "Note 6 – Other Income (Expense), Net" to the *Interim Consolidated Financial Statements* for further details.
- (3) Includes costs associated with the New Senior Secured Credit Facilities entered into during the third quarter of 2023 which is discussed in further detail in "Note 15 – Debt" to the *Interim Consolidated Financial Statements*.
- (4) Qualified spend recovery represents costs and expenses that were previously excluded from Adjusted EBITDA, reimbursable by DuPont and/or Corteva as part of our cost-sharing agreement under the terms of the MOU which is discussed in further detail in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.
- (5) Litigation-related charges pertains to litigation settlements, PFOA drinking water treatment accruals, and related legal fees. In the periods ended in September 30, 2022, litigation-related charges include proceeds from a settlement in a patent infringement matter. Refer to "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further details.
- (6) Environmental charges pertains to management's assessment of estimated liabilities associated with certain non-recurring environmental remediation expenses at various sites. In 2022, environmental charges include \$175 million primarily related to an update to the off-site drinking water programs at Fayetteville and changes in estimates related to the barrier wall constructions. Refer to "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further details.
- (7) Includes the removal of certain discrete income tax impacts within our provision for income taxes, such as shortfalls and windfalls on our share-based payments, certain return-to-accrual adjustments, valuation allowance adjustments, unrealized gains and losses on foreign exchange rate changes, and other discrete income tax items.
- (8) The income tax impacts included in this caption are determined using the applicable rates in the taxing jurisdictions in which income or expense occurred for each of the reconciling items and represent both current and deferred income tax expense or benefit based on the nature of the non-GAAP financial measure.
- (9) In periods where we incur a net loss, the impact of potentially dilutive securities is excluded from the calculation of EPS under U.S. GAAP, as their inclusion would have an anti-dilutive effect. As such, with respect to the U.S. GAAP measure of diluted EPS, the impact of potentially dilutive securities is excluded from our calculation for the nine months ended September 30, 2023. With respect to the non-GAAP measure of adjusted diluted EPS, the impact of potentially dilutive securities is included in our calculation for the three and nine months ended September 30, 2023, as Adjusted Net Income was in a net income position.
- (10) Figures may not recalculate exactly due to rounding. Basic and diluted (loss) earnings per share are calculated based on unrounded numbers.

The Chemours Company

The following table sets forth a reconciliation of our cash flows provided by (used for) operating activities to FCF and Adjusted FCF for the nine months ended September 30, 2023 and 2022.

<i>(Dollars in millions)</i>	Nine Months Ended September 30,	
	2023	2022
Cash provided by operating activities	\$ 72	\$ 594
Less: Purchases of property, plant, and equipment	(235)	(240)
Free Cash Flows	(163)	354
PFAS Litigation Settlements (1)	37	25
Adjusted Free Cash Flows	\$ (126)	\$ 379

(1) Represents litigation settlements and fees related to PFAS and PFOA matters.

The following table sets forth a reconciliation of Adjusted EBIT and average invested capital, and their nearest respective GAAP measures, to ROIC for the periods presented.

<i>(Dollars in millions)</i>	Twelve Months Ended September 30,	
	2023	2022
Adjusted EBITDA (1)	\$ 995	\$ 1,548
Less: Depreciation and amortization (1)	(307)	(294)
Adjusted EBIT	\$ 688	\$ 1,254

<i>(Dollars in millions)</i>	As of September 30,	
	2023	2022
Total debt, net (2)	\$ 3,967	\$ 3,534
Total equity	757	1,285
Less: Cash and cash equivalents	(852)	(1,167)
Invested capital, net	\$ 3,872	\$ 3,652
Average invested capital (3)	\$ 3,776	\$ 3,648

Return on Invested Capital 18% 34%

- (1) Reconciliations of net income (loss) attributable to Chemours to Adjusted EBITDA are provided on a quarterly basis. Refer to the preceding table for the reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA for the nine months ended September 30, 2023 and 2022.
- (2) Total debt principal minus unamortized issue discounts of \$26 million and \$4 million and debt issuance costs of \$22 million and \$24 million at September 30, 2023 and 2022, respectively.
- (3) Average invested capital is based on a five-quarter trailing average of invested capital, net.

The following table sets forth a reconciliation of our total debt principal, cash and cash equivalents, and Adjusted EBITDA to Net Leverage Ratio.

<i>(Dollars in millions)</i>	As of September 30,	
	2023	2022
Total debt principal	\$ 4,015	\$ 3,562
Less: Cash and cash equivalents	(852)	(1,167)
Total debt principal, net	\$ 3,163	\$ 2,395

<i>(Dollars in millions)</i>	Twelve Months Ended September 30,	
	2023	2022
Adjusted EBITDA (1)	\$ 995	\$ 1,548

Net Leverage Ratio 3.2x 1.5x

- (1) Reconciliations of net income (loss) attributable to Chemours to Adjusted EBITDA are provided on a quarterly basis. Refer to the preceding table for the reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA for the nine months ended September 30, 2023 and 2022.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in foreign currency exchange rates because of our global operations. As a result, we have assets, liabilities, and cash flows denominated in a variety of foreign currencies. We also have variable rate indebtedness, which subjects us to interest rate risk. Additionally, we are also exposed to changes in the prices of certain commodities that we use in production. Changes in these rates and commodity prices may have an impact on our future cash flows and earnings. We manage these risks through our normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We do not enter into derivative financial instruments for trading or speculative purposes.

By using derivative financial instruments, we are subject to credit and market risk. The fair values of the derivative financial instruments are determined by using valuation models whose inputs are derived using market observable inputs, and reflect the asset or liability position as of the end of each reporting period. When the fair value of a derivative contract is positive, the counterparty owes us, thus creating a receivable risk for us. We are exposed to counterparty credit risk in the event of non-performance by counterparties to our derivative agreements. We minimize counterparty credit (or repayment) risk by entering into transactions with major financial institutions of investment grade credit ratings.

Our risk management programs and the underlying exposures are closely correlated, such that the potential loss in value for the risk management portfolio described above would be largely offset by the changes in the value of the underlying exposures. Refer to "Note 21 – Financial Instruments" to the *Interim Consolidated Financial Statements* for further information.

Foreign Currency Risks

We enter into foreign currency forward contracts to minimize the volatility in our earnings related to foreign exchange gains and losses resulting from remeasuring our monetary assets and liabilities that are denominated in non-functional currencies, and any gains and losses from the foreign currency forward contracts are intended to be offset by any gains or losses from the remeasurement of the underlying monetary assets and liabilities. These derivatives are stand-alone and, except as described below, have not been designated as a hedge. At September 30, 2023, we had 11 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of \$268 million, the fair value of which amounted to a net of zero. At December 31, 2022, we had 9 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of \$180 million, the fair value of which amounted to negative \$1 million. We recognized net losses of \$1 million and \$8 million for the three and nine months ended September 30, 2023, respectively, and net gains of \$3 million for the three and nine months ended September 30, 2022, respectively, within other income (expense), net related to our non-designated foreign currency forward contracts.

We enter into certain qualifying foreign currency forward contracts under a cash flow hedge program to mitigate the risks associated with fluctuations in the euro against the U.S. dollar for forecasted U.S. dollar-denominated inventory purchases in certain of our international subsidiaries that use the euro as their functional currency. At September 30, 2023, we had 157 foreign currency forward contracts outstanding under our cash flow hedge program with an aggregate notional U.S. dollar equivalent of \$193 million, the fair value of which amounted to \$6 million. At December 31, 2022, we had 153 foreign currency forward contracts outstanding under our cash flow hedge program with an aggregate notional U.S. dollar equivalent of \$180 million, the fair value of which amounted to negative \$2 million. We recognized pre-tax gains of \$7 million and \$5 million for the three and nine months ended September 30, 2023, respectively, and a pre-tax gains of \$18 million and \$30 million for the three and nine months ended September 30, 2022, respectively, within accumulated other comprehensive loss. For the three and nine months ended September 30, 2023, \$1 million of loss and \$5 million of gain was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively. For the three and nine months ended September 30, 2022, \$5 million and \$11 million of gain was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively.

We designated our euro-denominated debt as a hedge of our net investment in certain of our international subsidiaries that use the euro as their functional currency in order to reduce the volatility in stockholders' equity caused by changes in foreign currency exchange rates of the euro with respect to the U.S. dollar. We recognized pre-tax gains of \$35 million and \$13 million for the three and nine months ended September 30, 2023, respectively, and pre-tax gains of \$81 million and \$139 million for the three and nine months ended September 30, 2022, respectively, on our net investment hedge within accumulated other comprehensive loss.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that the information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 (“Exchange Act”) is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission (“SEC”). These controls and procedures also provide reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), to allow timely decisions regarding required disclosures.

As of September 30, 2023, our CEO and CFO, together with management, conducted an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation, the CEO and CFO have concluded that these disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS**Legal Proceedings**

We are subject to various legal proceedings, including, but not limited to, product liability, intellectual property, personal injury, commercial, contractual, employment, governmental, environmental and regulatory, anti-trust, and other such matters that arise in the ordinary course of business. In addition, we, by virtue of our status as a subsidiary of EID prior to the Separation, are subject to or required under the Separation-related agreements executed prior to the Separation to indemnify EID against various pending legal proceedings. Information regarding certain of these matters is set forth below and in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*. In the foregoing, we have excluded matters that we expect to result in sanctions of less than \$1 million, if any.

Litigation***PFOA and PFAS: Environmental and Litigation Proceedings***

For purposes of this report, the term "PFOA" means, collectively, perfluorooctanoic acid and its salts, including the ammonium salt, and does not distinguish between the two forms. The term "PFAS" means per- and polyfluoroalkyl substances. Information related to these and other litigation matters is included in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Fayetteville, North Carolina

Actions related to Fayetteville, other than those by the State of North Carolina, as discussed in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*, are shown below.

In the U.S. District Court for the Eastern District of North Carolina:

- *Carey et al. vs. E. I. DuPont de Nemours and Company* (7:17-cv-00189-D; 7:17-cv-00197-D; and, 7:17-cv-00201-D);
- *Cape Fear Public Utility Authority vs. The Chemours Company FC, LLC et al. and Brunswick County v. DowDuPont et al.* (7:17-cv-00195-D and 7:17-cv-00209-D);
- *Dew et al. vs. E. I. DuPont de Nemours and Company et al.* (17:18-cv-00030-D);
- *O'Brien et al. vs. E. I. DuPont de Nemours and Company et al.* (5:20-cv-00208-D); and,
- *Priselac vs. The Chemours Company et al.* (20-CVS-499).

In Bladen County, North Carolina:

- *Kinlaw et al. vs. The Chemours Company et al.* (20-CVS-497); and,
- *Lohr et al. vs. The Chemours Company et al.* (20-CVS-498).

Environmental Proceedings

Dordrecht, Netherlands

In May 2020, we were notified of an alleged criminal offense related to the Netherlands' Environmental Management Act and the Working Conditions Decree, regarding the use of PFOA during the pre-spin time period of June 1, 2008 to December 31, 2012. The investigation was initiated in the first quarter of 2016 by a public prosecutor. We believe that we have complied with all relevant laws, and we are in contact with the prosecutor.

In addition, in March 2022, the public prosecutor in The Netherlands has raised a matter related to an alleged infraction of Regulation (EU) 517/2014. Due to a reporting error, our Dordrecht Works facility exceeded its allocated or transferred quota of hydrofluorocarbons within the European market over several years. We implemented improvements to our reporting procedures and operated within the allocated quota. We paid a fine in the fourth quarter of 2022 and are in contact with the prosecutor regarding the matter.

Fayetteville, North Carolina

In February 2019, we received a Notice of Violation ("NOV") from EPA, alleging certain Toxic Substances Control Act ("TSCA") violations at Fayetteville. Matters raised in the NOV could have the potential to affect operations at Fayetteville. For this NOV, we responded to EPA in March 2019 and at this time management does not believe that a loss is probable related to this NOV. We have also received NOVs from the NC DEQ following entry of the CO, including in April 2020, January 2021, and August 2021, alleging violations relating to Fayetteville. We have responded to these matters and in April 2022 entered into a settlement agreement with NC DEQ with respect to the August 2021 NOV. We do not believe that a loss is probable related to the matters in the other NOVs. Further discussion related to these matters is included under the heading "Fayetteville Works, Fayetteville, North Carolina" in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Item 1A. RISK FACTORS

Except for the updated risk factors set forth below, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

We are subject to extensive environmental and health and safety laws and regulations that may result in unanticipated loss or liability related to our current and past operations, and that may result in significant additional compliance costs or obligations, which in either case, could reduce our profitability or liquidity.

Our operations and production facilities are dependent upon attainment and renewal of requisite operating permits and are subject to extensive environmental and health and safety laws, regulations, and enforcements, proceedings or other actions at national, international, and local levels in numerous jurisdictions, relating to pollution, protection of the environment, climate change, transporting and storing raw materials and finished products, storing and disposing of hazardous wastes, and product content and other safety or human rights concerns. Such laws include, but are not limited to:

- U.S.-based regulations, such as the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA", often referred to as "Superfund"), the Resource Conservation and Recovery Act ("RCRA") and similar state and global laws for management and remediation of hazardous materials, the Clean Air Act ("CAA") and Clean Water Act ("CWA") and similar state and global laws for the protection of air and water resources, and the Toxic Substances Control Act ("TSCA");
- Foreign-based chemical control regulations, such as the Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") in the EU, the Chemical Substances Control Law ("CSCL") in Japan, MEP Order No. 7 in China, and the Toxic Chemical Substance Control Act ("TCSCA") in Taiwan for the production and distribution of chemicals in commerce and reporting of potential adverse effects;
- The EU Emissions Trading System and similar local and global laws for regulating GHG emissions; and,
- Numerous local, state, federal, and foreign laws, regulations, and enforcements governing materials transport and packaging.

If we are found to be in violation of these laws, regulations, or enforcements, which may be subject to change based on legislative, scientific, or other factors, we may incur substantial costs, including fines, damages, criminal or civil sanctions, remediation costs, reputational harm, loss of sales or market access, or experience interruptions in our operations. Our operations and production may also be subject to changes based on increased regulation or other changes to, or restrictions imposed by, any such additional regulations. Any operational interruptions or plant shutdowns may result in delays in production or may cause us to incur additional costs to develop redundancies in order to avoid interruptions in our production cycles. In addition, the manner in which adopted regulations (including environmental and safety regulations) are ultimately implemented may affect our products, the demand for and public perception of our products, the reputation of our brands, our market access, and our results of operations. In the event of a catastrophic incident involving any of the raw materials we use or chemicals we produce, we could incur material costs to address the consequences of such event and future reputational costs associated with any such event.

Our costs to comply with complex environmental laws and regulations, as well as internal and external voluntary programs, are significant and will continue to be significant for the foreseeable future. These laws and regulations may change and could become more stringent over time, which could result in significant additional compliance costs, increased costs of purchased energy or other raw materials, increased transportation costs, investments in, or restrictions on, our operations, installation or modification of emission control equipment, or additional costs associated with emissions control equipment. As a result of our current and historic operations, including the operations of divested businesses and certain discontinued operations, we also expect to continue to incur costs for environmental investigation and remediation activities at a number of our current or former sites and third-party disposal locations. However, the ultimate costs under environmental laws and the timing of these costs are difficult to accurately predict. While we establish accruals in accordance with U.S. generally accepted accounting principles ("GAAP"), the ultimate actual costs and liabilities may vary from the accruals because the estimates on which the accruals are based depend on a number of factors (many of which are outside of our control), including the nature of the matter and any associated third-party claims, the complexity of the site, site geology, the nature and extent of contamination, the type of remedy, the outcome of discussions with regulatory agencies and other Potentially Responsible Parties ("PRPs") at multi-party sites, and the number and financial viability of other PRPs. We also could incur significant additional costs as a result of additional contamination that is discovered or remedial obligations imposed in the future. Refer to "Environmental Matters" within *Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations* and "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further information.

As discussed in "Note 17 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*, we continue to have active dialogue with the North Carolina Department of Environmental Quality ("NC DEQ") and other stakeholders regarding potential remedies that are both economically and technologically feasible to achieve the objectives of the Consent Order ("CO") and Addendum ("Addendum") related to the discharge of HFPO Dimer Acid and PFAS from Fayetteville into the Cape Fear River, site surface water, groundwater, and air emissions. The Addendum establishes the procedure to implement specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River, including construction of a barrier wall with a groundwater extraction system. The estimated liabilities of achieving the CO and Addendum objectives consist of several components, each of which may vary significantly and may exceed the recorded reserve estimates, which could be material.

There is also a risk that one or more of our manufacturing processes, key raw materials, or products may be found to have, or be characterized or perceived as having, a toxicological or health-related impact on the environment or on our customers or employees or unregulated emissions, which could potentially result in us incurring liability in connection with such characterization and the associated effects of any toxicological or health-related impact. If such a discovery or characterization occurs, we may incur increased costs in order to comply with new regulatory requirements or as a result of litigation. In addition, the relevant materials or products, including products of our customers incorporating our materials or products, may be recalled, phased-out, or banned. Changes in laws, science, or regulations, or their interpretations, and our customers' perception of such changes or interpretations may also affect the marketability of certain of our products.

In June 2019, the Member States Committee of the European Chemicals Agency ("ECHA") also voted to list HFPO Dimer Acid as a Substance of Very High Concern. The vote was based on Article 57(f) – equivalent level of concern having probable serious effects to the environment. This identification does not impose immediate regulatory restriction or obligations, but may lead to a future authorization or restriction of the substance. In September 2019, we filed an application with the EU Court of Justice for the annulment of the decision of ECHA to list HFPO Dimer Acid as a Substance of Very High Concern. In February 2022, the General Court dismissed the annulment action and we have appealed such decision.

In May 2020, five European countries began an initiative to restrict the manufacture, placing on the market, and use of PFAS in the EU. In this regulatory process, more than 4,000 substances, including F-gases and fluoropolymers are being considered for potential broad regulatory action. On July 15, 2021, the countries submitted their restriction proposal, which informed ECHA of the intent to prepare a PFAS restriction dossier for fluorinated substances within a defined structural formula scope, including branched fluoroalkyl groups and substances containing ether linkages, fluoropolymers and side chain fluorinated polymers. The restriction dossier was submitted to ECHA in January 2023, and in February 2023 ECHA published a report and supporting annexes on the restriction proposal, which includes identified concerns for in-scope PFAS and their degradation products and the proposed restriction of a full ban with certain use-specific time-limited derogation periods. The restriction dossier will be reviewed by the ECHA Risk Assessment Committee ("RAC") and Socio-economic Analysis Committee ("SEAC") and proposals submitted to the EU Commission in 2023. The estimated earliest entry into force of restrictions is 2025, contingent upon timely completion of the remaining steps in the EU REACH restriction process.

In the first quarter of 2023, the European Commission, the Parliament, and the Council, each proposed a regulation supporting the phase down of hydrofluorocarbons ("HFC") by 2050 and multiple bans on HFCs and hydrofluoroolefin ("HFO") in various applications. The proposed regulation was subject to negotiations and discussions amongst the European Commission, the Parliament, and the Council, that was completed in October 2023. These provisional bans are subject to European Commission review, to be carried out before January 2030. The proposed regulation is subject to final approval from the European Parliament and Council and is expected to be completed in the first quarter of 2024.

The impacts of these various restrictions and regulatory measures in the EU as noted above, individually and in the aggregate, could lead to material adverse effects on our results of operations, financial condition, and cash flows.

In October 2021, EPA released its PFAS Strategic Roadmap, identifying a comprehensive approach to addressing PFAS. The PFAS Strategic Roadmap sets timelines by which EPA plans to take specific actions through 2024, including establishing a national primary drinking water regulation ("NPDWR") for PFOA and perfluorooctanesulfonic acid ("PFOS") and taking Effluent Limitations Guidelines actions to regulate PFAS discharges from industrial categories among other actions. As provided under its roadmap, EPA also released its National PFAS Testing Strategy, under which the agency will identify and select certain PFAS compounds for which it will require manufacturers to conduct testing pursuant to the Toxic Substances Control Act (TSCA) section 4. Chemours has received various test orders and has formed consortia to jointly manage compliance with the test order requirements. Chemours expects to receive future test orders, however the timing of the remaining test orders is not determinable at this time. Additional costs could be incurred in connection with EPA's actions, which could be material.

Also in October 2021, EPA published a final toxicity assessment for GenX compounds that decreased the draft reference dose for GenX compounds based on EPA's review of new studies and analyses. On March 18, 2022, we filed a petition to EPA requesting to withdraw and correct its toxicity assessment for GenX compounds, and this petition was denied by EPA on June 14, 2022. The next day, on June 15, 2022, EPA released health advisories for four PFAS, including interim updated lifetime drinking water health advisories for PFOA and PFOS, and final health advisories for GenX compounds, including HFPO Dimer Acid and another PFAS compound (PFBS). On July 13, 2022, we filed a Petition for Review of the GenX compounds health advisory. On March 13, 2023, EPA proposed a NPDWR to establish Maximum Contaminant Levels (MCL's) for six PFAS, with PFOA and PFOS having MCLs as individual compounds (each proposed as 4 parts per trillion) and four other PFAS compounds, including HFPO Dimer Acid, having a hazard index approach limit on any mixture containing one or more of the compounds. The proposed PFAS NPDWR is subject to public comment until May 30, 2023, and is expected to be finalized in late 2023 or early 2024. No action is required on the proposed NPDWR until it is final. Depending on the ultimate outcome of EPA's actions, our estimated environmental remediation liabilities and accrued litigation could increase to meet any new drinking water standards, which could have a material adverse effect on our results of operations, financial condition, and cash flows.

Adverse developments affecting the financial markets, including events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our business, financial condition, or results of operations.

Certain U.S. and non-U.S. financial institutions experienced crisis in the first quarter of 2023, resulting in disruption in the financial markets. While we do not foresee any concerns around our liquidity, events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or the financial services industry generally, or concerns about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. Although we assess our banking and customer relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance our current and future business operations could be significantly impaired by factors that affect us, the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry.

In addition, investor, regulatory, or other concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations or result in breaches of our contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our business, results of operations, financial condition, and cash flows.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

2022 Share Repurchase Program

On April 27, 2022, our board of directors approved a share repurchase program authorizing the purchase of shares of our issued and outstanding common stock in an aggregate amount not to exceed \$750 million, plus any associated fees or costs in connection with our share repurchase activity (the "2022 Share Repurchase Program"). Under the 2022 Share Repurchase Program, shares of our common stock can be purchased in the open market from time to time, subject to management's discretion, as well as general business and market conditions. Our 2022 Share Repurchase Program became effective on April 27, 2022 and is scheduled to continue through the earlier of its expiration on December 31, 2025 or the completion of repurchases up to the approved amount. The program may be suspended or discontinued at any time.

The following table sets forth the purchases of our issued and outstanding common stock under the programs for the three months ended September 30, 2023.

(Dollars in millions, except per share amounts)

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs (2)
Month ended July 31, 2023	376,396	\$ 37.77	376,396	\$ 444
Month ended August 31, 2023	74,271	36.76	74,271	441
Month ended September 30, 2023	-	-	-	441
Total	450,667	\$ 37.60	450,667	\$ 441

(1) The total number of shares purchased under the share repurchase program is determined using trade dates for the related transactions.

(2) The average price paid per share and approximate dollar value of shares that may yet be purchased under the share repurchase program exclude fees, taxes, commissions, and other charges for the related transactions.

Through September 30, 2023, we purchased a cumulative 10,342,722 shares of our issued and outstanding common stock under the 2022 Share Repurchase Program, which amounted to \$309 million at an average share price of \$29.90 per share. The aggregate amount of our common stock that remained available for purchase under the 2022 Share Repurchase Program at September 30, 2023 was \$441 million.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Information regarding mine safety and other regulatory actions at our surface mines and/or mineral sands separation facilities in Starke, Florida, Jesup, Georgia, Nahunta, Georgia, and Offerman, Georgia, are included in *Exhibit 95* to this Quarterly Report on Form 10-Q.

Item 5. OTHER INFORMATION

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2023.

Item 6. EXHIBITS

Exhibit Number	Description
3.1	<u>Company's Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on July 1, 2015).</u>
3.2	<u>Company's Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on July 1, 2015).</u>
10.1	<u>Amendment and Restatement Agreement, dated as of August 18, 2023, among The Chemours Company, the Lenders and Issuing Banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on August 23, 2023).</u>
22	<u>List of Guarantor Subsidiaries.</u>
31.1	<u>Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Executive Officer.</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Financial Officer.</u>
32.1	<u>Section 1350 Certification of the Company's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.</u>
32.2	<u>Section 1350 Certification of the Company's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.</u>
95	<u>Mine Safety Disclosures.</u>
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2023 have been formatted in Inline XBRL: (i) the Interim Consolidated Statements of Operations (Unaudited); (ii) the Interim Consolidated Statements of Comprehensive Income (Unaudited); (iii) the Interim Consolidated Balance Sheets (Unaudited); (iv) the Interim Consolidated Statements of Stockholders' Equity (Unaudited); (v) the Interim Consolidated Statements of Cash Flows (Unaudited); and, (vi) the Notes to the Interim Consolidated Financial Statements (Unaudited). These financial statements have been tagged as blocks of text and include detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2023, which has been formatted in Inline XBRL and included within Exhibit 101.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CHEMOURS COMPANY
(Registrant)

Date: October 27, 2023

By: /s/ Jonathan Lock

Jonathan Lock
Senior Vice President, Chief Financial Officer
(As Duly Authorized Officer and Principal Financial Officer)

LIST OF GUARANTOR SUBSIDIARIES

As of September 30, 2023, the following subsidiaries of The Chemours Company (the "Company") were guarantors of the Company's 4.000% senior unsecured notes due May 2026, which are denominated in euros and the 5.375% senior unsecured notes due May 2027 (collectively, the "Registered Notes"), which are registered under the Securities Act of 1933, as amended.

Name	Organized Under Laws Of
First Chemical Holdings, LLC	Mississippi
First Chemical Texas, L.P.	Delaware
FT Chemical, Inc.	Texas
The Chemours Company FC, LLC	Delaware

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mark E. Newman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Chemours Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and,
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2023

By: /s/ Mark E. Newman

Mark E. Newman
President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jonathan Lock, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Chemours Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and,
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2023

By: /s/ Jonathan Lock

Jonathan Lock
Senior Vice President, Chief Financial
Officer

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of The Chemours Company (the "Company") on Form 10-Q for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mark E. Newman, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and,
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark E. Newman

Mark E. Newman
President and Chief Executive Officer
October 27, 2023

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of The Chemours Company (the "Company") on Form 10-Q for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jonathan Lock, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and,
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jonathan Lock

Jonathan Lock
Senior Vice President, Chief Financial Officer
October 27, 2023

MINE SAFETY DISCLOSURES

The Company owns and operates a mineral sands mining and separation facility in Starke, Florida, mineral sands mining facilities in Jesup, Georgia and Nahunta, Georgia, and a mineral sands separation facility in Offerman, Georgia. The following table provides information about citations, orders and notices issued from the Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 ("Mine Act") for the quarter ended September 30, 2023.

Mine (MSHA Identification Number)	Section 104 S&S ¹ Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Starke, FL (0800225)	2	—	—	—	—	\$ 1,789	—	No	No	—	—	—
Jesup, GA (0901256)	—	—	—	—	—	\$ —	—	No	No	—	—	—
Mission Mine (0901230)	—	—	—	—	—	\$ —	—	No	No	—	—	—
Offerman MSP (0901236)	—	—	—	—	—	\$ —	—	No	No	—	—	—

1 S&S refers to significant and substantial violations of mandatory health or safety standards under section 104 of the Mine Act.

