
INEOS Quattro Holdings Limited

Annual report and financial statements

Registered number 09922632

Year ended – 31 December 2022

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INEOS QUATTRO HOLDINGS LIMITED

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Section 1 – Strategic Report and Directors' Report

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report of INEOS Quattro Holdings Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 December 2022.

Results for the year

The results of the Group are set out in the consolidated income statement on page 28 which shows a profit for the year of €1,964.9 million (2021: €1,576.1 million).

Review of the business

Development projects

On 28 July 2022, the Group and China Petroleum & Chemical Corporation (Sinopec) signed a petrochemical deal to establish a 50:50 joint venture for ABS (Acrylonitrile Butadiene Styrene), based on the Group's world leading proprietary ABS Technology. This includes the 600 kilotons per annum ("ktpa") Ningbo facility currently under construction by the Group, plus a further 600 ktpa of new capacity. This transaction was completed on 28 December 2022. See divestiture note below.

In the context of the deal, the Group and Sinopec also intend to:

- establish a second joint venture to operate a plant in Tianjin to produce 300 ktpa ABS polymer with Terluran ABS technology.
- establish a third joint venture to operate a plant to produce 300 ktpa ABS polymer with Terluran ABS technology.

Divestitures

On 22 April 2022, the Group sold 13.8% of its shareholding in INEOS Styrolution India Limited for a consideration of \$25.1 million (€22.5 million equivalent). The Group's shareholding reduced from 75.0% to 61.2% as a result, with control being retained.

On 1 August 2022, the Group entered into an agreement to divest its remaining shareholding of 61.2% in INEOS Styrolution India Limited with Shiva Performance Materials Private Limited. The transaction was completed on 17 November 2022. The total sale price was \$80.3 million (€80.7 million equivalent). The disposed business had cash balances of €14.8 million, which led to a net cash inflow of €65.9 million. Transaction costs of €0.5 million remain unsettled as at 31 December 2022.

On 28 July 2022, the Group's subsidiary, INEOS Styrolution APAC Pte. Limited, entered into an agreement to transfer 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to Sinopec. As a result, the Group gave up control but retained joint control. The transaction was completed on 28 December 2022. The total sale price was \$489.4 million (€472.6 million equivalent), of which \$255.0 million (€246.2 million equivalent) is deferred. A withholding tax of €13.5 million was paid in relation to the sale price settled on completion. The disposed business had cash balances of €40.7 million, which led to a net cash inflow of €172.2 million. Transaction costs of €2.7 million remain unsettled as at 31 December 2022.

See note 3 of the financial statements for further details.

Financing arrangements

On 31 May 2022, the Group repaid, ahead of terms, the amounts outstanding under the Three-Year Dollar Term Loan A Facility due 2023 of \$87.5 million (€83.2 million equivalent), the Three-Year Euro Term Loan A Facility due 2023 of €75.0 million and the Five-Year Dollar Term Loan A Facility due 2025 of \$210.0 million (€199.7 million equivalent). See note 17 of the financial statements for further details.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of the business (continued)

Financing arrangements (continued)

In January 2022, the Styrolution business entered into a new long-term loan agreement with Bank of China and ICBC to provide RMB 3,300.0 million (€464.3 million equivalent) of financing for the construction of a new 600 kiloton ABS plant in Ningbo, China. As at 31 December 2022, the amount utilised against the facility was RMB 3,035.2 million (€408.9 million equivalent). On 28 December 2022, the Group completed an equity transfer agreement with Sinopec relating to the sale of 50% equity interest in INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. As a result of this divestiture, the obligation of the Group under this term loan facility have been transferred to the newly created joint-venture and derecognised in the Group consolidated financial statements. See notes 3 and 17 of the financial statements for further details.

Subsequent to the year end, on 14 March 2023, the Group entered into an Incremental Facility Agreement to raise a new Dollar Term Loan B of \$500.0 million (€471.6 million equivalent) and a new Euro Term Loan B of €375.0 million. The gross proceeds received under these borrowings were used on 15 March 2023 to pay an interim dividend to the Group's immediate parent company of €500.0 million with the remaining proceeds used to increase the liquidity of the Group.

The Term Loan denominated in dollars bears interest at a rate per annum equal to SOFR + 0.10% CSA (subject to a floor of 0% per annum) plus 3.75%. The Term Loan denominated in euros bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 4.0%. The Euro Term Loan B Facility and the Dollar Term Loan B Facility are payable, subject to certain exemptions, on 14 March 2030.

Subsequent to the year-end, the Group entered into an interest rate swap agreement with HSBC to hedge the fair value risk in relation to the 2030 Term Loans with the notional principal amount of \$500 million. Under this interest rate swap agreement, the Group will exchange the variable SOFR exposure for fixed-SOFR obligations.

Subsequent to year-end, the Group has completed its transition from LIBOR to SOFR in relation to the Dollar Term Loan B due 2027. See note 32 for further details.

Review of trading results

Revenue from continuing operations was €18,172.3 million for the year ended 31 December 2022 (2021: €14,932.2 million) and earnings before interest, tax, impairment, depreciation, amortisation and exceptional items and after the share of profit/(loss) of associated undertakings and joint ventures using the equity accounting method ("EBITDA before exceptional items") was €2,572.4 million for the year ended 31 December 2022 (2021: €3,039.1 million). A reconciliation of EBITDA before exceptional items to profit before tax can be found in note 2 to the financial statements.

The Styrolution business' revenue increased by €744.6 million, or 12.6%, to €6,634.3 million in the year ended 31 December 2022 from €5,889.7 million in the year ended 31 December 2021. A strong first half of the year supported by high demand particularly for durables continuing the trend started during COVID was followed by mid to low cycle levels in the second half of the year with customers de-stocking due to market uncertainty and expectation of further price reductions. Open arbitrage from Asian products into the Americas and Europe in the second half of 2022 softened further the demand in these regions. As a result, the overall volumes for the year were lower compared to the prior year, also affected by the divestiture of INEOS Styrolution India Limited in November 2022. The average prices in the current year were higher than prices in the comparative year and more than compensated for lower sales volumes. Revenues in the current year included an upfront royalty revenue of €71 million recognised in the current year primarily in the context of the provision of ABS technology licence to the joint-venture formed between the business and Sinopec. EBITDA before exceptionals decreased by €431.7 million, or 36.6%, to €748.6 million in the year ended 31 December 2022 from €1,180.3 million in the year ended 31 December 2021. Softer demand combined in all regions and most product groups resulted in reduced margins in the current year. The open arbitrage from Asian product into the Americas and Europe impacted margins in these regions. The margin reduction came primarily from the global ABS business. A reduction in polystyrene margins in Asia was partially offset higher polystyrene margins in Europe and Americas in particular due to being able to pass over the increase in utility prices to the customers.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of the business (continued)

Review of trading results (continued)

The INEOS Inovyn business' revenue increased by €910.6 million, or 21.5%, to €5,136.2 million for the year ended 31 December 2022, as compared to €4,225.6 million for the same period in 2021. Total volumes were lower than the prior year period, but absolute revenues increased due to extremely high pricing on key products. Production and sales volumes of key products, including general purpose polyvinyl chloride (PVC), specialty PVC and caustic soda were lower than the prior year as high inflation and the energy crisis in Europe resulted in weaker demand in the second half of 2022. European producers also faced more competition from US and Asian imports. Average sales prices of general purpose and specialty PVC in Europe reached record levels in 2022 due to higher ethylene feedstock and energy input costs. Trims to chlorine production (and hence co-produced caustic soda production) due to high electricity prices and low PVC demand led to very tight caustic soda markets in Europe despite a weaker demand environment, with price records being broken in each successive quarter of 2022. The European contract price of caustic soda (as reported by Chemical Market Analytics) reached €2,407 per ton in the fourth quarter of 2022, whilst the average annualised European contract price of caustic soda in 2022 was 194% higher than 2021. The current year also benefited from significantly higher prices of caustic potash, and chlorine derivatives such as Cereclor, chloromethanes and epichlorohydrin. EBITDA before exceptional items increased by €201.6 million, or 20.7%, to €1,176.0 million for the year ended 31 December 2022, as compared to €974.4 million for the same period in 2021. Business profitability in 2022 was the highest annual performance since the formation of INEOS Inovyn in 2015, despite the energy crisis in Europe and the aforementioned reduction in sales volumes of general purpose PVC, specialty PVC and caustic soda. This was mainly due to the unprecedentedly high pricing of caustic soda, which despite the weakening demand environment in the second half of 2022, reached record levels in Europe. The primary driver was low chlorine production rates across Europe, as a consequence of high electricity prices and low PVC demand. On an annualised basis, the achieved spread of general purpose and specialty PVC prices over ethylene were also higher than the prior year with demand remaining resilient in the first half of the year. However, by the second half of the year, demand and therefore spreads had weakened considerably which forced European PVC producers to reduce plant operating rates. Sales volume of other products such as caustic potash, chloromethanes, epichlorohydrin and salt were lower than 2021 but absolute margins achieved increased due to healthy market conditions for most of the year.

The Acetyls business' revenue increased by €150.6 million, or 12.4%, to €1,369.6 million for the year ended 31 December 2022, as compared to €1,219.0 million for the same period in 2021. Total volumes were lower than the prior year period, but absolute revenues increased due to higher sales prices. In Europe, volumes were down by 19% (104 kt) due to the challenging environment which has seen rising raw material prices as well as weakened demand for both acid and anhydride as customers struggled with affordability on the back of the high gas cost. European sales prices were up as increasing gas prices were reflected in cost plus and market reference sales contracts for acetic acid and anhydride. In the US, volumes were down by 23% (147 ktes) due to reduced customer demand and an unplanned shutdown at third-party plant. US acetic acid prices increased again driven by increasing gas prices. EBITDA before exceptional items decreased by €258.6 million, or 41.6%, to €363.4 million for the year ended 31 December 2022, as compared to €622.0 million for the same period in 2021. Lower business profitability is mainly driven by a lower share of joint-venture net profit partially offset by higher margins in the US. Share of joint-venture net profit from the Asian joint-ventures were down as lower sales prices coupled with higher feedstocks reduced margins significantly. Net profits of the Korean joint-venture were partially supported by higher volumes and higher margins of Vinyl Acetate Monomer (VAM) as demand in this sector was strong although starting to soften toward the end of the year. Net profit of the Atlas joint-venture was down compared to last year due to lower sales volumes, lower margins as a higher methanol discounts were offered and higher fixed costs due to unplanned outages. The US was the largest contributor with 40% of customers on cost plus sales pricing allowing the higher feedstock prices to be passed on to customers. Margins in Europe were lower compared to prior year due to high energy costs, increased freight charges, significant flaring costs due to reduction in production and lower sales volumes, offsetting higher sales prices.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of the business (continued)

Review of trading results (continued)

The Aromatics business' revenue increased by €1,432.0 million, or 38.9%, to €5,115.2 million for the year ended 31 December 2022, as compared to €3,683.2 million for the same period in 2021. Total volumes were lower than the prior year period, but absolute revenues increased due to higher sales prices. In Europe, high inflation and the energy crisis weakened the demand. High production costs made European producers uncompetitive versus Asian import volumes. The purified terephthalic acid (PTA) sales volumes in the US remained strong through the first half of the year but then slowed significantly in the last quarter due to the combined effect of increasing volume of Asian imports of PTA and polyethylene terephthalate (PET) and a slowdown in demand as a result of fiscal policy. Asian volumes were at similar level to the prior year. The price of mixed xylenes increased significantly during 2022 as a result of the sharp rise in gasoline prices globally. As the key raw material for paraxylene (PX) and ultimately PTA this then drove the absolute prices of products higher throughout the year. As a reference, the US PX price ended in December 2021 at \$992/t and closed 2022 at \$1,235/t. However during the year the US PX price peaked at \$2,282/t, a 130% increase in price compared to the start of the year. EBITDA before exceptional items increased by €22.0 million, or 8.4%, to €284.4 million for the year ended 31 December 2022, as compared to €262.4 million for the same period in 2021. Business performance for the year improved versus prior year as lower sales volume have been more than offset by higher margins and lower fixed costs. PTA margins in the US were better than in prior year and the profitability fundamentals of the business remained strong. Margins in Europe were heavily impacted by high energy prices and the impact of Asian prices as an alternative for customers. The fall in energy prices in the last quarter of the year brought an improvement in margins. Margins in Asia continued to be structurally pared back by an oversupplied PTA market. However, the export margins from Zhuhai for international sales improved. In addition, the business focused the sales of Zhuhai tons more towards the PET resin market, rather than fiber, as the customers have a more reliable demand.

As at 31 December 2022, the Group has total equity of €4,648.6 million (2021: €3,312.6 million). Net debt at 31 December 2022 was €4,861.6 million (2021: €5,348.9 million).

Key exceptional items

Net exceptional charges of €9.4 million have been recognised in 2022 (2021: €250.6 million).

In 2022, exceptional administrative expenses of €1.3 million were incurred by the Aromatics businesses in respect of manpower reorganisations and €3.8 million due to cancellation of projects started under BP ownership and no longer expected to be pursued.

In 2022, exceptional finance costs of €4.3 million were incurred in relation to the write off of unamortised debt issue costs associated with the Term Loan A Facilities due 2023 and the Term Loan A Facilities due 2025 which were repaid in full on May 31, 2022.

For further details of exceptional items, refer to note 4 of the financial statements.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Management undertakes an annual risk identification and assessment process to identify the key business risks affecting the Group. The key business risks affecting the Group which were identified within this risk assessment process are set out below:

- The petrochemical industry is cyclical — changing market demands and prices may negatively affect the Group's operating margins and impair its cash flow which, in turn, could affect its ability to make payments on its debt or to make further investments in the business.
- Raw materials and suppliers — if the Group is unable to pass on increases in raw material prices, or to retain or replace its key suppliers, its results of operations may be negatively affected.
- International operations and currency fluctuations — the Group is exposed to currency fluctuation risks as well as to economic downturns and local business risks in several different countries that could adversely affect its profitability.
- Competition — significant competition in the Group's industries, whether through efforts of new and current competitors or through consolidation of existing customers, may adversely affect its competitive position, sales and overall operations.
- Inability to maximise utilisation of assets — the Group may be adversely affected if it is unable to implement its strategy to maximise utilisation of assets.
- Synergies — the Group may not realise anticipated revenue and cost synergies, benefit from anticipated business opportunities or experience anticipated growth from any of its acquisitions.
- Outbreaks of disease — the outbreak of contagious diseases may have a negative impact on the Group's business and performance, and an adverse impact on the global economy generally. During the course of 2021 and into 2022, the Group has managed the outbreak of the COVID-19 coronavirus by implementing various measures to ensure the safety of employees and the ongoing operation of the plants.
- Substantial debt — the Group's substantial debt could adversely affect its financial position and prevent it from fulfilling its debt obligations.
- Cyber security — a cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.
- Climate change — existing and proposed regulations to address climate change by limiting greenhouse gas emissions may cause us to incur significant additional operating and capital expenses. In addition compliance with new regulation could limit the useful economic life of our plants, lead to a reduction in demand for fossil fuel derived products and result in a lack of competitiveness if our competitors develop new technologies.
- Regulation — the Group is highly regulated and may have substantial obligations and liabilities arising from health, safety, security and environmental ("HSSE") laws, regulations and permits applicable to our operations.
- Customers — the Group is subject to the risk of loss resulting from non-payment or non-performance by our customers. Our credit procedures and policies may not be adequate to minimise or mitigate customer credit risk. Our customers may experience financial difficulties, including bankruptcies, restructurings and liquidations.
- Employees — the success of the Group depends on the continued service of certain key personnel and on good relations with our workforce as any significant disruption could adversely affect the Group.
- Joint ventures — some of the Group's petrochemical facilities are owned and operated in joint ventures with third parties. We do not control these joint ventures, and actions taken by our joint venture partners in respect of these joint ventures could materially adversely affect our business.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement

The directors have the duty under section 172 to promote the success of the Group for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. In the performance of its duty to promote the success of the Group and fairness in decision making the Board have regard (amongst other matters) for:

- a. the likely consequences of any decision in the long term;
- b. the interests of the Group's employees;
- c. the need to foster the Group's business relationships with suppliers, customers and others;
- d. the impact of the Group's operations on the community and the environment;
- e. the desirability of the Group maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Group.

The Group's governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Group's long-term success, which are discussed below.

Long term factors (a)

The Group's principal objectives are to maintain its position as a key global supplier of its products and to increase the value of INEOS by generating strong, sustainable, and growing cash flows across industry cycles. To achieve these objectives, the Group has the following key strategies:

- a. Maintain health, safety, security, and environmental excellence;
- b. Maintain and grow the Group's leadership positions to enhance competitiveness;
- c. Reduce costs and realise synergies;
- d. Maximise utilisation of assets;
- e. Access advantaged feedstock and energy opportunities; and
- f. Develop and implement a sustainable business.

The Group aims to operate and develop its business in a way that supports both the current and future needs, taking into account relevant economic, environmental, and social factors. This enables the Group to sustain the business for the long term. The directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Group's leading position in the market and also in a circular world. The directors ensure that the Group has sufficient resources to support its long-term growth strategy and to fund its investments. An important element is the Group's long-term cash and operational planning in relation to the capital requirements needed to grow and to extend the life span of the assets. The directors consider available and required funds as a basis for any dividend under its distribution policy.

Stakeholder considerations (b – e)

Engaging stakeholders and developing meaningful partnerships is essential for long-term business success. The Group engages in regular, open, and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns, and needs. For example in many instances suppliers are located on the same chemical parks which helps develop partnerships, facilitate discussions as well as reduce waste, inefficiency. The Group also works with trade unions and have open and constructive discussions as well as investing in training programmes to continue to develop employees at all levels of the organisation. In this way, the Group is able to integrate stakeholder's considerations into business decision-making processes.

----- Dialogue with stakeholders gives the Group the opportunity to explain its clear and committed approach to sustainability as well as the value of the Group's work, products and services for society. -----

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

Stakeholder considerations (b – e) (continued)

Key stakeholders contribute to the Group's economic, social, and environmental performance. Stakeholders include customers, suppliers, employees, investors, financial experts and rating agencies, local communities, industry associations, NGOs, scientific institutions, universities, government, and value chain partners. The Group is very conscious of having a sustainable business so INEOS produces an annual sustainability report which aligns with the Global Reporting Initiative (GRI) framework and focuses on the issues most material to the Group and its stakeholders. The report focuses on seven key areas, being:

1. Climate change – advancing the transition to net zero;
2. Circular economy – maximising resource efficiency and eliminating waste;
3. Zero pollution – driving progress towards sustainable chemical value chains;
4. Our people – prioritising workplace health and safety (SHE) and fairness;
5. People in our value chain – safeguarding conditions and human rights;
6. People in our communities – respecting and supporting local communities;
7. Governance – maintaining the highest standard of ethics and compliance.

These matters are considered by the directors in making decisions and in assessing the long-term viability of the business.

The Group is committed to maintaining a workplace that is safe, professional, and supportive of teamwork and trust. The Group is committed to creating and sustaining a work environment of mutual trust where all employees are treated with respect and dignity, compensated fairly based on local market conditions, and are entitled to adequate working hours. The Group value diversity of its people and each of its employees is recognised as an important member of the team.

The Group is committed to protecting and maintaining the quality of the environment and to promoting the health and safety of its employees, contractors, suppliers, customers, visitors, and the communities in which it operates. For example INEOS is a signatory to the International Council of Chemical Associations' (ICCA) Responsible Care Global Charter which demonstrates the Company's commitment to strengthening chemicals management systems, safeguarding people and the environment, and working towards sustainable solutions through our value chain. Compliance with all legislation intended to protect people, property and the environment is one of the Company's fundamental priorities and applies to its products as well as to its processes. Management lead by example and allocate the required resources to achieve excellence in SHE performance.

The need to act fairly as between members of the Group (f)

The Group has a single shareholder and a single ultimate controlling party. Their interests are taken into account by the directors to promote fairness in decision making.

Principal decisions

Each of the Group's four businesses made a number of principal decisions in the year ended 31 December 2022, including:

- the repayment of the Term Loans A facilities ahead of their terms;
- investment in capital and sustainability projects such as a project to fuel switch to hydrogen at the Hull site in the United Kingdom, the development of a newly hydrogen business and the launch of Project Circle to treat PVC from various post-consumer waste streams that are difficult to recycle mechanically in INEOS Inovyn, the development of a pilot plant to develop Infinia, a technology which will enable currently unrecyclable PET plastic waste to be transformed back into new, virgin-quality feedstocks; and
- Signature of an agreement with Sinopec to reshape the Group production and technology of ABS in China and build a total of 1,800 ktpa of new capacities through three joint-ventures to meet the rapidly growing local demand.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement

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- a. the likely consequences of any decision in the long term;
- b. the interests of the Group's employees;
- c. the need to foster the Group's business relationships with suppliers, customers and others;
- d. the impact of the Group's operations on the community and the environment;
- e. the desirability of the Group maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Group.

The Group's governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Group's long-term success, which are discussed below.

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The Group's principal objectives are to maintain its position as a key global supplier of its products and to increase the value of INEOS by generating strong, sustainable, and growing cash flows across industry cycles. To achieve these objectives, the Group has the following key strategies:

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- e. Access advantaged feedstock and energy opportunities; and
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The Group aims to operate and develop its business in a way that supports both the current and future needs, taking into account relevant economic, environmental, and social factors. This enables the Group to sustain the business for the long term. The directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Group's leading position in the market and also in a circular world. The directors ensure that the Group has sufficient resources to support its long-term growth strategy and to fund its investments. An important element is the Group's long-term cash and operational planning in relation to the capital requirements needed to grow and to extend the life span of the assets. The directors consider available and required funds as a basis for any dividend under its distribution policy.

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Dialogue with stakeholders gives the Group the opportunity to explain its clear and committed approach to sustainability as well as the value of the Group's work, products and services for society.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

Stakeholder considerations (b – e) (continued)

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Principal decisions

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- the repayment of the Term Loans A facilities ahead of their terms;
- investment in capital and sustainability projects such as a project to fuel switch to hydrogen at the Hull site in the United Kingdom, the development of a newly hydrogen business and the launch of Project Circle to treat PVC from various post-consumer waste streams that are difficult to recycle mechanically in INEOS Inovyn, the development of a pilot plant to develop Infinia, a technology which will enable currently unrecyclable PET plastic waste to be transformed back into new, virgin-quality feedstocks; and
- Signature of an agreement with Sinopec to reshape the Group production and technology of ABS in China and build a total of 1,800 ktpa of new capacities through three joint-ventures to meet the rapidly growing local demand.

INEOS QUATTRO HOLDINGS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

Principal decisions (continued)

The principal decisions are defined to be decisions taken in the Group that are of a strategic nature and significant to any of the Group's key stakeholder groups. The Directors have engaged with key shareholder and stakeholder groups through a variety of means and stakeholder interests were considered in decision-making.

Streamlined Energy and Carbon Reporting

The Group is classified as a large unquoted group due to its size and shareholding structure. Disclosures under the Streamlined Energy and Carbon Reporting requirements for the Group are contained in the Streamlined Energy and Carbon Reporting in the Strategic Report of the consolidated financial statements of INEOS Industries Limited, an intermediate parent undertaking. This reporting covers the Group's UK operations. The consolidated financial statements of INEOS Industries Limited are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

Key performance indicators

The Group uses a number of financial and non-financial key performance indicators ("KPIs") to measure performance, which are monitored against budget and the prior year.

The main financial KPI for the business is earnings before interest, taxation, depreciation, amortisation and exceptional items ("EBITDA before exceptional items"). EBITDA before exceptional items for the Group for the year ending 31 December 2022 was €2,572.4 million (2021: €3,039.1 million). The Group also closely monitors fixed costs against budget and prior year as well as working capital ratios.

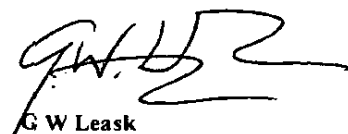
The Group uses a number of other non-financial key performance indicators to measure performance including health, safety and environmental ("SHE") metrics such as Occupational Safety and Health Administration ("OSHA") incident and injury rates to measure the safe working of employees and contractors. Other KPI includes monitoring the reliability of operating assets.

Strategic future developments

The Group's corporate strategy is to continue growing profitability and cash flows by optimising the cost base of the businesses, increasing the focus on high margin products and further product diversification, leveraging existing resources to expand sales and keeping the overall management structure of the Group simple and decentralised. The Group has an expansion strategy in China to increase its ABS production capacities through the set-up of two additional joint-ventures with Sinopec, following the first joint-venture completed in December 2022 (see note 3).

The Group will continue to pursue its sustainability agenda and has committed to reducing its carbon emissions by 33%, (compared to 2019 levels) by 2030 and be Net Zero by 2050 in line with EU policy. The sustainability strategy of the Group is described in the sustainability section in the Directors' Report.

Approved by the Board and signed on its behalf by



G W Leask
Director
14 April 2023

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited consolidated financial statements of INEOS Quattro Holdings Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 December 2022.

Principal activities

The principal activities of the Group are the manufacture and sale of a range of chemicals used in a variety of applications. The principal activity of the Company is to act as a holding company.

Dividends

Interim dividends of €521.0 million were declared and paid during the year (2021: €393.3 million). Final dividends of €500.9 million (2021: €nil) were declared on 23 January 2023. This dividend distribution did not constitute any cash outflow for the Group as this was used to settle the amount owed by the Group's immediate parent in form of an inter-company loan.

Future developments

Future developments are discussed in the Strategic Report.

Covid-19 and the Ukraine conflict

The Group continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of *maintaining the safety of personnel and the reliable operation of the Group's plants.*

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Group's plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Group. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Group does not have operations in Belarus, Russia or Ukraine. During 2021 and 2022 revenue generated in these countries was not material to the Group. The Group is not currently experiencing any material disruption to its operations and do not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Group's products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Group's ability to operate as a going concern.

Going concern

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with United Kingdom adopted international accounting standards.

The Group meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries' operations. The Group held cash balances of €1,530.1 million at 31 December 2022 (2021: €1,291.3 million) and gross loans and borrowings of €6,391.7 million at 31 December 2022 (2021: €6,640.2 million) of which €20.6 million is due to be repaid within 12 months. The Group has no significant financial covenants. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern (continued)

In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €4,648.6 million as at 31 December 2022 (2021: €3,312.6 million) and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Research and development

The Group's research and development team develops new applications for its higher margin and less cyclical specialty chemicals, provides support to the Group's customers and seeks to improve the efficiency of the Group's manufacturing processes. The research and development team also leads the Group's efforts with respect to the development and capacity expansions of the plants and maintaining and improving safety and environmental standards. The Group spent approximately €33.9 million (2021: €43.7 million) on research and development during the year, of which €32.7 million (2021: €42.6 million) was expensed to the income statement.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Donations

The Group made no political contributions (2021: £nil).

Financial risks

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, currency fluctuation risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group where appropriate. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future. The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the cost of managing exposure to such risk exceeds any potential benefits. The Group manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties.

The Group's exposure to market risk for changes in interest rates relates primarily to its term loan borrowings upon which interest is paid at variable rates and its cash resources which are invested at variable rates. The policy to manage this exposure is continually reviewed and adapted depending on market condition. As an example, subsequent to the year-end, the Group entered into an interest rate swap agreement to exchange a portion of its variable SOFR exposure for fixed-SOFR obligations.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Directors

The directors who held office during the year, and up to the date of signing the financial statements, were as follows:

G W Leask
J F Ginns
M J Maher (resigned 7 December 2022)

Employees

The Group places considerable importance on communication with employees. This is to ensure that employees at all levels of the organisation are kept aware of key business developments, and in particular financial performance, so as to focus attention on key performance metrics. Town Hall sessions, in person in 2022 and virtual in 2021, are held at various points in the year that are hosted by members of the Executive Committee, regional leadership teams and site management. Business news items are also communicated in local language to the organisation either via cascade or direct to individuals via email, Bulletin Boards and Intranet facilities. Work groups in the manufacturing areas have daily "toolbox talks" that cover Safety, Health and the Environment ("SHE"), critical operational items for the day and business developments. The Group undertakes employee surveys on a regular basis and there are action plans in place to address issues arising.

INEOS is committed to an environment where open, honest communications are the expectation, not the exception. There is encouragement to discuss issues with line managers or other managers. In addition, there is an "INEOS Speak Up!" service for those employees wishing to report more serious unethical or improper behaviour. The Group has regard to employees' interests and take employee views into account when making decisions.

The Group operates in full accordance with prevailing employment legislation including information and consultation with employees and their representatives on matters affecting their interests. Outside of any necessary formal consultation process, there are regular briefings between the Company and the Works Councils/Trade Union bodies in each region.

The Group facilitates a number of schemes designed to encourage employees to deliver key business targets. This includes a discretionary Short-Term Incentive Plan and a Long-Term Incentive Plan, both of which are designed to focus attention on key areas of performance such as SHE, EBITDA before exceptionals, working capital, plant reliability and fixed costs.

It is the Group's practice to give full and fair consideration to applications for employment received from disabled persons, subject to the Group's requirements and to the qualifications, ability and aptitude of the individual in each case. In the event of employees becoming disabled, every effort is made to ensure their continued employment with the Group and to provide suitable adjustments to the workplace where appropriate.

The Group continually strives to meet, and where possible, exceed all relevant legal requirements applying to safety, health and the environment. It is committed to continuous improvement in all aspects of its operations. Through its Safety, Health, Environment and Quality ("SHEQ") Policy, the Group aims to be amongst the chemical industry leaders in health, safety, environmental protection and customer satisfaction, ensuring that products meet society's increasing environmental requirements. Specifically the Group works to two guiding principles. The first being to protect the health and safety of its employees; the communities in which it operates; and the users of its products. Secondly, the Group seeks to minimise the effects on the environment from its operations, storage; transport; use and disposal of its products. The Group manages SHE as an integral part of its activities through a formal management system that sets clear SHE standards/targets and monitors performance against them. It requires all members of staff (and others who work on its behalf) to adhere to the standard in the SHE Management System and to exercise personal responsibility to prevent harm to themselves, others and the environment. Comprehensive SHE information and training is provided to all employees, with SHE objectives set for every individual each year through the performance appraisal process. SHE targets also feature in the Group's discretionary Business Bonus Scheme. Appropriate SHE information and training is also provided to other who work for the Group, handle its products or operate its technologies. The Group also participates in industry wide responsible care and sustainable development activities.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Health and safety

The Group's facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations in all of the jurisdictions in which it operates. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of the Group's operations require permits and controls to monitor or prevent pollution. The Group has incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

The Group's operations are currently in material compliance with all HSSE laws, regulations and permits. The Group actively addresses compliance issues in connection with its operations and properties and believe that it has systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on the Group.

Sustainability

Improving the sustainability of our business and operations is central to the way INEOS work. It is of critical importance to its employees, to its partners and customers, to the communities in which it operate, and to its investors.

INEOS sustainability strategy is to develop and safely manufacture the products needed to address the evolving challenges of climate change, public health, resource scarcity, urbanisation and waste in a way which drives us all towards a net zero emissions economy by 2050. INEOS will do so whilst reducing the impact of its operations. It is built on six key pillars:

1. Excellence in Safety Health & the Environment (SHE)
2. Climate change - delivery of a net zero business
3. Circular Economy – maximising the re-use and recycle of our products
4. People – ensuring an equal opportunity environment in which a diverse team of people can flourish and deliver the innovations we need
5. Communities and the Natural Environment – enhance the communities in which we operate
6. Governance – rigorously sustaining the highest standards of ethics and compliance

The efforts on sustainability, including targets, reporting of Green House Gas (GHG) and other emissions, of energy and water usage, and of waste generation, are published in our INEOS wide 2022 Sustainability Report (<https://www.ineos.com/sustainability/sustainability-reports>), which is aligned with the framework described in the Global Reporting Initiative (GRI), and UN sustainable development goals. Two key priorities, Climate Change and the Circular Economy, are summarised below.

Climate Change

Following the Paris Climate Agreement of 2015, most nation states have recognised the threat posed by climate change and have set the goal to achieve a net zero emission economy by 2050 and are adopting regulations and legislation to support this objective.

In response, INEOS implemented management of the risks posed by climate change to each of its businesses and the potential new business opportunities and threats arising from the transition. The assessments will be regularly updated in the context of three the Intergovernmental Panel on Climate Change (IPCC) climate change scenarios in which temperature rise compared to the pre-industrial period is limited to 2 C or less, 2-4.5 C and 5-8.5 C respectively (https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter03.pdf). An INEOS-wide target has been set to achieve 33% reduction in GHG emissions by 2030 (compared to 2019) and net zero emissions by 2050. In line with this, INEOS Quattro businesses have each developed a roadmap which outlines plans and key actions required to deliver the 2030 target of 33% reduction. INEOS wide, the company has earmarked over €6 billion capital investment to support the delivery of targets.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

Actions include the following:

Continuous improvement of energy and process efficiency

INEOS is working aggressively across all its business and sites to make important reductions in energy use and associated GHG emissions. Optimisation projects vary widely, from finding new ways of improving process efficiency to innovative solutions for heat or power integration, including waste heat valorisations.

The INEOS Inovyn business has a salt plant upgrade project in Tavaux, France which utilises best-in-class mechanical vapour recompression unit technology. The project is expected to be completed in 2024 and will reduce steam consumption by 360 kilo tonnes per annum which is equivalent to reducing the Tavaux site's footprint by 16%. Water consumption will also be reduced by 6%. The North Star project in Norway was commissioned in 2020 and consisted of major debottlenecking activities across both the electrochemical and VCM assets. This project has reduced steam consumption by 80 kilo tonnes annually.

The Aromatics business' PTA technology allowed the latest PTA plant in Zhuhai to reduce GHG emissions by 65%, water discharge by 75% and solid waste disposal by 95% compared to conventional technologies.

The Acetyls business is continuing to roll out its retrofit of world leading CATIVA XL acetic acid production technology to its global assets. This technology package allows Acetyls plants to produce acid with 80% less heat input and 50% less electricity than generic technology. As part of this INEOS' innovative High Pressure Offgas Reinjection technology has now been rolled out to all applicable plants. This recycles carbon that was previously incinerated and re-injects it into the process where it is instead captured and reacted into product, reducing GHG emissions and reducing natural gas usage.

Investment in green hydrogen and blue hydrogen for use as a fuel on sites and as a feedstock

The Acetyls business is undertaking a project to fuel switch to hydrogen at Hull site, the United Kingdom. The site has a large demand for heat that can only be met by burning fuel. Currently, this is done with natural gas, resulting in over 350,000 tonnes of CO₂ being emitted every year. The project will enable Hull assets to switch to using its own clean hydrogen instead of natural gas. Burning hydrogen will not release any CO₂, decarbonising the site. This fuel switching will reduce scope 1 emissions by about 80%, which is the equivalent of taking about 140,000 petrol cars off the road. The business will create a centre of expertise in hydrogen fuel switching, allowing further work to decarbonise Acetyls' global assets. This fuel switch project is also part of a wider roadmap for the Hull site which will see it become the world's first net-zero acetic acid production site by 2030.

The INEOS Inovyn business intends to build a new 20MW electrolyser to produce clean hydrogen through the electrolysis of water, powered by zero-carbon electricity in Norway. This project will lead to a minimum reduction of an estimated 22,000 tonnes of CO₂ per year by reducing the carbon footprint of INEOS' operations at Rafnes and serving as a hub to provide hydrogen to the Norwegian transport sector. The business is also carrying out a feasibility study to make green hydrogen for use at the Köln site and are participating with partners in Antwerp to develop an open access hydrogen network.

Additionally, INEOS Inovyn has developed a newly formed hydrogen business for use in feedstocks, fuels and transportation, heating and power generation.

Increased purchase of renewable energy to substitute for fossil derived energy of renewable energy

Across the whole INEOS Group, power purchase agreements for about 570 MW renewable energy have already been signed to reduce the dependence on fossil-based energy sources.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

Use of bio-based feedstocks to reduce dependency on fossil-based materials and deliver bio-based products

The Styrolution business offers the integration of renewable feedstock as a replacement for fossil fuel in upstream existing petrochemical installations. In 2020, it launched the world's first specialty styrenics materials made using renewable feedstock within the value chain. The renewable feedstock sources are certified by the International Sustainability and Carbon Certification to assess that they are managed and attributed in accordance with their sustainability criteria.

The INEOS Inovyn business is developing certified bio-attributed vinyl resins (Biovyn®) as well as bio-based epichlorohydrin (Reodrin®) used for the manufacture of epoxy resins. These products, whilst still relatively niche, can provide almost carbon neutral products providing up to 90% of GHG savings when compared with conventional materials and volumes are expected to grow in the coming years.

Product and the circular economy

INEOS believes that its products already make a critical contribution to society by providing the most sustainable options for a wide range of societal needs. Examples include preservation of food and clean water; provision of wind turbines, solar panels and other renewable technologies, construction of lighter and more efficient vehicles and aircraft, production of medical devices and applications, manufacture of clothing and apparel, materials for insulation and other industrial and home applications. Studies suggest that if polymers and plastics were to be replaced to the maximum extent in applications where they can be substituted, overall life-cycle greenhouse gas (GHG) emissions would increase by more than 50% (<https://denkstatt.eu/download/15971/>).

However, it is generally accepted that a move towards a more circular economy, in which materials are reused and recycled to their maximum extent, is an important component of a more sustainable climate neutral economy. In certain regions, for example Europe and the UK, legislation is under development to incentivize recycling of materials, especially for packaging products. The Group has therefore committed to achieving the following INEOS-wide targets by 2025.

- Offer a range of polyolefin products for packaging applications in Europe containing 50% or more recycled content.
- Incorporate at least 325 kta of recycled material into products.
- Ensure 100% of our polymer products can be recycled.

In addition, a new INEOS wide target to incorporate 825 kt of recycled or bio-sourced material into INEOS products by 2030.

In line with these objectives, in 2019, the Styrolution business introduced INEOS Styrolution ECO, a new family of sustainable products. It comprises products made from post-consumer recycled material as well as renewable feedstock and complements the existing portfolio of styrenics standard products and specialties. The Styrolution business has demonstrated the advanced recycling capabilities of polystyrene with the first production of polystyrene from styrene monomer made only of depolymerised material. This technology facilitates a full recycling loop for plastics, which is expected to be applicable even to food applications. Through a partnership with Indaver, a leading European waste management company, the business will benefit from their demo-plant for advanced recycling, where polystyrene waste will be recycled to purified styrene. Based in Antwerp, this demo-installation is expected to be operational in 2024.

For ABS standard, the Styrolution business has developed mechanically recycled grades containing 50% or 70% comprising post-consumer recycled material that are commercially available today. These products meet the performance and quality levels of virgin materials. It has also established co-operations to secure high quality waste for polystyrene and ABS feedstock.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

The Styrolution business is also leading a consortium to advance the production of ABS from recycled feedstock through a project called "ABSolutely Circular". The project was accepted by the EU LIFE programme, the European Union funding instrument for the environment and resource efficiency and received funding.

INEOS Inovyn continues to have a pivotal role in the European-wide VinylPlus® voluntary industry initiative which commits to 900 and 1,000 kilo tonnes of PVC recycling across Europe by 2025 and 2030, respectively.

INEOS Inovyn has also launched Project Circle which aims to treat PVC from various post-consumer waste streams that are difficult, if not impossible to recycle mechanically. These technologies will enable waste polymers containing PVC-rich waste to be broken down to their constituent components and then reformed back into polymers. This will enable a much wider range of waste materials to be re-incorporated into polymer manufacturing, reduce GHG emissions and provide an improved outlet for waste polymers. We are also working with partners to implement new technologies to enable easier sorting of end-of-life polymers.

The Aromatics business has developed Infinia, a technology which will enable currently unrecyclable PET plastic waste – such as black food trays and coloured bottles – to be diverted from landfill or incineration and instead transformed back into new, virgin-quality feedstocks. The new feedstocks are interchangeable with those made from traditional hydrocarbon sources and can be used to make new PET packaging that can be recycled again and again.

Infinia is complementary to mechanical recycling, dealing with PET waste that is currently difficult or impossible to process using mechanical methods. A new pilot plant, located in Naperville, Illinois, has been commissioned to prove the technology on a continuous basis. If deployed at scale in several facilities the technology has the potential to prevent billions of PET bottles and trays from ending up in landfill or incineration every year.

Sustainability governance

The Chief Executive of each of the four businesses of the Group is accountable for development of a strategy and plans to ensure that the business remains sustainable in the longer term. The strategy is reviewed annually with the shareholders. Each business sets targets annually based on its business plan. Progress against targets is reported and reviewed at Executive Committee (EXCO) meetings with the shareholders at least six times per year.

In addition to the above, Business Divisions are subject to INEOS wide targets set by the Shareholders for Safety, Health & Environment, Green House Gas reductions, and, for the Polymers businesses, recycling targets.

In addition to formal governance processes, INEOS operates a Climate and Energy Network (CEN) which helps ensure coordination across all INEOS businesses on carbon, energy and resource matters. Cross business CEN teams share information and best practice on policy, advocacy, external developments, new business opportunities and innovation. The network also assembles data from the different businesses to provide business and INEOS wide views on GHG emissions, energy usage, water usage, and waste. The network has more than 1,000 active members across all businesses.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

Summary of risks

Management has in place a number of actions to mitigate against climate and climate related risks, as well as other risks associated with developing legislation on sustainability and reporting. A summary of responses to key risks is summarised below.

PERCEIVED RISKS	ACTIONS
Transition to net zero risks	<ol style="list-style-type: none"> 1. Management has committed to net zero and intermediate targets based on practical business roadmaps which contain actions to reduce GHG emissions whilst sustaining business profitability. 2. Management has identified new business opportunities, e.g. green and blue hydrogen, biobased products and recycled products. 3. Management is investing in technologies for new products such as recycled products and bio-based products to meet growing consumer demand for these lower carbon materials. 4. Management is acquiring more renewable energy and is investing in new assets, technologies, and infrastructure to reduce the carbon footprint of its products in line with evolving customer and consumer demands.
Policy and Legal transition risks	<ol style="list-style-type: none"> 1. Management monitors evolving government policies and regulations, both independently and through its membership of industry associations, to ensure that plans and actions stay ahead of developing legislation. 2. Management has in place strict policies on ethical and legislative matters, and has implemented the appropriate governance and training mechanisms to ensure full compliance.
Market transition risks e.g. changing consumer trends resulting in products and services becoming obsolete	<ol style="list-style-type: none"> 1. Management believes that its current chemical and polymer portfolio provides products which are essential to support the transition to a net zero economy by providing the most sustainable options for a wide number of industrial and consumer applications. 2. Management has set business wide targets consistent with legislation intended to drive the development of a circular economy. 3. Management is investing in technologies for new products such as recycled products and bio-based products to meet growing consumer demand for these materials. 4. Management has a policy for sustainable procurement to ensure that it acquires feedstocks and other materials of increasingly lower carbon footprint. 5. Management is acquiring more renewable energy and is investing in new assets, technologies, and infrastructure to reduce the carbon footprint of its products in line with evolving customer and consumer demands.
Financing risks	<ol style="list-style-type: none"> 1. Management has committed to net zero and intermediate targets based on practical business roadmaps which combine GHG emissions reduction with sustainment of business profitability and addition of new business opportunities, e.g. green and blue hydrogen, biobased products and recycle products. 2. Management has incorporated the forward cost of carbon in Europe and potentially elsewhere into its capital investment decision making. 3. Management aspires to zero accidents in the workplace and has in place the policies targets, controls and audit systems to ensure the highest possible standards with regards to safety and the environment. 4. Management has significantly increased public disclosure on ESG issues, including provision of a detailed and public sustainability report, and has attained favourable ESG assessments from ECOVADIS relative to peers. 5. INEOS is a recognised respondent to CDP.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

Summary of risks (continued)

PERCEIVED RISKS	ACTIONS
Acute physical risks e.g. extreme weather events causing damage to equipment and supply chain disruption	<ol style="list-style-type: none"> 1. Management is assessing risks to operations against three IPCC developed climate change scenarios – high, intermediate and low temperature rises. 2. Management has ensured that equipment and plant is designed to withstand extreme weather conditions as currently expected, and will continue to do so in the future. 3. Management has developed multiple feedstock and sales options to provide resilience to supply chain disruptions.
Reputation transition risks e.g. damage to reputation through failure to transition effectively to a lower-carbon economy	<ol style="list-style-type: none"> 1. Management has announced the target to achieve net zero and is developing intermediate targets based on practical business roadmaps which contain actions to reduce GHG emissions and stay ahead of evolving regulations. 2. Management aspires to zero accidents in the workplace and has in place the policies targets, controls and audit systems to ensure the highest possible standards with regards to safety and the environment. 3. Management has significantly increased public communication and disclosure on targets, progress against targets, and ESG issues, including provision of a detailed and public sustainability report 4. Management has established strong links with communities around INEOS sites to communicate plans and progress against objectives and invite feedback. 5. Management has submitted the business to detailed ESG assessments from ECOVADIS and received gold rating for the breadth of INEOS companies. 6. INEOS is a recognised respondent to CDP.

Business relationships

The business relationships with suppliers and customers are of strategic importance to the Directors of the Group and their decision-making process. The business relationships of the Group are described in the Section 172(1) statement in the Strategic Report.

Branches outside the United Kingdom

Branches of the Group have been established in Austria, Belgium, China, France, Germany, Italy, Japan, Netherlands, Norway, Portugal, Spain and Sweden.

Subsequent events

On 23 January 2023, the Group has declared a dividend payment to its owners of €500.9 million. The dividend has been used to settled the loan (principal plus interest) owed by INEOS Industries Holdings Limited to INEOS Quattro Holdings Limited; hence did not resulted in any cash outflow.

On 14 March 2023, the Group entered into an Incremental Facility Agreement to raise a new Dollar Term Loan B of \$500.0 million (€471.6 million equivalent) and a new Euro Term Loan B of €375.0 million. The gross proceeds received under these borrowings were used on 15 March 2023 to pay an interim dividend to the Group's immediate parent company of €500.0 million with the remaining proceeds used to increase the liquidity of the Group.

Subsequent to the year-end, the Group entered into a interest swap agreement with HSBC. Under this swap agreement, the Group will exchange variable interest for fixed rate for a portion of debt equal to \$500 million.

Subsequent to year-end, the Group has completed its transition from LIBOR to SOFR in relation to the Dollar Term Loan B due 2027. See note 32 for further details.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- *present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;*
- provide additional disclosures when compliance with the specific requirements in international accounting standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

INEOS QUATTRO HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

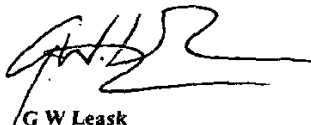
Independent auditors

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

Registered address

INEOS Quattro Holdings Limited
Hawkslease
Chapel Lane
Lyndhurst
Hampshire
SO43 7FG
United Kingdom

Approved by the Board and signed on its behalf by:



G W Leask
Director
14 April 2023

Section 2 – Consolidated Financial Statements

INEOS QUATTRO HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS QUATTRO HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of INEOS Quattro Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- The parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 32 and parent company related notes 1-14.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INEOS QUATTRO HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS QUATTRO HOLDINGS LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

INEOS QUATTRO HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS QUATTRO HOLDINGS LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud *(continued)*

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, IFRS and FRS 101, as well as laws and regulations prevailing in each country in which we identified a full-scope component and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licences and environmental regulations.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Occurrence of non-routine revenue transactions given these are more susceptible to manipulation compared to automatic routine transactions.

Our specific procedures performed to address the occurrence of non-routine revenue transactions include the following procedures:

- assessed the design and implementation of the key controls in place around the revenue recognition process;
- substantive testing of manual adjustments to revenue through agreement to supporting evidence that verifies the occurrence of the revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and tax authorities.

INEOS QUATTRO HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS QUATTRO HOLDINGS LIMITED

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

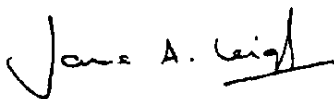
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Leigh FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 April 2023

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		€m	
Revenue	2	18,172.3	14,932.2
Cost of sales before exceptional items.....		(15,171.7)	(11,821.5)
Exceptional cost of sales.....	4	-	(140.6)
Total cost of sales.....		(15,171.7)	(11,962.1)
Gross profit		3,000.6	2,970.1
Distribution costs.....		(901.9)	(814.5)
Administrative expenses before exceptional items.....		(474.8)	(440.0)
Exceptional administrative expenses.....	4	(5.1)	(41.1)
Total administrative expenses.....		(479.9)	(481.1)
Operating profit	5	1,618.8	1,674.5
Share of profit of associates and joint ventures using the equity method.....	12	233.6	462.0
Dividends received from other investments.....		2.6	2.5
Impairment of investments.....	12	-	(1.0)
Loss on disposal of equity accounted investments.....	12	(26.6)	-
Profit on disposal of controlling stake in businesses.....	3	710.3	-
Profit on disposal of property, plant and equipment.....		5.6	4.3
Profit before net finance costs		2,544.3	2,142.3
Finance income.....	8	89.6	101.8
Finance costs before exceptional items.....	8	(287.0)	(273.1)
Exceptional finance costs.....	4, 8	(4.3)	(68.9)
Total finance costs.....		(291.3)	(342.0)
Net finance costs.....		(201.7)	(240.2)
Profit before tax		2,342.6	1,902.1
Tax charge.....	9	(377.7)	(326.0)
Profit for the year		1,964.9	1,576.1
Profit attributable to:			
- Owners of the parent.....		1,920.3	1,545.8
- Non-controlling interest.....		44.6	30.3
		1,964.9	1,576.1

All activities of the Group relate to continuing operations.

The notes on pages 34 to 105 are an integral part of these consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2022

	Note	2022	2021
		€m	
Profit for the year		1,964.9	1,576.1
Other comprehensive (expense)/income:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefit obligations	20	(35.6)	54.8
Deferred taxes on remeasurement of post-employment benefit obligations	14	6.8	(9.6)
Fair value gain on investments in equity instruments designated as FVTOCI	25	(0.4)	-
Reclassification of foreign exchange translation difference on disposal of subsidiaries to profit or loss	3	9.8	-
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign exchange translation differences of subsidiaries		(51.0)	202.9
Total other comprehensive (expense)/income for the year, net of tax		(70.4)	248.1
Total comprehensive income for the year		1,894.5	1,824.2
Total comprehensive income attributable to:			
- Owners of the parent		1,854.9	1,784.7
- Non-controlling interest		39.6	39.5
Total comprehensive income for the year		1,894.5	1,824.2

The notes on pages 34 to 105 are an integral part of these consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
Non-current assets		€m	
Property, plant and equipment.....	10	4,722.8	4,972.2
Intangible assets.....	11	2,187.1	2,265.2
Investments in equity-accounted investees.....	12	1,800.6	1,530.9
Other investments.....	12	9.8	18.1
Other financial assets.....	13	2.2	2.1
Other receivables.....	16	152.7	52.5
Employee benefits.....	20	27.7	69.0
Deferred tax assets.....	14	150.2	202.9
Total non-current assets.....		9,053.1	9,112.9
Current assets			
Inventories.....	15	1,473.6	1,548.9
Trade and other receivables.....	16	2,360.9	2,377.9
Tax receivables for current tax.....		79.2	54.7
Other financial assets.....	13	244.5	-
Cash and cash equivalents.....	26	1,530.1	1,291.3
Total current assets.....		5,688.3	5,272.8
Total assets.....		14,741.4	14,385.7
Equity attributable to owners of the parent			
Share capital.....	23	0.3	0.3
Merger reserve.....	24	(4,526.9)	(4,526.9)
Retained earnings.....		8,961.0	7,551.5
Other reserves.....		148.1	213.5
Total shareholders' funds.....		4,582.5	3,238.4
Non-controlling interest.....		66.1	74.2
Total equity.....		4,648.6	3,312.6
Non-current liabilities			
Interest-bearing loans and borrowings.....	17	6,336.5	6,436.4
Lease liabilities.....	18	224.3	226.6
Trade and other payables.....	19	142.5	146.9
Employee benefits.....	20	189.5	233.3
Provisions.....	21	154.6	185.3
Deferred tax liabilities.....	14	400.3	404.9
Total non-current liabilities.....		7,447.7	7,633.4
Current liabilities			
Interest-bearing loans and borrowings.....	17	4.5	133.9
Lease liabilities.....	18	65.0	72.6
Trade and other payables.....	19	2,301.0	2,978.5
Tax liabilities for current tax.....		194.7	146.0
Other financial liabilities.....	22	46.2	53.4
Provisions.....	21	33.7	55.3
Total current liabilities.....		2,645.1	3,439.7
Total liabilities.....		10,092.8	11,073.1
Total equity and liabilities.....		14,741.4	14,385.7

The notes on pages 34 to 105 are an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on 14 April 2023 and were signed on its behalf by:



G W Leask
Director

INEOS Quattro Holdings Limited
Registered number: 09922632

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022

	Note	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Total shareholders' funds	Non-controlling interest	Total equity
€m									
Balance at 1 January 2021		0.3	6,620.4	(4,526.9)	603.5	(25.4)	2,671.9	71.3	2,743.2
Profit for the year		-	-	-	1,545.8	-	1,545.8	30.3	1,576.1
Other comprehensive income/(expense):									
Remeasurement of post-employment benefit obligations	20	-	-	-	-	53.7	53.7	1.1	54.8
Deferred taxes on remeasurement of post-employment benefit obligations	14	-	-	-	-	(9.4)	(9.4)	(0.2)	(9.6)
Foreign exchange translation differences of subsidiaries		-	-	-	-	194.6	194.6	8.3	202.9
Total other comprehensive income						238.9	238.9	9.2	248.1
Transactions with owners, recorded directly in equity:									
Reduction of share premium	23	-	(6,620.4)	-	6,620.4	-	-	-	-
Repayment of Equity Bridge Contribution	23	-	-	-	(824.9)	-	(824.9)	-	(824.9)
Dividends	23	-	-	-	(393.3)	-	(393.3)	(36.6)	(429.9)
Transactions with owners, recorded directly in equity		-	(6,620.4)	-	5,402.2	-	(1,218.2)	(36.6)	(1,254.8)
Balance at 31 December 2021		0.3	-	(4,526.9)	7,551.5	213.5	3,238.4	74.2	3,312.6
Profit for the year		-	-	-	1,920.3	-	1,920.3	44.6	1,964.9
Other comprehensive (expense)/income:									
Remeasurement of post-employment benefit obligations	20	-	-	-	-	(32.6)	(32.6)	(3.0)	(35.6)
Deferred taxes on remeasurement of post-employment benefit obligations	14	-	-	-	-	6.1	6.1	0.7	6.8
Foreign exchange translation differences of subsidiaries		-	-	-	-	(48.3)	(48.3)	(2.7)	(51.0)
Reclassification to profit or loss on disposal of subsidiaries	3	-	-	-	-	9.8	9.8	-	9.8
Fair value loss on investments in equity instruments designated as FVTOCI	14	-	-	-	-	(0.4)	(0.4)	-	(0.4)
Total other comprehensive expense		-	-	-	-	(65.4)	(65.4)	(5.0)	(70.4)
Transactions with owners, recorded directly in equity:									
Adjustment arising from change in non-controlling interest		-	-	-	10.2	-	10.2	12.2	22.4
Adjustment arising from disposal of non-controlling interest		-	-	-	-	-	-	(32.5)	(32.5)
Dividends	23	-	-	-	(521.0)	-	(521.0)	(27.4)	(548.4)
Transactions with owners, recorded directly in equity		-	-	-	(510.8)	-	(510.8)	(47.7)	(558.5)
Balance at 31 December 2022		0.3	-	(4,526.9)	8,961.0	148.1	4,582.5	66.1	4,648.6

The notes on pages 34 to 105 are an integral part of these consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022

Analysis of other reserves:

	<u>Note</u>	<u>Translation reserve</u>	<u>Fair value reserve</u>	<u>Actuarial reserve</u>	<u>Total other reserves</u>
				£m	
Balance at 1 January 2021		(10.7)	-	(14.7)	(25.4)
Remeasurement of post-employment benefit obligations	20	-	-	53.7	53.7
Deferred taxes on remeasurement of post-employment benefit obligations	14	-	-	(9.4)	(9.4)
Foreign exchange translation differences of subsidiaries		<u>194.6</u>	<u>-</u>	<u>-</u>	<u>194.6</u>
Balance at 31 December 2021		183.9	-	29.6	213.5
Remeasurement of post-employment benefit obligations	20	-	-	(32.6)	(32.6)
Deferred taxes on remeasurement of post-employment benefit obligations	14	-	-	6.1	6.1
Fair value gain on investments in equity instruments designated as FVTOCI	14	-	(0.4)	-	(0.4)
Reclassification of foreign exchange translation difference on disposal of subsidiaries		9.8	-	-	9.8
Foreign exchange translation differences of subsidiaries		<u>(48.3)</u>	<u>-</u>	<u>-</u>	<u>(48.3)</u>
Balance at 31 December 2022		<u>145.4</u>	<u>(0.4)</u>	<u>3.1</u>	<u>148.1</u>

The notes on pages 34 to 105 are an integral part of these consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2022

	Note	2022	2021
		<u>€m</u>	
Cash flows from operating activities			
Profit for the year		1,964.9	1,576.1
Adjustments for:			
Depreciation and impairment	10	582.9	595.5
Amortisation and impairment	11	129.4	122.9
Net finance costs	8	201.7	240.2
Share of profit of joint ventures and associated undertakings	12	(233.6)	(462.0)
Dividends received from other investments		(2.6)	(2.5)
Profit on disposal of property, plant and equipment		(5.6)	(4.3)
Impairment of investments	12	26.6	1.0
Profit on disposal of subsidiaries		(710.3)	-
Tax charge	9	377.7	326.0
Decrease/(increase) in trade and other receivables		406.6	(789.4)
Decrease/(increase) in inventories		73.3	(589.2)
(Decrease)/increase in trade and other payables		(542.5)	1,032.0
(Decrease)/increase in provisions and employee benefits		(74.6)	70.0
Tax paid		(321.8)	(291.1)
Net cash from operating activities		<u>1,872.1</u>	<u>1,825.2</u>
Cash flows from investing activities			
Interest and other finance income received		13.6	5.0
Net repayment of loans made to related parties		4.2	6.7
Dividends received from joint ventures	12	401.4	188.7
Dividends received from other investments		2.6	2.5
Disposal of businesses, net of cash disposed of and withholding tax	3	238.1	-
Proceeds from sales of property, plant and equipment		16.1	6.8
Acquisition of businesses, net of cash acquired	3	-	85.8
Acquisition of other investments		(0.2)	(0.7)
Acquisition of intangible assets		(75.7)	(3.5)
Acquisition of property, plant and equipment		(869.4)	(750.2)
Net cash used in investing activities		<u>(269.3)</u>	<u>(458.9)</u>
Cash flows from financing activities			
Proceeds from external borrowings	17	431.1	4,832.5
Repayment of external borrowings		(418.9)	(4,185.4)
Debt issue costs		(1.2)	(63.0)
Interest paid		(270.2)	(187.7)
Capital element of lease payments	18	(82.8)	(95.8)
Non-controlling interest buy-out	23	22.5	-
Drawdown of loans made to the owners of the Company		(500.5)	-
Repayment of Equity Bridge Contribution to the owners of the Company	23	-	(824.9)
Dividend paid attributable to the owners of the Company	23	(521.0)	(393.3)
Dividend paid attributable to non-controlling interest		(34.9)	(10.3)
Net cash used in financing activities		<u>(1,375.9)</u>	<u>(927.9)</u>
Net increase in cash and cash equivalents	26	226.9	438.4
Cash and cash equivalents at 1 January	26	1,291.3	805.6
Effect of exchange rate fluctuations on cash held		11.9	47.3
Cash and cash equivalents at 31 December	26	<u>1,530.1</u>	<u>1,291.3</u>

The notes on pages 34 to 105 are an integral part of these consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1 ACCOUNTING POLICIES

1.1 Overview

INEOS Quattro Holdings Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom, registered in England and Wales, and has its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

The Company was incorporated on 18 December 2015, as a subsidiary of INEOS Industries Holdings Limited.

1.2 Basis of accounting

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associated undertakings and recognise its joint arrangements as joint operations or joint ventures. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with United Kingdom adopted international accounting standards.

In preparing the financial statements, the directors have considered the impact of climate change, particularly in the context of the principal risk identified on page 19. There has been no material impact identified on the financial reporting judgements and estimates. The directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the group's financial statements

The Group meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries' operations. The Group held cash balances of €1,530.1 million at 31 December 2022 (2021: €1,291.3 million) and gross loans and borrowings of €6,391.7 million at 31 December 2022 (2021: €6,640.2 million). The Group has no significant financial covenants. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €4,648.6 million as at 31 December 2022 (2021: €3,312.6 million) the Directors have concluded that the Group can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Group financial statements have been prepared and approved by the directors in accordance with United Kingdom adopted international accounting standards and have been approved for issuance by the Board of Directors on 14 April 2023.

The notes below provide a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments classified at fair value through the profit or loss or at fair value through other comprehensive income.

1.4 Functional and presentation currency

The presentational currency of the Group is the Euro, which is the functional currency of the majority of operations. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

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1.5 Changes in accounting policies

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2022, with effect from 1 January 2022, although there has been no material effect on the Group's financial statements:

- **Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract.**
The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- **Amendments to References to the Conceptual Framework in IFRS 3.**
The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use.**
Under the amendments, proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
- **Annual Improvements to IFRS Standards 2018-2020:**
IFRS 1: Subsidiary as a first-time Adopter – The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities – The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements.
- **Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective date 1 January 2024).**

1.6 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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1.6 Basis of consolidation (continued)

Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Special purpose entities ("SPE")

A SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established three SPE's, INEOS Styrolution Receivables Finance Designated Activity Company, Deutsche Bank Mexico F/1787 and INEOS Norway Finance Ireland Limited, for debt securitisation programmes. The Group does not have any direct or indirect shareholdings in these SPE's. The SPE's are controlled by the Group as they have been established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE's and their assets. INEOS Styrolution Receivables Finance Designated Activity Company, Deutsche Bank Mexico F/1787 and INEOS Norway Finance Ireland Limited are therefore regarded as SPE's and have been consolidated in these financial statements.

Associated undertakings

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

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1.6 Basis of consolidation (continued)

Associated undertakings (continued)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

Under IFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be either joint operations or joint ventures.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses on a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.7 Foreign exchange

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

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1.7 Foreign exchange (continued)

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in OCI, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

1.8 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) They include no contractual obligation upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in debt and equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss or at fair value through other comprehensive income.

Trade and other payables

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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1.8 Classification of financial instruments issued by the Group (continued)

Investments in debt and equity securities (continued)

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits.

Cash flows entered into by a third party on behalf of the Group (as it's 'agent') are presented 'gross'. These are typically cash flows arising from financing activities, undertaken by agent banks.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Debt restructuring

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent remeasurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of the hedge is recognised immediately in the consolidated income statement as finance income or expense.

Where the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss, e.g. when interest income or expense is recognised.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and included in the consolidated income statement as an adjustment to revenue and cost of sales in the same period or periods during which the hedged forecast transaction affects revenue and cost of sales in the consolidated income statement.

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1.8 Classification of financial instruments issued by the Group (continued)

Derivative financial instruments and hedging (continued)

When a hedging instrument expires, is sold, terminated, exercised, or the hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the consolidated income statement immediately.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

• Buildings	10 to 50 years
• Plant and Equipment	
- Major items of plant	3 to 30 years
- Major plant overhauls	2 to 4 years
- Motor vehicles	5 years
- Computer hardware and major software	2 to 4 years
- Fixtures and fittings	3 to 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

1.10 Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in retained earnings within a distributable merger reserve. The Group has elected not to include the results of businesses acquired under common control transactions within the Group income statement for any periods prior to the date of acquiring control.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

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1.10 Business combinations, goodwill and intangible assets (continued)

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- | | |
|--------------------------------|-----------------------|
| • Customer relationships | 3 – 12 years |
| • Intellectual property rights | 10 – 15 years |
| • Non-compete agreements | life of the agreement |
| • Licenses | up to 15 years |
| • Other | 3 years |

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

1.11 Research and development

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.12 Impairment

Impairment of financial assets

A financial asset not classified at fair value through profit and loss is assessed at each reporting date to determine whether there is evidence that it is impaired.

Trade and other receivables

The Group applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Group to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

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1.12 Impairment (continued)

Investments in debt and equity securities

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through profit or loss.

Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Inventories

Inventories (excluding engineering stocks and maintenance spares) are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

Engineering stocks and maintenance spares are valued at moving average price. Catalysts, which are part of the chemical reaction and are consumed in the production process, are held as raw materials and consumables within inventories. These are consumed over a certain period, depending on their renewal cycles, according to normal production levels.

Cost of sales includes direct costs of raw material, distribution and handling costs.

1.14 Commodities

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

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1.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16 *Leases*.

Group as a lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.16 Government grants and similar deferred income

Government grants and similar deferred income are shown in the balance sheet as deferred income. This income is amortised on a straight-line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

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1.17 Employee benefits

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses;
- net finance costs and,
- in net expense recognised directly in equity, the remeasurements of post employment benefit obligations.

Certain of the Group's pension plans include multi-employer schemes for employees of the Group and other INEOS or third-party companies. The method used to split the results between the Group and the other participating employers is as follows:

- Most members are allocated to a specific company, but where this was not possible members are allocated to the largest employer within the Group.
- Active scheme liabilities are allocated pro-rata based on the relative value of accrued pensions for active members. Deferred and pensioner members are allocated to the largest employer within the Group.
- Total assets and cash flows are allocated in proportion to accrued pensions.
- The allocation of total scheme liabilities is based on data collected at the last valuation date and this proportionate split has been applied consistently in the calculations.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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1.18 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change. Provisions are determined by discounting the expected future cash flows at risk free pre-tax rates based on country specific government bond yields which match the maturity of the expected future cash flows. The unwinding of the discount is recognised in finance costs.

Estimated direct costs to be incurred in connection with restructuring measures are provided for when the Group has a constructive obligation, which is generally the same as the announcement date. The announcement date is the date on which the plan is announced in sufficient detail such that employees have valid expectations that the restructuring will be carried out.

The Group is exposed to environmental and remediation liabilities relating to its past operations. Provision for these costs is made when the Group has a legal or constructive obligation to carry out remediation works and costs can be estimated within a reasonable range of possible outcomes.

1.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.20 Revenue

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The timing of the satisfaction of a performance obligation varies depending on the individual terms of the sales agreement. Payment terms vary across the Group dependent on geographical location of each operating company. Transfer of control can occur when the product is received at the customer's warehouse, or loading the goods onto the relevant carrier, or when the product leaves the production site, depending on the international shipping terms that the product is sold under.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

The Group applies the five-step model for revenue recognition, introduced by IFRS 15 Revenue from Contracts with Customers. This model allows the Group to identify the contract with a customer; to determine the performance obligations in the contract; to establish the transaction price, which is later allocated to the performance obligations in the contract; and to recognise revenue when, or as, the entity satisfies a performance obligation, that is, that the control of the asset is transferred to the customer.

The Group has a small number of contracts that include distinct performance obligations. This results, in a limited number of cases, that revenue for certain performance obligations (being primarily separate shipping obligations) is recognised later in time. Additionally, certain customer contracts offer various forms of volume or early payment discount. These variable considerations might have a consequence timing differences, but since the majority of contracts have terms of less than one year, the differences are solved within the period. Revenue is recognised to the extent that it is highly likely that a significant reversal in the amount of cumulative revenue recognised will not occur.

Additionally, certain customer contracts offer various forms of variable consideration in the form of early settlement discount or retrospective volume discounts. If it is highly probable that an early settlement discount will be taken and the amount is not expected to reverse when the variability is resolved, the discount is recognised as a reduction of revenue as the sales are recognised. If a volume discount applies retrospectively to all sales under the contract once a certain threshold is achieved, an estimate of the volumes to be sold and the resulting discount is calculated in determining the transaction price and this calculation is updated throughout the term of the contract.

Certain time and location swap contracts with third parties for commodities and finished goods are excluded from turnover and cost of sales.

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1.20 Revenue (continued)

Services provided to third parties include administrative and operational services provided to other companies with facilities on the Group's sites. Revenue is recognised at a point in time or over-time depending on whether the over-time revenue recognition criteria is met.

No assets related to costs to obtain or fulfil a contract have been recognised. Its impact, if any, is deemed immaterial.

1.21 Finance income and costs

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a net basis.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses on derivatives, net interest on employee benefit liabilities and net foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans, net fair value gains on derivatives and net foreign exchange gains.

1.22 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.23 Segmental analysis

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committees of each business who report into the shareholder.

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure and the aggregation criteria set out in IFRS 8.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Details of the Group operating segments and the segmental analysis of revenue and EBITDA before exceptionals are shown in note 2.

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1.24 Exceptional items

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

1.25 Emissions Trading schemes

The Group participates in the EU and UK Emissions Trading Schemes. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU and UK Emissions Trading Schemes are recognised in the consolidated income statement within cost of sales as a reduction of energy costs once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. Any additional emission permits that are purchased are recognised as intangible assets. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

1.26 Accounting standards not applied

A number of new standards and amendments are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).
- Amendments to IFRS 16: Lease liability in a sale and leaseback (effective date 1 January 2024).

2 OPERATING SEGMENTS

Revenue and EBITDA before exceptional items are key measures used by the chief operating decision makers of the Group to assess the performance of the business segments.

The Group divides its operations into four segments:

- *Styrolution*, consisting of a portfolio of styrene monomer, polystyrene and acrylonitrile butadiene styrene ("ABS") and a number of other styrene derivatives under the category of "Specialties" such as ABS specialty and copolymers.
- *INEOS Inovyn*, consisting of general purpose and specialty suspension PVC, emulsion PVC, caustic soda, caustic potash, chlorine and chlorine by-products, brine and water, salt, hydrochloric acid, chlorinated paraffins, chlorinated solvents, allylics and epichlorohydrin.
- *Acetyls*, consisting of a variety of organic compounds, including acetic acid, acetic anhydride, methanol, ethyl acetate and vinyl acetate.
- *Aromatics*, consisting of a variety of aromatic chemical compounds, including paraxylene, purified terephthalic acid, benzene and metaxylene.

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2 OPERATING SEGMENTS (continued)

The revenue and EBITDA before exceptional items attributable to each business segment was as follows:

	Revenue		EBITDA before exceptional items	
	2022	2021	2022	2021
	€m			
Styrolution.....	6,634.3	5,889.7	748.6	1,180.3
INEOS Inovyn.....	5,136.2	4,225.6	1,176.0	974.4
Acetyls.....	1,369.6	1,219.0	363.4	622.0
Aromatics.....	5,115.2	3,683.2	284.4	262.4
Eliminations.....	(83.0)	(85.3)	-	-
	18,172.3	14,932.2	2,572.4	3,039.1

All revenues and EBITDA are in relation to the Group's ordinary activities.

Reconciliation of earnings before operating exceptional items, interest, taxation, impairment, depreciation and amortisation and after the share of profit/loss of associated undertakings and joint ventures using the equity accounting method ("EBITDA before exceptionals") to profit before tax:

	2022	2021
	€m	
EBITDA before exceptional items.....	2,572.4	3,039.1
Depreciation, amortisation and impairment charges.....	(712.3)	(718.4)
Exceptional items within operating profit (note 4).....	(5.1)	(181.7)
Impairment of investments (note 12).....	-	(1.0)
Profit on disposal of property, plant and equipment.....	5.6	4.3
Loss on disposal of equity accounted investment (note 12).....	(26.6)	-
Profit on disposal of businesses (note 3).....	710.3	-
Net finance costs (note 8).....	(201.7)	(240.2)
Profit before tax.....	2,342.6	1,902.1

Geographical analysis – revenues

Geographical information by location of customers	2022	2021
	€m	
Europe.....	8,222.6	6,694.6
North Americas.....	4,368.8	2,963.8
Rest of World.....	5,580.9	5,273.8
Total.....	18,172.3	14,932.2

Geographical information by location of trading legal entity	2022	2021
	€m	
Europe.....	8,757.3	7,434.1
North Americas.....	4,570.8	3,155.1
Rest of World.....	4,844.2	4,343.0
Total.....	18,172.3	14,932.2

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and registered address of the Group's trading legal entities.

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3 ACQUISITION AND DISPOSAL OF BUSINESSES

Disposals in current year

Disposal of INEOS Styrolution India Limited

On 22 April 2022, the Group sold 13.8% of its shareholding in INEOS Styrolution India Limited for consideration of \$25.1 million (€22.5 million equivalent). The Group's shareholding reduced from 75.0% to 61.2% as a result, with control being retained.

On 1 August 2022, the Group entered into an agreement to divest its remaining shareholding of 61.19% in INEOS Styrolution India Limited with Shiva Performance Materials Private Limited. The transaction was completed on 17 November 2022.

The net assets disposed at the date of disposal were as follows:

	Recognised values on disposal €m
Subsidiary's net assets recognised at the disposal date:	
Property, plant and equipment.....	39.9
Intangible assets.....	72.2
Investments.....	0.2
Inventories.....	41.1
Current debtors and other assets.....	44.4
Cash and cash equivalents.....	14.8
Trade and other payables.....	(5.0)
Lease liability.....	(40.4)
Employees benefits.....	(0.1)
Provisions.....	(1.3)
Deferred tax liabilities.....	(11.6)
Tax liabilities for current tax.....	(4.2)
Minority interests.....	(32.5)
Net assets of disposal group.....	117.5
Proceeds:	
Cash consideration.....	80.7
Accrued transaction costs.....	(0.5)
Net proceeds.....	80.2
Reclassification of foreign currency translation reserve to the income statement.....	9.8
Loss on disposal.....	(47.1)

The loss on disposal of €47.1 million, being the difference between net proceeds of €80.2 million (after deduction of transaction costs), the reclassification of foreign currency translation gains from reserve to the income statement of €9.8 million and net assets disposed of has been recognised in the statement of comprehensive income.

The transaction resulted in a net cash inflow of €65.9 million, being the difference between the sale price of €80.7 million less the cash balances held by the disposed business of €14.8 million. Transaction costs of €0.5 million remain unsettled as at 31 December 2022.

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3 ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

Disposals in current year

Equity transfer agreement of INEOS Styrolution Advanced Materials (Ningbo) Pte Limited

On 28 July 2022, the Group's subsidiary, INEOS Styrolution APAC Pte. Limited, entered into an agreement to transfer 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation ("Sinopec"). As a result, the Group lost control but retained joint control. Based on the terms of the joint-arrangement reviewed in accordance with IFRS 11, the Group has assessed that its 50% interest represents an interest in a joint venture and shall be accounted for using the equity method. The transaction was completed on 28 December 2022.

The net assets disposed at the date of the loss of control were as follows:

	Recognised values on disposal €m
Disposal of 100% of subsidiary's net assets recognised at the loss of control date:	
Property, plant and equipment.....	560.9
Intangible assets.....	0.6
Deferred tax assets.....	2.0
Inventories.....	0.4
Current debtors and other assets.....	58.3
Cash and cash equivalents.....	40.7
Trade and other payables.....	(34.1)
Intercompany loans.....	(64.7)
External loans and borrowings.....	(408.9)
Debt issue costs.....	0.4
Net assets of disposal group.....	155.6
Recognition of 50% of the joint-venture equity share:	
Fair value of share of joint-venture.....	443.1
Proceeds:	
Cash consideration*.....	226.4
Deferred consideration.....	246.2
Accrued transaction costs.....	(2.7)
Net proceeds.....	469.9
Gain on disposal.....	757.4

*Withholding tax of €13.5 million was paid in respect of this transaction.

The profit on disposal of €757.4 million, being the difference between the net proceeds of €469.9 million (after deduction of transaction costs); the 50% of the joint-venture equity share recognised at fair value of €443.1 million and net assets disposed of has been recognised in the statement of comprehensive income.

The deferred consideration is related to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by December 2023 at the latest. The deferred consideration has been discounted to recognise the time value of money.

The cost of acquiring the 50% of the joint-venture equity share has been measured at fair value by applying discounted cash flow method based on a long-term business plan with a detailed planning period of seven years.

The transaction resulted in a net cash inflow of €172.2 million, being the difference between the sale price settled on completion of €226.4 million less €13.5 million of withholding tax paid and the cash balances held by the disposed business of €40.7 million. Transaction costs of €2.7 million remain unsettled as at 31 December 2022.

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3 ACQUISITION AND DISPOSAL OF BUSINESSES (continued)

Acquisitions in the prior year – BP Petrochemicals

On 31 December 2020, pursuant to an acquisition agreement dated 29 June 2020 between INEOS Holdings AG and BP, certain subsidiaries of the Group agreed to purchase the Aromatics and Acetyls businesses from certain subsidiaries of BP (the “BP Acquisition” or the “BP Petrochemicals Business”), including shares in seven jointly-controlled joint ventures and the assets owned and used in relation to the Aromatics and Acetyls businesses.

The total purchase price for the BP Petrochemicals business of \$4,990.0 million (€4,178.3 million equivalent) was subject to a completion accounts settlement process. Cash of €88.3 million was acquired with the Aromatics and Acetyls businesses on 31 December 2020. During 2021, the completion accounts settlement process was finalised, leading to a €85.8 million cash inflow from BP.

During the year ended 31 December 2021 the Group reviewed these provisional fair values and the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill was updated in 2021 as shown in the table below. Following the clarification of certain terms of the sale and purchase agreement with BP, additional liabilities were recognised in relation to employees’ compensation costs triggered at the acquisition date for €23.8 million and transfer to BP of a tax refund received by PT INEOS Aromatics Indonesia for €6.4 million. The balance sheet as at 31 December 2020 has not been restated to reflect the above as the impact is not material.

	2020			2021		
	Book value on acquisition	Accounting policy alignment	Fair value adjustments	Provisional fair value on acquisition	Revaluation updates	Final values recognised on acquisition
	€m					
<i>Acquiree’s net assets at acquisition date:</i>						
Property, plant and equipment	1,726.2	29.4	(41.9)	1,713.7	-	1,713.7
Intangible assets	3.4	-	558.7	562.1	-	562.1
Investments in equity accounted investees	789.1	-	390.3	1,179.4	-	1,179.4
Other non-current financial assets	2.0	-	-	2.0	-	2.0
Other investments	12.6	-	-	12.6	-	12.6
Other non-current receivables	1.6	-	-	1.6	-	1.6
Deferred tax assets	8.3	-	18.2	26.5	-	26.5
Inventories	322.2	(29.4)	(4.6)	288.2	-	288.2
Trade and other receivables	455.4	-	(33.6)	421.8	-	421.8
Cash and cash equivalents	88.3	-	-	88.3	-	88.3
Current and non-current interest-bearing loans and borrowings	(17.2)	-	-	(17.2)	-	(17.2)
Current and non-current lease liabilities	(85.4)	-	-	(85.4)	-	(85.4)
Current and non-current trade and other payables ..	(404.2)	-	(4.0)	(408.2)	(30.2)	(438.4)
Employee benefits	(2.4)	-	(0.1)	(2.5)	-	(2.5)
Current and non-current provisions	(2.9)	-	(1.5)	(4.4)	-	(4.4)
Deferred tax liabilities	(82.4)	-	17.2	(65.2)	-	(65.2)
Net identifiable assets and liabilities acquired	2,814.6	-	898.7	3,713.3	(30.2)	3,683.1
Non-controlling interest				(45.1)	-	(45.1)
Net assets				3,668.2	(30.2)	3,638.0
<i>Consideration paid:</i>						
Cash consideration				4,178.3	-	4,178.3
Completion accounts settlement adjustment				(66.0)	(19.8)	(85.8)
Effect of movements in foreign exchange				-	0.9	0.9
Difference between consideration and net assets acquired				444.1	11.3	455.4

The difference between consideration and net assets acquired has been recognised within intangible assets in note 11. Goodwill is not expected to be deductible for income tax purposes.

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4 EXCEPTIONAL ITEMS

	2022	2021
	€m	
Exceptional items included in cost of sales:		
Plant closure costs ⁽¹⁾	-	19.0
Environmental costs ⁽²⁾	-	121.6
	-	140.6
Exceptional items included in administrative expenses:		
Acquisition costs ⁽³⁾	-	4.1
Reorganisation costs ⁽⁴⁾	1.3	37.8
Other ⁽⁵⁾	3.8	(0.8)
	5.1	41.1
Exceptional items excluding finance costs	5.1	181.7
Exceptional finance costs:		
Charge on early settlement of debt ⁽⁶⁾	4.3	68.9
Total exceptional expenses	9.4	250.6

Exceptional cost of sales and administrative expenses:

- (1) In March 2021, the Group announced the closure of the sulphur chemicals plant at Runcorn, United Kingdom and its withdrawal from the UK sulphur chemicals market. As a consequence, exceptional provisions of €11.9 million were recognised to cover the cost of exiting certain commercial agreements and the safe decommissioning of the plant. A further exceptional charge of €2.1 million was incurred in respect of redundant stock write-downs.

Remediation activities are continuing at Wilhelmshaven, Germany following the closure of INOVYN's mercury cell room in 2013. In 2021, a further provision of €5.0 million was made in 2021 to cover the extended operation of the waste water treatment plant until the demolition of the cell room is completed.

- (2) In 2016, INOVYN's mercury cellroom at Runcorn, United Kingdom ceased production. Following a full review and assessment of scope and the availability of reliable cost estimates an exceptional provision of €25.8 million was recognised in 2021 to cover the demolition of the cellroom, including the safe disposal of hazardous waste and elemental mercury.

A €22.6 million provision was made by the Group's site in Runcorn, United Kingdom in relation to the demolition of the redundant Weston Point Power Station after management approved plans in 2021 for the removal of asbestos from the structure. Moreover, a dismantling provision of €9.1 million was recognised at Runcorn in relation to the aforementioned closure of the sulphur chemicals plant.

The Group also approved plans in 2021 for the dismantling of the mercury cell room at Wilhelmshaven, Germany and related infrastructure in 2021, after atmospheric and groundwater mercury levels exceeded permissible limits, with total provisions of €25.0 million being recognised.

At the Group's site at Tavaux, France, an exceptional charge of €18.5 million (€21.8 million of new provisions less €3.3 million of grants receivable) was incurred in order to comply with the obligations of the EU Water Directive, specifically in relation to an industrial scale waste water treatment plant and the sealing of sedimentation basins.

In addition to the above, further exceptional charges of €20.6 million (€23.4 million of new provisions less €2.8 million of grants receivable) were created in 2021 at the Group's sites at Lillo, Belgium; Zandvliet, Belgium; Tavazzano, Italy; Ferrara, Italy; Tavaux, France; and Runcorn, United Kingdom for various remediation related projects mostly associated with mercury contamination.

- (3) In 2020, certain subsidiaries of the Group acquired the Aromatics and Acetyls businesses from certain subsidiaries of BP. Acquisition-related professional fees relating to legal, accounting, human resources, industry specialists, environmental specialists and other consultancy costs were incurred in 2021.

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4 EXCEPTIONAL ITEMS (continued)

- (4) In 2022, the Aromatics businesses incurred €1.3 million of exceptional charges in respect of manpower reorganisations.

In 2021, the Aromatics and Acetyls businesses incurred €37.8 million of exceptional charges in respect of manpower reorganisations and various IT-related costs following the cessation of the IT transitional service agreement with BP.

- (5) In 2022, the Aromatics businesses incurred €3.8 million of exceptional charges related to cancellation of projects started under BP ownership and no longer expected to be pursued. The exceptional credit in 2021 of €0.8 million relates to the release of provisions made in prior years for legal claims and commercial disputes.

Exceptional finance costs:

- (6) In 2022, exceptional finance costs of €4.3 million were incurred in relation to the write off of unamortised debt issue costs associated with the Term Loan A Facilities due 2023 and the Term Loan A Facilities due 2025 which were repaid in full on 31 May 2022.

In 2021, exceptional finance costs of €52.7 million relate to the write off of unamortised debt issue costs associated with the Five-Year Euro Term Loan A Facility, the Bridge Facilities and the INOVYN Senior Secured Term Loan B Facility that were repaid on 29 January 2021. In addition, there was a finance charge of €16.2 million from a related party in respect of funding provided for the BP acquisition.

There is no material effect on the tax charge due to exceptional items.

5 OPERATING PROFIT

Included in operating profit are the following:

	2022	2021
	€m	
Research and development costs expensed as incurred.....	32.7	42.6
Amortisation of intangible assets	129.4	122.9
Expenses relating to short-term leases.....	6.0	5.4
Expenses relating to leases of low value assets	0.6	2.1
Expenses relating to variable lease payments not included in the measurement of the lease liability	9.3	19.7

Depreciation and impairment of property, plant and equipment - within cost of sales, distribution costs and administrative expenses

Owned assets - depreciation	495.2	450.5
Right-of-use assets - depreciation.....	87.7	88.7
	<u>582.9</u>	<u>539.2</u>
Owned assets - impairment	-	56.3
	<u>582.9</u>	<u>595.5</u>

	2022	2021
	€m	
Auditor's remuneration		
Audit of these financial statements.....	1.0	0.7
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation.....	4.1	4.1
Non-audit services.....	0.2	0.9
	<u>5.3</u>	<u>5.7</u>

The audit fee above includes the audit fee of €13,600 (2021: €10,300) for the parent Company.

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6 STAFF NUMBERS AND COSTS

The monthly average number of persons including directors employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

	2022	2021
	Number	
Research and development	238	289
Administration	1,673	1,795
Operations	6,711	7,120
	<u>8,622</u>	<u>9,204</u>

The aggregate payroll costs of these persons were as follows:

	2022	2021
	€m	
Wages and salaries	842.3	821.6
Social security costs	118.6	111.7
Contributions to defined contribution plans	44.9	39.1
Items related to defined benefit plans:		
Current service cost	21.7	24.9
Past service credit	-	(0.2)
	<u>1,027.5</u>	<u>997.1</u>

7 DIRECTORS' REMUNERATION

	2022	2021
	€m	
Salaries and other short-term benefits	1.6	1.6
Company contributions to money purchase schemes	-	-
Other long-term benefits	-	-
	<u>1.6</u>	<u>1.6</u>

Highest paid director

	2022	2021
	€m	
Aggregate emoluments	<u>1.6</u>	<u>1.6</u>

One director has benefits accrued under defined benefit schemes (2021: one). No directors have benefits accruing under defined contribution schemes (2021: nil).

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8 FINANCE INCOME AND COSTS

	2022	2021
	€m	
Finance income		
Interest receivable from banks and short-term deposits	7.2	1.9
Interest receivable from associated undertakings	2.1	2.0
Other interest income	5.3	3.3
Total interest income on financial assets not at fair value through profit or loss ..	14.6	7.2
Net exchange movements	62.1	94.4
Unwind of discount on provisions	12.9	0.2
Total finance income	89.6	101.8
Finance costs		
Interest payable on Term Loans	156.0	119.5
Interest payable on Bridge Facilities	-	8.3
Interest payable on bank loans and overdrafts	7.7	-
Interest payable on Senior Secured Notes and Senior Notes	68.2	62.4
Interest payable on securitisation facility	3.9	3.5
Interest payable on revolving credit facility	-	1.5
Interest payable to related parties	1.8	1.7
Amortisation of debt issue costs	17.6	15.9
Interest payable on right-of-use assets	12.1	11.6
Net fair value loss on derivatives	20.8	40.8
Interest expense on pension schemes	1.8	2.1
Borrowing costs capitalised in property, plant and equipment	(7.7)	-
Other interest expense	4.8	5.8
Total finance costs before exceptional items	287.0	273.1
Exceptional finance costs (note 4)	4.3	68.9
Total finance costs	291.3	342.0
Net finance costs	201.7	240.2

The exchange movements reflect foreign exchange gains or losses associated with short term intra group funding.

Net gains and losses on financial instruments are included in note 25.

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9 TAX CHARGE

Taxation recognised in the consolidated income statement

	2022	2021
	£m	
Current tax expense		
Current tax expense	293.9	348.1
Adjustments in respect of prior years	27.1	14.2
Current tax expense	<u>321.0</u>	<u>362.3</u>
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	64.4	(0.7)
Change in tax rates applied to temporary differences	(0.6)	(27.9)
Adjustments in respect of prior years	(7.1)	(7.7)
Deferred tax charge/(credit) (see note 14)	<u>56.7</u>	<u>(36.3)</u>
Total tax charge	<u>377.7</u>	<u>326.0</u>

Reconciliation of effective tax rate

	2022	2021
	£m	
Profit before taxation	2,342.6	1,902.1
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	445.1	361.4
Effect of tax rates in foreign jurisdictions	65.6	32.9
Non-deductible expenses	(133.7)	37.4
Change in tax rate	(1.0)	(28.2)
Adjustments in respect of prior years	20.0	6.5
Non-taxable joint venture income	(44.1)	(87.9)
Deferred tax not recognised	26.6	-
Other	(0.8)	3.9
Total tax charge	<u>377.7</u>	<u>326.0</u>

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxes in the United Kingdom at 31 December 2022 are measured at 25%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Taxation recognised in other comprehensive (expense)/income

	2022			2021		
	Gross	Tax	Net	Gross	Tax	Net
	£m					
Remeasurement of post-employment benefit obligations net of taxes	(35.6)	6.8	(28.8)	54.8	(9.6)	45.2
Fair value loss on investments in equity instruments designated as FVTOCI	(0.4)	-	(0.4)	-	-	-
Reclassification of foreign exchange translation difference on disposal of subsidiaries	9.8	-	9.8	-	-	-
Foreign exchange translation differences of subsidiaries	(51.0)	-	(51.0)	202.9	-	202.9
	<u>(77.2)</u>	<u>6.8</u>	<u>(70.4)</u>	<u>257.7</u>	<u>(9.6)</u>	<u>248.1</u>

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10 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Assets under construction	Right-of-use assets	Total
	€m					
Cost						
At 1 January 2021	267.4	403.4	4,027.8	792.9	394.3	5,885.8
Additions	-	5.1	93.3	647.5	48.9	794.8
Lease modifications and reassessments	-	-	-	-	23.9	23.9
Reclassification	2.7	47.2	375.2	(440.1)	-	(15.0)
Aborted capital expenditure	-	-	-	(1.2)	-	(1.2)
Early termination of right-of-use assets	-	-	-	-	(0.9)	(0.9)
Disposals	(5.0)	(2.4)	(357.5)	-	(16.5)	(381.4)
Effects of movements in foreign exchange	17.4	10.6	186.5	61.7	15.5	291.7
At 31 December 2021	282.5	463.9	4,325.3	1,060.8	465.2	6,597.7
Additions	-	30.5	616.4	226.8	40.5	914.2
Lease modifications and reassessments	-	-	-	-	40.1	40.1
Reclassification	26.0	53.4	271.4	(343.8)	3.5	10.5
Aborted capital expenditure	-	-	-	(16.9)	-	(16.9)
Disposals	(1.9)	(0.3)	(82.2)	-	(27.7)	(112.1)
Business disposal	(38.4)	(11.6)	(37.0)	(530.3)	(7.1)	(624.4)
Effects of movements in foreign exchange	10.8	(6.5)	(33.9)	20.0	6.2	(3.4)
At 31 December 2022	279.0	529.4	5,060.0	416.6	520.7	6,805.7
Accumulated depreciation and impairment						
At 1 January 2021	1.8	108.5	1,150.5	0.3	91.5	1,352.6
Depreciation charge for the year	1.7	22.6	426.2	-	88.7	539.2
Impairment charge for the year	1.5	-	54.8	-	-	56.3
Reclassification	0.1	0.3	(9.4)	(0.3)	-	(9.3)
Disposals	-	(1.7)	(356.7)	-	(16.5)	(374.9)
Effects of movements in foreign exchange	0.2	2.9	53.8	-	4.7	61.6
At 31 December 2021	5.3	132.6	1,319.2	-	168.4	1,625.5
Depreciation charge for the year	2.0	24.1	469.1	-	87.7	582.9
Reclassification	-	6.1	2.9	-	(0.9)	8.1
Disposals	(1.5)	(0.2)	(89.0)	-	(27.3)	(118.0)
Business disposal	(0.5)	(3.9)	(16.3)	-	(2.9)	(23.6)
Effects of movements in foreign exchange	-	0.5	4.9	-	2.6	8.0
At 31 December 2022	5.3	159.2	1,690.8	-	227.6	2,082.9
Net book value						
At 31 December 2021	277.2	331.3	3,006.1	1,060.8	296.8	4,972.2
At 31 December 2022	273.7	370.2	3,369.2	416.6	293.1	4,722.8

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10 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment under construction

In the year ended 31 December 2022, the Group acquired €226.8 million of property, plant and equipment under construction.

In the Styrolution business, the most significant expenditures in 2022 related to a new 600 kiloton ABS facility at Ningbo, China and a newly built ESPN plant in the US. In addition, there were planned turnarounds at the SM plant in Samia, Canada.

In the INEOS Inovyn business, the most significant expenditures consisted of a SPVC capacity expansion project at Jemeppe, a new mechanical vapor recompression salt plant at Tavaux, a brine borehole drilling program at Northwich and general SHE/sustenance expenditures. There were also planned turnaround events of the chlor-alkali and VCM assets at Grenland in Norway and the cracker at Feyzin, France.

In the Acetyls business, the most significant capital expenditure project related to the turnaround of the A5 acetic acid plant at Hull, U.K.

In the Aromatics business, the most significant expenditures were mainly on sustenance and safety compliance work to keep the assets running safely and in line with regulatory requirements. In addition, capital expenditures were incurred on an expansion project in Europe.

Investments in property, plant and equipment in the year ended 31 December 2021 mainly related to the new ASA Specialties plant at Bayport, US, a new 600 kilo ton ABS facility at Ningbo, China and a 78 kilo ton SPVC capacity expansion project at Jemeppe, Belgium

Business disposal

The disposal of INEOS Styrolution India Limited in November 2022 resulted in the disposal of property, plant and equipment of €39.9 million (see note 3). The transfer of 50% of the shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to Sinopec in December 2022 resulted in the disposal of property, plant and equipment of €560.9 million, the majority of which were assets under construction in relation to a new 600 kiloton ABS facility at Ningbo, China (see note 3).

Aborted capital expenditure

The proposed technology upgrade and modernization of one of the units of the Aromatics plant in Zhuhai, China was aborted due to poor economics of the project.

Impairment charge in prior year

Impairment charges in the prior year were mainly related to the closure of the sulphur chemicals plant in Runcorn, United Kingdom, abortion of a project to investigate the economic viability of a cellroom conversion utilising membrane technology at Martorell, Spain and the write-down of basic engineering works and equipment associated with an own-build new steam generator unit in Bayport, US.

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10 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets

	Land	Buildings	Plant and equipment, fixtures and fittings, and vehicles	Total
	€m			
At 1 January 2021	10.2	87.1	297.0	394.3
Additions	-	1.6	47.3	48.9
Lease modifications and remeasurements	-	2.9	21.0	23.9
Early termination of right-of-use assets	-	-	(0.9)	(0.9)
Disposals	-	(1.3)	(15.2)	(16.5)
Effects of movement in foreign exchange	0.3	1.9	13.3	15.5
At 31 December 2021	10.5	92.2	362.5	465.2
Additions	-	3.5	37.0	40.5
Lease modifications and remeasurements	5.1	0.7	34.3	40.1
Reclassification	-	-	3.5	3.5
Disposals	-	(3.3)	(24.4)	(27.7)
Business disposal	-	(1.0)	(6.1)	(7.1)
Effects of movement in foreign exchange	(0.3)	0.4	6.1	6.2
At 31 December 2022	15.3	92.5	412.9	520.7
At 1 January 2021	0.8	13.4	77.3	91.5
Depreciation charge for the year	0.5	7.7	80.5	88.7
Disposals	-	(1.3)	(15.2)	(16.5)
Effects of movement in foreign exchange	-	0.6	4.1	4.7
At 31 December 2021	1.3	20.4	146.7	168.4
Depreciation charge for the year	0.7	8.0	79.0	87.7
Reclassification	-	-	(0.9)	(0.9)
Disposals	-	(3.0)	(24.3)	(27.3)
Business disposal	-	(0.6)	(2.3)	(2.9)
Effects of movement in foreign exchange	-	0.3	2.3	2.6
At 31 December 2022	2.0	25.1	200.5	227.6
Net book value				
At 31 December 2021	9.2	71.8	215.8	296.8
At 31 December 2022	13.3	67.4	212.4	293.1

The Group mainly leases tanks, railcars, vessels, storage and transportation infrastructure, machinery, production buildings, administrative offices, motor vehicles and land, which are classified as right-of-use assets. Rental contracts are usually made for periods between 1 to 20 years, but may also include extension options. Extension options are included only if the lease term is reasonably certain to be extended and the decision of extending is mainly up to the Group (as a lessee).

See note 18 for lease obligations related to right-of-use assets.

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11 INTANGIBLE ASSETS

	Goodwill	Customer relationships	Intellectual property rights	Environmental certificates	Licence fees	Other	Total
	€m						
Cost							
At 1 January 2021.....	1,124.7	1,026.4	482.5	36.7	27.8	10.0	2,708.1
Acquisitions.....	11.3	-	-	-	-	-	11.3
Reclassifications.....	-	-	(0.6)	-	3.8	-	3.2
Additions.....	-	-	1.5	0.3	0.6	1.1	3.5
Disposals.....	-	-	(22.1)	(25.2)	-	-	(47.3)
Effect of movements in foreign exchange.....	57.7	44.1	24.0	0.6	0.5	-	126.9
At 31 December 2021	1,193.7	1,070.5	485.3	12.4	32.7	11.1	2,805.7
Business disposal.....	(38.0)	(40.1)	(19.4)	(0.7)	-	-	(98.2)
Additions.....	-	-	2.5	71.7	0.3	1.2	75.7
Disposals.....	-	-	-	(26.8)	(0.2)	-	(27.0)
Effect of movements in foreign exchange.....	49.0	20.1	13.3	0.4	0.3	-	83.1
At 31 December 2022	1,204.7	1,050.5	481.7	57.0	33.1	12.3	2,839.3
Accumulated amortisation and impairment							
At 1 January 2021.....	-	278.2	124.0	-	21.8	4.4	428.4
Amortisation for the year.....	-	81.0	38.2	-	2.5	1.2	122.9
Disposals.....	-	-	(22.1)	-	-	-	(22.1)
Effect of movements in foreign exchange.....	-	8.0	3.2	-	0.1	-	11.3
At 31 December 2021	-	367.2	143.3	-	24.4	5.6	540.5
Amortisation for the year.....	-	83.8	42.1	0.1	2.1	1.3	129.4
Disposals.....	-	-	-	-	(0.2)	-	(0.2)
Business disposal.....	-	(17.5)	(7.7)	(0.2)	-	-	(25.4)
Effect of movements in foreign exchange.....	-	5.7	2.1	-	0.1	-	7.9
At 31 December 2022	-	439.2	179.8	(0.1)	26.4	6.9	652.2
Net book value							
At 31 December 2021.....	<u>1,193.7</u>	<u>703.3</u>	<u>342.0</u>	<u>12.4</u>	<u>8.3</u>	<u>5.5</u>	<u>2,265.2</u>
At 31 December 2022	<u>1,204.7</u>	<u>611.3</u>	<u>301.9</u>	<u>57.1</u>	<u>6.7</u>	<u>5.4</u>	<u>2,187.1</u>

Other intangible assets mainly relate to development costs, purchases for pipeline access rights and electricity grid capacity fees.

Separable intangible assets for customer relationships represent value attributed to customer relationships arising from contractual rights and non-contractual relationships and for intellectual property value mainly in relation to the right to use patents. Those were recognised as part of acquisitions in Styrolution as well as part of the acquisition of the Aromatics and Acetyls businesses. The remaining customer life or the acquired customer relationships range between 2 and 16 years and for the acquired intellectual property rights the remaining useful lives range between 6 and 15 years.

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11 INTANGIBLE ASSETS (continued)

Environmental certificates are in respect of costs associated with the purchase of EU and UK Emissions Trading Scheme allowances and the nitrogen oxides emission scheme in the US. The emissions allowances are subject to impairment under the indefinite lived intangible asset impairment model.

Business disposal

The disposal of INEOS Styrolution India Limited in November 2022 resulted in the disposal of intangible assets of €72.2 million, of which €38.0 million related to goodwill (see note 3). The transfer of 50% of the shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to Sinopec in December 2022 resulted in the disposal of intangibles assets of €0.6 million (see note 3).

Amortisation

The amortisation charge is recognised in administrative expenses in the consolidated income statement.

Goodwill impairment testing

Goodwill has been allocated to cash generating units ("CGUs") or groups of cash generating units as follows:

	2022	2021
	€m	
Polymers EMEA.....	252.2	252.2
Polymers Asia.....	61.6	98.6
Polymers Americas.....	196.0	184.5
Styrene Monomer.....	185.9	178.1
Styrolution Total.....	695.7	713.4
Aromatics.....	134.4	120.2
Acetyls.....	374.6	360.1
	1,204.7	1,193.7

The Polymers EMEA, Polymers Asia, Polymers Americas and Styrene Monomer CGU's relate to the Styrolution business.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

For the Styrolution business' CGUs, the Group determined the recoverable amount based on value in use. The recoverable amount is calculated on a long-term business plan for the CGUs with a detailed planning period of three years and a consistent terminal growth rate of 0.5% for each unit for the period thereafter. The key assumption on which management based its cash flow projection is EBITDA before exceptionals over the detailed three year planning period, which is seen as the most important performance indicator and the basis for cash flow estimates used to determine the value in use. The terminal growth rate of 0.5% reflects the expected economic growth rates of countries in which the Group is operating. The main assumptions for the preparation of the three-year-business plan are the economic growth developments in the main customer regions and industries of the Styrolution business. These assumptions are based on external market data as well as internal assessments. The expected demand that is derived from the growth assumptions is compared with the supply balance of its product groups.

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11 INTANGIBLE ASSETS (continued)

For the acquired Aromatics and Acetyls businesses, the acquisition was negotiated in total and the consideration was reviewed in the context of the whole transaction. The Aromatics and Acetyls businesses reports separately to the Group, and decisions around resource allocation and monitoring of performance consider the Acetyls and Aromatics businesses separately. Each business has its own independent management structure. The carrying amount of goodwill resulting from the acquisition has therefore been allocated between the Acetyls and Aromatics segments.

For the Acetyls and Aromatics businesses CGU's, the recoverable amount, being value in use, is calculated on a long-term business plan for the CGUs with a detailed planning period of three years and a terminal value which represents the mid-cycle performance on which a consistent terminal growth rate of 2.0% is applied for the periods thereafter. The terminal growth rate of 2.0% represents the average expected growth rates in the countries in which the Group is operating. The main assumptions for the preparation of the three-year business plans are the production volumes and margins, and dividend income from the joint ventures. The margin assumptions are based on external market data as well as internal assessments. The volume assumptions are based on historical run rates of the assets and approved increase of production projects.

None of the goodwill is expected to be deductible for income tax purposes. The following discount rates were applied per cash generating unit to determine the cash flow projection before taxes:

	Polymers EMEA	Polymers Asia	Polymers Americas	Styrene Monomer	Aromatics	Acetyls
Forecast period	3 years	3 years	3 years	3 years	3 years	3 years
Growth rate	0.5%	0.5%	0.5%	0.5%	2%	2%
Post-tax discount rate	7.9%	7.9%	7.9%	7.9%	7.9%-9.7%	7.7%-10.7%

Sensitivity analysis on the recoverable amount was performed based on a 10% increase in the discount rate, a 10% decrease to the growth rate and a 10% decrease in the gross margin, all of which are considered a reasonable possible change in estimate. Neither of these changes resulted in the recoverable amount being lower than the carrying amount except for the Hull CGU in the Acetyls business and the Geel CGU in the Aromatics business.

These two CGUs have limited headroom and as a result any change in assumption can result in the recoverable amount being lower than the carrying amount. Management has considered the assumptions used to determine the recoverable amount and considered that those assumptions are conservative especially around the price curve used for energy; moreover the current forecasts do not take into account future developments to improve the economics of the plants. On this basis, the absence of headroom, in the case of Hull CGU, or the limited headroom, in the case of Geel CGU, is not considered as an indicator that an impairment loss is required. The margin assumptions are one of the key assumption in determining the recoverable amount of each CGU. These margin assumptions are developed by management based on external market data as well as internal assessments and require a significant amount of judgement. The Group has estimated that a 10% reduction in margin could give rise to an impairment of approximately €211.3 million for the Hull CGU and could reduce the headroom to nil for the Geel CGU.

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12 INVESTMENTS

12(a) Investments in subsidiary undertakings

As at 31 December 2022, the Group has the following investments in subsidiaries:

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Quattro Financing Limited ^a	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Quattro Finance 1 plc ^a	UK	Financing company	Ordinary	100%	100%	(1)
INEOS Quattro Finance 2 plc	UK	Financing company	Ordinary	100%	100%	(1)
INEOS Styrolution Finance GmbH ^(b)	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Holding GmbH ^(b)	Germany	Holding company	Ordinary	-	100%	(2)
INEOS Styrolution Investment GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution America LLC	USA	Manufacture of styrene monomer and polymers, selling, distribution	Members interest	100%	100%	(3)
INEOS Styrolution Belgium NV	Belgium	Manufacture of styrene monomer and polymers	Ordinary	100%	100%	(4)
INEOS Styrolution Belgium Services bvba	Belgium	Sales office	Ordinary	100%	100%	(5)
INEOS Styrolution Canada Ltd	Canada	Manufacture of styrene monomer	Common	100%	100%	(6)
INEOS Styrolution (China) Investment Co. Ltd	China	Financing company	Registered capital Equity	100%	100%	(7)
INEOS Styrolution do Brasil Polimeros Ltda	Brazil	Sales office	/Ordinary	100%	100%	(8)
INEOS Styrolution Hong Kong Company Limited.	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Styrolution Europe GmbH.	Germany	Distribution company	Ordinary	100%	100%	(2)
INEOS Styrolution France SAS.	France	Manufacture of polymers	Ordinary	100%	100%	(10)
INEOS Styrolution France Services SAS.	France	Sales office	Ordinary	100%	100%	(11)
INEOS Styrolution Group GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Iberia S.L.	Spain	Sales office	Ordinary	100%	100%	(12)
INEOS Styrolution Switzerland SA.	Switzerland	Distribution company	Ordinary	100%	100%	(14)
INEOS Styrolution Italia S.r.L.	Italy	Sales office	Ordinary	100%	100%	(15)
INEOS Styrolution Kimyasal Ürünler Ticaret Limited Sirketi	Turkey	Sales office	Ordinary	100%	100%	(16)
INEOS Styrolution Köln GmbH	Germany	Manufacture of polymers	Ordinary	100%	100%	(17)
INEOS Styrolution Korea Ltd.	South Korea	Manufacture of polymers	Common	100%	100%	(18)
KR Copolymer Co. Ltd.	South Korea	Manufacture of K-Resin	Ordinary	100%	100%	(19)
INEOS Styrolution Ludwigshafen GmbH.	Germany	Manufacture of polymers	Ordinary	100%	100%	(2)
INEOS Styrolution Mexicana, S. A. de C. V	Mexico	Manufacture of polymers	Ordinary	100%	100%	(20)
INEOS Styrolution Netherlands B.V.	Netherlands	Sales office	Ordinary	100%	100%	(21)
INEOS Styrolution OOO.	Russia	Sales office	Charter capital	100%	100%	(22)
INEOS Styrolution Poland Sp. z o.o	Poland	Sales office	Ordinary	100%	100%	(23)
INEOS Styrolution Polymers (Foshan) Co. Ltd.	China	Manufacture of polymers	Registered capital	100%	100%	(24)

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12 INVESTMENTS (continued)

12(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Styrolution Polymers (Ningbo) Co. Ltd.	China	Manufacture of polymers	Registered capital	100%	100%	(25)
INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. ^(a)	China	Manufacture of ABS (under construction)	Registered capital	50%	100%	(26)
INEOS Styrolution Polymers (Shanghai) Co. Ltd.	China	Sales office	Registered capital	100%	100%	(27)
INEOS Styrolution Schwarzeide GmbH	Germany	Manufacture of polymers	Ordinary	100%	100%	(30)
INEOS Styrolution APAC Pte Ltd.	Singapore	Sales office	Ordinary	100%	100%	(31)
INEOS Styrolution UK Limited.**	UK	Sales office	Ordinary	100%	100%	(1)
INEOS Styrolution US Holding LLC.	USA	Holding company	Member interest	100%	100%	(3)
INEOS Styrolution Verwaltungsgesellschaft mbH.	Germany	Financing company	Ordinary	100%	100%	(2)
INEOS Styrolution (Thailand) Co., Ltd.	Thailand	Manufacture of polymers	Ordinary	100%	100%	(34)
INEOS Styrolution Vietnam Co., Ltd.	Vietnam	Sales office	Charter Capital	100%	100%	(35)
Deutsche Bank Mexico F/1787 Styrolution.	Mexico	Securitisation vehicle	n/a	n/a	n/a	(37)
INEOS Styrolution Receivables Finance Designated Activity Company.	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)
INEOS Quattro Holdings UK Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls UK Limited	UK	Production of acetic acid and other acetyls products	Ordinary	100%	100%	(1)
INEOS Acetyls International Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS US Petrochem LLC	USA	Holding company	Ordinary	100%	100%	(3)
INEOS US Chemicals Company	USA	Production of purified terephthalic acid and paraxylene	Common	100%	100%	(3)
INEOS 179 Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics and Acetyls Trading (Shanghai) Company Limited	China	Sales office	Registered capital	100%	100%	(29)
INEOS Acetyls Japan KK	Japan	Sales office	Ordinary	100%	100%	(36)
INEOS Acetyls Investments Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Asia Limited	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Acetyls (Malaysia) Sdn Bhd.	Malaysia	Sales office	Ordinary	100%	100%	(68)
INEOS Acetyls (Korea) Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls Americas Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Holdings Limited **	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Limited	UK	Sales company	Ordinary	100%	100%	(1)
INEOS World-Wide Technical Services Limited**	UK	Licensing services	Ordinary	100%	100%	(1)
INEOS Aromatics Holding Company	USA	Holding company	Common	100%	100%	(3)

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12 INVESTMENTS (continued)

12(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Zhuhai Chemical Company Limited ^(d)	China	Production of purified terephthalic acid and paraxylene	Member interest	91.90%	91.90%	(66)
INEOS Aromatics Indonesia Holdings Ltd	USA	Holding company	Common	100%	100%	(64)
INEOS Aromatics Belgium NV	Belgium	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(71)
INEOS Aromatics Belgium Holdings LLC	USA	Holding company	Common	100%	100%	(3)
PT INEOS Aromatics Indonesia	Indonesia	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(72)
PT INEOS Aromatics Trading Indonesia ^(e)	Indonesia	Trading company	Ordinary	100%	100%	(76)
NOVYN Limited ^(f)	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Holdings Limited ^(g)	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Finance Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Group Treasury Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Europe Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Norge AS	Norway	Manufacture of chemicals and PVC	Ordinary	100%	100%	(39)
NOVYN Sverige AB	Sweden	Manufacture of chemicals and PVC	Ordinary	100%	100%	(40)
INEOS ChlorVinyls Holdings BV	Netherlands	Holding company	Ordinary	100%	100%	(41)
NOVYN Newton Aycliffe Limited	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Newton Aycliffe Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
NOVYN Services Limited	UK	Service company	Ordinary	100%	100%	(38)
NOVYN Enterprises Limited	UK	Extraction and supply of brine and water	Ordinary	100%	100%	(38)
NOVYN ChlorVinyls Holdings Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN ChlorVinyls Limited	UK	Manufacture of chemicals and PVC	Ordinary	100%	100%	(38)
INEOS Enterprises Group Limited	UK	Manufacture of salt and sulphur chemicals	Ordinary	100%	100%	(38)
Keuper Gas Storage Limited	UK	Gas storage	Ordinary	100%	100%	(38)
INEOS Chlor Atlantik GmbH	Germany	Non-trading	Ordinary	100%	100%	(42)
NOVYN Americas Inc	USA	Purchase and resale of chemicals	Ordinary	100%	100%	(43)
NOVYN Sales International Limited ^(h)	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Chlor Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INEOS Vinyls UK Ltd ⁽ⁱ⁾	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Vinyls GmbH & Co KG	Germany	Holding company	Ordinary	100%	100%	(42)

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12 INVESTMENTS (continued)

12(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INOVYN Schkopau GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
INOVYN Sales GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
EVC Pension Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INOVYN Energy Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 1 Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Deutschland GmbH	Germany	Manufacture of chemicals and PVC	Ordinary	100%	100%	(42)
INOVYN Espana S.L.	Spain	Manufacture of chemicals and PVC	Ordinary	100%	100%	(44)
INOVYN Österreich GmbH ^(a)	Austria	Sales office	Ordinary	100%	100%	(45)
INOVYN Belgium SA	Belgium	Manufacture of chemicals	Ordinary	100%	100%	(46)
INOVYN Olefines France SAS	France	Operation of ethylene cracker	Ordinary	100%	100%	(47)
INOVYN Portugal Lda	Portugal	Sales office	Ordinary	100%	100%	(48)
INOVYN Trade Services SA	Belgium	Purchase and resale of chemicals	Ordinary	100%	100%	(46)
INOVYN Manufacturing Belgium SA	Belgium	Manufacture of chemicals and PVC	Ordinary	100%	100%	(46)
INOVYN France SAS	France	Manufacture of chlorine products	Ordinary	100%	100%	(47)
INOVYN Italia S.p.A.	Italy	Commercial services	Ordinary	100%	100%	(49)
INOVYN Produzione Italia S.p.A	Italy	Manufacture of chemicals	Ordinary	100%	100%	(50)
INOVYN Quimica Espana S.L.	Spain	Waste treatment	Ordinary	100%	100%	(44)
Vinyloop Ferrara S.p.A. ^(a)	Italy	PVC Recycling	Ordinary	100%	100%	(49)
TTE Training Limited	UK	Training company	Limited by Guarantee	100%	100%	(52)
TTE Apprenticeship Training Agency Limited	UK	Apprenticeship company	Limited by Guarantee	100%	100%	(52)
INEOS Norway Finance Ireland Limited	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)

Shares held directly by INEOS Quattro Holdings Limited. All other subsidiaries listed are held indirectly.

(a) In the process of being liquidated

(b) On 22 April 2022, the Group sold part of its 75% share in INEOS Styrolution India Limited. This resulted in a reduction of the ownership from 75.0% to 61.2%. On 17 November 2022, the Group sold its remaining shareholding interest of 61.2% to Shiva Performance Materials Pte Ltd. Profit attributable to the non-controlling interest is €8.4 million (2021: profit of €10.7 million). Accumulated non-controlling interests are €nil (2021: €19.6 million).

(c) Effective on 28 December 2022, the Group sold 50% of its 100% share in INEOS Styrolution Sinopec Advanced Materials (Ningbo) Pte Ltd. to China Petroleum & Chemical Corporation establishing a joint venture between the Group and Sinopec, each holding 50% share in the registered capital of the investee. See also note 12(b).

(d) Portion of ownership interests held by non-controlling interests is 8.1%. Loss attributable to the non-controlling interest is €1.4 million (2021: €3.1 million). Accumulated non-controlling interests are €43.0 million (2021: €46.6 million).

(e) Company incorporated on 11 August 2022.

(f) Portion of ownership interests held by non-controlling interests is 5.1%. Profit attributable to the non-controlling interest is €37.6 million (2021: €22.7 million). Accumulated non-controlling interests are €23.1 million (2021: €5.7 million).

(g) Dissolved in January 2023 following liquidation

(h) Effective from 1 January 2022, INEOS Styrolution Holding GmbH was merged into INEOS Styrolution Investment GmbH.

** Entities claiming exemption from audit under section 479A Companies Act 2006

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12 INVESTMENTS (continued)

12(b) Investments in equity-accounted investees, joint operations and other investments

Details of the Group's investments in equity-accounted investees, joint operations and other investments:

Investment	Country of registration or incorporation	Principal activity	Class/ percentage of shares held	Registered office reference
Associated undertakings:				
INEOS Runcom (TPS) Holdings Limited	UK	Thermal Power Station operator	Ordinary/ 60% ⁽¹⁾	(38)
Joint ventures:				
INEOS PCG Acetyls Sdn. Bhd.	Malaysia	Production of acetic acid and other acetyls products	Ordinary/ 70%	(67)
Yangtze River Acetyls Co. Ltd	China	Production of acetic acid and other acetyls products	Member interest/ 51%	(69)
LOTTE INEOS Chemical Co. Ltd	Korea	Production of acetic acid and other acetyls products	Ordinary/ 50.94%	(70)
Formosa INEOS Chemicals Corp	Taiwan	Production of acetic acid and other acetyls products	Common/50%	(73)
INEOS YPC Acetyls Company (Nanjing) Ltd	China	Production of acetic acid and other acetyls products	Member interest/ 50%	(74)
Atlas Methanol Company Unlimited	Trinidad	Methanol production	Ordinary/36.9%	(75)
China American Petrochemical Company Ltd	Taiwan	Production of purified terephthalic acid	Ordinary/61.36%	(65)
INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd. ⁽²⁾ (prev: INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd)	China	Manufacturing of ABS	Register capital/ 50%	(26)
Joint operations:				
Runcom MCP Limited	UK	Cell room operator	Ordinary/ 50%	(38)
GIE Canel-Bresse	France	Brine solution mining services	Ordinary/ 50%	(59)
Other investments:				
Akra Polyester SA de CV	Mexico	Manufacture of polyester filaments and polymers	Ordinary/6.65%	(28)
Tereftalos Mexicanos SA de CV	Mexico	Production of purified terephthalic acid	Ordinary/ 8.55%	(32)
IndustriEI AS	Norway	Energy consultancy	Ordinary/ 12.5%	(53)
Sociedad Española de Materiales Plasticos SEMAP S.A	Spain	Plastic waste management	Ordinary/8%	(54)
Societe Intercommunale D'Aménagement et d'Equipement Economique	Belgium	Economic development of province of Namur	Ordinary/0.17%	(55)
BKV GmbH	Germany	Plastic recycling association	Ordinary/2.0%	(56)
Industrins Räddningstjänst i Stenungsund AB	Sweden	Fire and rescue service	Ordinary/25.0%	(57)
API PVC - u. Umweltberatung GcsmbH	Austria	PVC technology solutions	Ordinary/73.2%	(58)
Hållbar Kemi i Stenungsund	Sweden	Sustainable production association	Ordinary/20.0%	(60)
Energy For Growth Societa' Consortile A Responsabilita Limitata	Italy	Energy consortium	Ordinary/7.3%	(61)
Power to Methanol Antwerp B.V.	Belgium	Sustainable methanol production consortium	Ordinary/14.3%	(62)
Conorzio Polo Tecnologico Magona	Italy	Decarbonisation consortium	Ordinary/6.8%	(63)

(1) The Group owns shares entitling it to 60% of the voting rights but only 25% of the economic benefits

(2) See footnote (c) to note 12(a).

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12 INVESTMENTS (continued)

12(b) Investments in equity-accounted investees, joint operations and other investments

None of the above other investments are held directly by INEOS Quattro Holdings Limited.

Investments in associated undertakings, joint ventures and other investments

	Joint ventures	Associated undertakings	Equity- accounted investees €m	Other investments	Total
At 1 January 2021	1,148.4	14.9	1,163.3	17.3	1,180.6
Share of retained earnings	462.5	(0.5)	462.0	-	462.0
Additions	-	-	-	0.7	0.7
Dividends received	(188.7)	-	(188.7)	-	(188.7)
Impairments	-	-	-	(1.0)	(1.0)
Effect of movements in exchange rates	94.4	(0.1)	94.3	1.1	95.4
At 31 December 2021	1,516.6	14.3	1,530.9	18.1	1,549.0
Share of retained earnings	232.0	1.6	233.6	-	233.6
Additions (see Note 3)	443.1	-	443.1	-	443.1
Reclassification	(33.8)	-	(33.8)	(3.2)	(37.0)
Dividends received	(401.4)	-	(401.4)	-	(401.4)
Loss on disposal of equity accounted investments	(20.0)	-	(20.0)	(6.6)	(26.6)
Effect of movements in exchange rates	47.9	0.3	48.2	1.5	49.7
At 31 December 2022	1,784.4	16.2	1,800.6	9.8	1,810.4

Addition

In December 2022, the Group's subsidiary, INEOS Styrolution APAC Pte. Limited, entered into an agreement to transfer 50% of its shareholding in INEOS Styrolution Advances Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation. As a result, the Group lost control but retained joint control. The retained 50% interest in the business was fair valued at the date of the transaction (see note 3).

Reclassification

In November 2022, the Group made a non-cash exchange for its current interest in Tricoya UK Limited (30% interest) and in Tricoya Technologies Limited (9% interest) for shares in Accsys Technologies Plc. This share exchange resulted in an impairment of €26.6 million and a reclassification from joint ventures and other investments of respectively €3 million and €3.2 million to other financial assets (see note 13).

The Group provided an ABS technology license service to the newly acquired INEOS Styrolution Sinopec Advanced Materials (Ningbo) Limited joint-venture. A reclassification of €30.8 million was made to eliminate the Group's share of royalty revenue recognised in the current year.

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12 INVESTMENTS (continued)

12(b) Investments in equity-accounted investees, joint operations and other investments

Summarised balance sheet and income statement

Set out below is the summarised financial information of the Group's material joint ventures as at 31 December 2021 and 2022.

	2022							
	Atlas Methanol Company Unlimited	LOTTE INEOS Chemical Co. Ltd	INEOS PCG Acetyls Sdn. Bhd.	Formosa INEOS Chemicals Corp	Yangtze River Acetyls Co. Ltd	INEOS YPC Acetyls Company (Nanjing) Ltd	Tricoya UK Limited ^(a)	INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd.
								Total
	€m							
Current assets	64.2	199.1	68.5	85.3	45.4	32.7	-	78.3
Non-current assets	112.8	451.0	154.8	196.3	120.7	108.6	-	646.1
Current liabilities	(15.1)	(90.1)	(13.3)	(11.5)	(4.6)	(10.5)	-	(76.5)
Non-current liabilities	(50.8)	(39.4)	(29.3)	(2.3)	(0.4)	(0.1)	-	(235.5)
Net assets	111.1	520.6	180.7	267.8	161.1	130.7	-	412.4
Other operating revenue	185.4	1,190.6	159.6	115.9	139.4	61.2	-	-
Operating expenses	(116.3)	(995.8)	(142.2)	(101.5)	(116.8)	(59.4)	(0.2)	-
Interest expenses	(2.7)	1.3	(1.0)	(0.0)	0.9	(0.4)	-	-
Income tax expenses	(23.2)	(54.4)	(5.6)	(2.8)	0.6	(0.6)	-	-
Total profit for the year	43.2	141.7	10.8	11.6	24.1	0.8	(0.2)	-
Dividend received	53.2	161.6	34.7	39.0	58.1	54.8	-	-
								401.4

(a) Effective on November 2022, the Group exchanged its share in in Tricoya UK Limited (30% interest) and in Tricoya Technologies Limited (9% interest) for shares in Accsys Technologies Plc.. See also note 12(b) - *Reclassification*.

	2021							
	Atlas Methanol Company Unlimited	LOTTE INEOS Chemical Co. Ltd	INEOS PCG Acetyls Sdn. Bhd.	Formosa INEOS Chemicals Corp	Yangtze River Acetyls Co. Ltd	INEOS YPC Acetyls Company (Nanjing) Ltd	Tricoya UK Limited	Total
	€m							
Current assets	75.3	240.0	97.0	103.1	94.7	82.1	3.1	695.3
Non-current assets	115.3	448.1	157.6	208.9	111.0	109.6	25.6	1,176.1
Current liabilities	(30.9)	(136.2)	(32.3)	(23.7)	(9.8)	(9.8)	(1.4)	(244.1)
Non-current liabilities	(44.8)	(30.5)	(31.1)	(0.2)	(0.4)	(0.1)	(3.6)	(110.7)
Net assets	114.9	521.4	191.2	288.1	195.5	181.8	23.7	1,516.6
Dividend received	36.2	69.2	73.5	2.5	4.9	2.4	-	188.7

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12 INVESTMENTS (continued)

12(c) Registered office addresses of investments

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(1)	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom
(2)	Mainzer Landstrasse 50, 60325 Frankfurt, Germany
(3)	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, Delaware, USA
(4)	Haven 725, Scheldelaan 600, 2040 Antwerp, Belgium
(5)	2070 Zwijndrecht, Nieuwe Weg 1, 1053 Haven, Mechelen, Belgium
(6)	872 Tashmoo Avenue, Sarnia ON N7T 8A3 Ontario, Canada
(7)	Room 2502, 567 Langao Road, Putuo District, Shanghai, China
(8)	Rua Quintana 887 3º andar, conjuntos 33 e 34, Cidade Moncoes, São Paulo 04569-011
(9)	Cherney Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom
(10)	Rue Albert Duplat, F-62410 Wingles, France
(11)	95 rue la Boétie, F-75008 Paris, France
(12)	Ronda General Mitre 28-30, 08017 Barcelona, Spain
(14)	Avenue des Utins 3, CH-1180 Rolle, Switzerland
(15)	Via Caldera 21, 20153 Milano Cesano Maderno, Italy
(16)	Büyükdere Cad. Meydan sok., Spring Güz Plaza K. 13 N.11, Maslak Sariyer, İstanbul, Turkey
(17)	Alte Strasse 201, 50769 Cologne, Germany
(18)	Sanggaero 143 (Sanggaero-dong), Nam-gu, Ulsan, South Korea
(19)	14th Floor, 92 Tongil-ro (Soonhwa-dong) Jung-gu, Seoul, 04517, Korea
(20)	Avenida Insurgentes Sur No. 859, Piso 11, Oficina 1102, Colonia Nápoles, 03810, Mexico City, Mexico
(21)	Strawinskylaan 411, NL-1077 XX Amsterdam, The Netherlands
(22)	Bldg. 3, 18 Pyatnitskaya St., 115035 Moscow, Russian Federation
(23)	ul. Woloska 9, 02-583 Warszawa, Poland
(24)	No. 61, Jinben Industry Avenue, Xinan Sub-district, Sanshui District, Foshan, Guangdong Province, China
(25)	No. 2388, Minghai North Road, Ningbo Petrochemical Economy & Technology Development Zone, Ningbo, Zhejiang, China
(26)	Building No. 3 Unit 1-10, 266 Beihai Road, Ningbo Petrochemical Zone, Zhenhai District, Ningbo, China
(27)	Central Towers, Suite 2501&2503, 567 Langao Road, 200333 Shanghai, China
(28)	Avenida Adolfo Ruiz Cortines y Priv. Roble S/N, Col. San Pedro Lozano, Monterrey, Nuevo León, 64299, Mexico
(29)	17F, Block B, Central Towers, 567 Langao Road, Putuo District, Shanghai, P.R.China, 200333
(30)	Schipkauer Strasse 1, 01987 Schwarzheide, Germany
(31)	111 Somerset Road, #14-16 to 21 TripleOne Somerset, Singapore 238164, Singapore
(32)	Av. Ricardo Margán Zozaya 444, Torre Equus IZA Sur, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 66265, Mexico
(33)	5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
(34)	No. 4/2, 1-8 Road, T Map Ta Phut, A Muang, 2115 Rayong, Thailand
(35)	16th floor, Daeha Business Centre, 360 Kim Ma Str., Ngoc Khanh Ward, Ba Dinh Dist. Hanoi, Vietnam
(36)	1-25-1 Nishi-Shinjuku, Shinjuku-ku, (35F, Shinjuku Center Building), Tokyo 1630635, Japan
(37)	Torre Vitreyces, Pedregal 24, Piso 20, Colonia Molino del Rey, 11040, Mexico City, Mexico
(38)	Bankes Lane Office, Bankes Lane, Runcorn, Cheshire, WA7 4JE, United Kingdom
(39)	Rafnes Industriområde, 3966 Statthelle, Norway
(40)	444-83 Stenungsund, Sweden
(41)	Luna Arena, Henkerbergweg 238, Amsterdam, The Netherlands, 1101 CM
(42)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(43)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(44)	Calle Marie Curie 1-3-5, 08760 Martorell, Barcelona, Spain
(45)	Schottengasse 1, 4. Stock, 1010 Wien, Austria
(46)	Avenue des Olympiades 20, 1140 Brussels, Belgium
(47)	2 Avenue de la République, 39500 Tavaux, France
(48)	Rua do Centro Cultural nº 5 – R/C, sala 8, 1700-106 Lisboa, Portugal
(49)	Via Marconi 73, 44122 Ferrara (FE), Italy
(50)	Rosignano Mantumo (LI), Via Piave 6 CAP 57016, Italy
(51)	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
(52)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT, United Kingdom
(53)	Postboks 1367 – Viken, 0114 Oslo, Norway
(54)	Calle Principe de Vergara 204 – Primero C – 28002, Madrid, Spain
(55)	Rue de la Religion, 10, 1400 Nivelles, Belgium
(56)	Mainzer Landstraße 55, 60329 Frankfurt am Main, Germany

INEOS QUATTRO HOLDINGS LIMITED
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12 INVESTMENTS (continued)

12(c) Registered office addresses of investments

Reference	Registered office address
(57)	Vorkstadsvägen 11, 44431 Stenungsund, Sweden
(58)	Paniglasse 24/II/19°, A-1040 Wien, Austria
(59)	12 Rue Raoul Nordling CS 7001, 92270 Bois Colombes, France
(60)	Fregatten 3, 444-30 Stenungsund, Sweden
(61)	Via Giovanni Da Procida, 11, 20149, Milan, Italy
(62)	Scheldelaan 480, 2040 Antwerpen, Belgium
(63)	Via Magona, 57023 Coccina, Italy
(64)	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States
(65)	6 th Floor, No. 413 Section 2 Ti-Ding Blvd., Neihu, Taipei, 11493, Taiwan
(66)	Da Ping Harbour, Lin Gang Industrial Zone, Zhuhai City, Guangdong Province, China
(67)	12 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
(68)	12 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
(69)	97 Weijiang Road (in the Petrochemical Park), Changshou District, Chongqing, China
(70)	63-15 Sanggaero-ro, Cheongnyang-myeon, Ulju-gun, Ulsan, 44987, Korea
(71)	Amocolaan 2 2440 Geel, Belgium
(72)	20 th Floor Summitmas II Jl., Jend. Sudirman Kav. 61 – 62, Jakarta, Setoran, Indonesia
(73)	No. 1-1 Formosa Industrial Complex, Mailiao, Yunlin Hsien, Taiwan
(74)	9# Huo Ju Road, Liu He District, Nanjing, Jiangsu Province, China
(75)	Maracaibo Drive, Point Lisas Industrial Estate, Point Lisas, Trinidad and Tobago
(76)	South Quarter Building Tower C, GJI. R.A. Kartini Kav. 8, Cilandak Barat, Jakarta, Indonesia

13 OTHER FINANCIAL ASSETS

	2022	2021
	€m	
Non-current		
Other receivables	2.2	2.1
	2022	2021
	€m	
Current		
Financial assets designated as fair value through OCI (note 25)	5.5	-
Deferred consideration (note 3)	239.0	-
	244.5	-

The shares acquired by the Group in November 2022 in Accsys Technologies Plc are classified as financial assets designated as fair value through OCI as the Group intends to participate in the development of the Company and to retain these shares in the long-term.

The deferred considerations are related to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by December 2023.

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14 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022	2021	2022	2021
	Assets		Liabilities	
	€m			
Property, plant and equipment.....	58.3	58.5	(254.8)	(229.3)
Investments.....	-	-	(42.9)	(41.2)
Intangible assets	-	0.3	(135.8)	(158.0)
Employee benefits	38.5	51.3	(6.1)	(9.0)
Tax value of loss carry-forwards	69.3	83.8	-	-
Other	105.3	77.0	(81.9)	(35.4)
Set off of tax	(121.2)	(68.0)	121.2	68.0
Net tax assets/(liabilities).....	150.2	202.9	(400.3)	(404.9)

Movement in deferred tax during the year

2022					
	1 January	Recognised in income statement	Disposal	Recognised in equity – translation exchange	Recognised in equity – actuarial
	€m				
					31 December
Property, plant and equipment.....	(170.8)	(23.6)	4.8	(6.8)	-
Investments.....	(41.2)	0.8	-	(2.5)	-
Intangible assets.....	(157.7)	15.1	8.6	(1.8)	-
Employee benefits.....	42.3	(17.2)	-	0.6	6.8
Tax value of loss carry-forwards.....	83.8	(11.9)	(2.2)	(0.4)	-
Other.....	41.6	(19.9)	(1.6)	3.1	-
	(202.0)	(56.7)	9.6	(7.8)	6.8
					(250.1)

2021					
	1 January	Recognised in income statement	Reclassification	Recognised in equity – translation exchange	Recognised in equity – actuarial
	€m				
					31 December
Property, plant and equipment.....	(135.0)	(1.1)	(27.4)	(7.3)	-
Investments.....	(38.0)	-	-	(3.2)	-
Intangible assets.....	(174.7)	18.3	1.0	(2.3)	-
Employee benefits.....	66.7	(12.8)	(2.0)	-	(9.6)
Tax value of loss carry-forwards.....	72.1	23.4	(7.1)	(4.6)	-
Other.....	(3.5)	8.5	35.5	1.1	-
	(212.4)	36.3	-	(16.3)	(9.6)
					(202.0)

In assessing the Group's ability to realise deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realised. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax strategies in making this assessment.

In order to fully realise the deferred tax asset, the Group will need to generate future taxable income in the countries where the net operating losses were incurred. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Group will realise the aforementioned benefits.

The Group did not recognise gross deductible temporary differences of €376.6 million (2021: €275.4 million), the majority of which relates to tax losses.

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15 INVENTORIES

	2022	2021
	€m	
Raw materials and consumables.....	601.8	562.8
Work in progress	165.6	213.7
Finished goods.....	706.2	772.4
	<u>1,473.6</u>	<u>1,548.9</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €15,515.0 million (2021: €12,183.0 million). The write-down of inventories to net realisable value amounted to €9.9 million (2021: €20.8 million). The reversal of previous write-downs of inventories to net realisable value amounted to €2.6 million (2021: €4.3 million).

16 TRADE AND OTHER RECEIVABLES

	2022	2021
	€m	
Current		
Trade receivables.....	1,383.1	1,788.0
Amounts owed by related parties and associated undertakings.....	660.2	93.6
Other receivables.....	277.6	407.3
Prepayments and accrued income.....	40.0	89.0
	<u>2,360.9</u>	<u>2,377.9</u>
Non-current		
Amounts owed by related parties and associated undertakings.....	92.0	30.8
Other receivables.....	59.3	20.2
Prepayments and accrued income.....	1.4	1.5
	<u>152.7</u>	<u>52.5</u>

An inter-company loan of €500.0 million with the immediate parent company of the Group is included within the current amounts owed by related parties and associated undertakings. This inter-company loan is unsecured, attracts interest at commercial rate and had a maturity of 2 December 2023. Subsequent to the year-end, this loan was fully settled through a dividend distribution approved on 23 January 2023 (see note 32). Loans amounted to a total of €63.1 million were granted by the Group to INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd. These loans are unsecured, attract interest at commercial rate and mature in 2032.

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

	2022			2021		
	Gross	Impairment	ECLR	Gross	Impairment	ECLR
	€m	€m	%	€m	€m	%
Not past due.....	1,171.2	(0.2)	0.0%	1,699.2	(0.3)	-
Past due 0 – 30 days.....	205.3	(0.3)	0.1%	81.4	(0.2)	0.2%
Past due 31 – 90 days.....	2.2	-	0.0%	8.0	(0.1)	1.3%
Past due more than 90 days	13.1	(8.2)	62.6%	13.6	(13.6)	100.0%
	<u>1,391.8</u>	<u>(8.7)</u>	<u>0.6%</u>	<u>1,802.2</u>	<u>(14.2)</u>	<u>0.8%</u>

There were no allowances made against amounts owed by related parties and other receivables during the year (2021: €nil).

The amounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of customers and external credit checks where appropriate for new customers (see note 25(c)). At 31 December 2022 and 2021 there were no significant trade, related party or other receivable balances classified as “not past due” that were subsequently impaired.

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16 TRADE AND OTHER RECEIVABLES (continued)

Due to the global activities and diversified customer structure of the Group, the management considers that there is no significant concentration of credit risk (2021: nil).

During 2022 and 2021 there were no significant trade balances that were subject to material renegotiation of terms.

Trade receivable balances totalling €737.5 million (2021: €552.5 million) have been pledged as security against amounts drawn under the Securitisation Facility, totalling €nil (2021: €nil). In accordance with IFRS 9 "Financial Instruments" the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

The movement in the allowance for impairment in respect of trade receivables (as per this note) during the year was as follows:

	2022	2021
	€m	
Balance at 1 January	(14.2)	(14.5)
Disposals	0.6	-
Impairment loss recognised	(0.1)	-
Utilised	5.2	0.7
Effects of movement in foreign exchange	(0.2)	(0.4)
Balance 31 December	(8.7)	(14.2)

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The Group applies the forward-looking 'expected credit loss' (ECL) model in line with IFRS 9 in assessing the recoverability of trade receivables. The ECL is calculated considering past experiences and management's estimate of future developments. Management expects no significant change in the future market situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Group reviews the assumptions of the ECL model on a yearly basis.

Credit risk of trade receivables

	2022	2021
	€m	
Low	1,306.4	1,692.8
Medium	72.3	78.0
High	13.1	31.4
Impairment allowance	(8.7)	(14.2)
	1,383.1	1,788.0

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency, dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

There were no allowances made against amounts due from other receivables during the year (2021: €nil).

There were no allowances made against amounts due from related parties during the year (2021: €nil).

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17 INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk see note 25(e).

	2022	2021
	€m	
Non-current liabilities		
Senior Secured Notes due 2026	1,268.7	1,241.3
Senior Notes due 2026	500.0	500.0
Term Loan B Facilities due 2026	3,328.1	3,238.6
Term Loan A Facilities due 2023	-	60.9
Term Loan A Facilities due 2025	-	185.3
Term Loan B Facilities due 2027	632.5	623.6
Senior Secured Notes due 2027	600.0	600.0
Loan from related party	41.7	39.8
Other loans	0.1	0.2
Gross borrowings	6,371.1	6,489.7
Less: unamortised finance costs	(34.6)	(53.3)
Net borrowings	6,336.5	6,436.4
Current liabilities		
Term Loan B Facilities due 2026	18.7	17.7
Term Loan A Facilities due 2023	-	121.8
Term Loan B Facilities due 2027	1.9	1.8
External bank loan	-	9.2
Gross borrowings	20.6	150.5
Less: unamortised finance costs	(16.1)	(16.6)
Net borrowings	4.5	133.9

Gross debt and issue costs

	2022		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
	€m		
Senior Secured Notes due 2026	1,268.7	(13.2)	1,255.5
Senior Notes due 2026	500.0	-	500.0
Term Loan B Facilities due 2026	3,346.8	(31.2)	3,315.6
Term Loan B Facilities due 2027	634.4	(3.1)	631.3
Senior Secured Notes due 2027	600.0	(3.0)	597.0
Securitisation facilities	-	(0.2)	(0.2)
Loan from related party	41.7	-	41.7
Other loans	0.1	-	0.1
	6,391.7	(50.7)	6,341.0

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17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Gross debt and issue costs

	2021		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Senior Secured Notes due 2026.....	1,241.3	(17.5)	1,223.8
Senior Notes due 2026	500.0	-	500.0
Term Loan B Facilities due 2026	3,256.3	(39.8)	3,216.5
Term Loan A Facilities due 2023	182.7	(2.8)	179.9
Term Loan A Facilities due 2025	185.3	(1.9)	183.4
Term Loan B Facilities due 2027	625.4	(3.9)	621.5
Senior Secured Notes due 2027	600.0	(3.7)	596.3
Securitisation facilities	-	(0.3)	(0.3)
Loan from related party	39.8	-	39.8
External bank loan	9.2	-	9.2
Other loans	0.2	-	0.2
	6,640.2	(69.9)	6,570.3

Terms and debt repayment schedule as at 31 December 2022

	Currency	Nominal interest rate	Year of maturity
Euro Senior Secured Notes due 2026	€	2.50%	2026
Dollar Senior Secured Notes due 2026	\$	3.375%	2026
Senior Notes due 2026	€	3.75%	2026
Dollar Term Loan B Facility due 2026	\$	USD LIBOR (floor of 0.5%) + 2.75%	2026
Euro Term Loan B Facility due 2026	€	EURIBOR (floor of 0.0%) + 2.75%	2026
Euro Term Loan B Facility due 2027	€	EURIBOR (floor of 0.5%) + 2.00%	2027
Dollar Term Loan B Facility due 2027	\$	USD LIBOR (floor 0.0%) + 2.00%	2027
Senior Secured Notes due 2027	€	2.25%	2027
ABS Plant Facility	RMB	China Loan Prime Rate minus 0.65%	2032
Securitisation facilities	\$/€/£	Variable	2024

Senior Secured Notes due 2026

In January 2021 the Group raised €1,206.5 million of Senior Secured Notes maturing on 15 January 2026 and consisting on €800.0 million of Euro Senior Secured Notes and \$500 million of Dollar Senior Secured Notes.

The Senior Secured Notes outstanding at 31 December 2022 before issue costs were €1,268.7 million (31 December 2021: €1,241.3 million). The total amounts outstanding on the Euro denominated Secured Notes were €800.0 million (31 December 2021: €800.0 million) and the US dollar denominated Secured Notes were \$500.0 million (€468.7 million equivalent) (31 December 2021: €441.3 million).

The Senior Secured Notes are listed on the Euro MTF - Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2¼% per annum. The Dollar Senior Secured Notes bear interest at a rate of 3¼% per annum. Interest on the Euro Senior Secured Notes and the Dollar Senior Secured Notes is payable semi-annually in arrears. The Senior Secured Notes have no repayment until maturity.

The Euro Senior Secured Notes and the Dollar Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries. The Euro Senior Secured Notes and the Dollar Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Credit Facility Agreements, the Senior Secured Notes due 2027, and certain hedging obligations and cash management arrangements.

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17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Euro Senior Secured Notes are subject to redemption at any time on or after 15 January 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Euro Senior Secured Notes Redemption Price
2023.....	101.250%
2024.....	100.625%
2025 and thereafter.....	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Dollar Senior Secured Notes are subject to redemption at any time on or after 15 January 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

Year	Dollar Senior Secured Notes Redemption Price
2023.....	101.6875%
2024.....	100.84375%
2025 and thereafter.....	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Euro Senior Secured Notes and the Dollar Senior Secured Notes contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2026 are stated net of debt issue costs of €13.2 million (31 December 2021: €17.5 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2026.

Senior Notes due 2026

In January 2021 the Group raised €500.0 million of Senior Notes maturing on 15 July 2026. The Senior Notes outstanding at December 31, 2022 were €500.0 million (31 December 2021: €500.0 million).

The Senior Notes are listed on the Euro MTF - Luxembourg stock exchange. The Senior Notes bear interest at a rate of 3¼% per annum. Interest on the Senior Notes is payable semi-annually in arrears. The Senior Notes have no repayment until maturity.

The Senior Notes are jointly and severally guaranteed on a senior subordinated basis by the guarantors (other than the parent, which guarantees the Senior Notes on a senior basis). The Senior Notes and the related guarantees are secured by second-ranking security interests (subject to certain exemptions) over the shares of the capital stock of the Issuer and the loan made by INEOS Quattro Finance 2 Plc to the Issuer of the proceeds of the Senior Notes. These security interests rank behind the security interests granted over those assets in favor of the creditors of certain other indebtedness, including under the Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and the Credit Facility Agreements.

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17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Senior Notes are subject to redemption at any time on or after 15 January 2023, at the option of the Issuer, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

Year	Senior Notes Redemption Price
2023.....	101.875%
2024.....	100.9375%
2025 and thereafter.....	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Notes contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Term Loan A Facilities due 2023 and 2025, Term Loan B Facilities due 2026

On 31 July 2020, the Group has entered into a Term Loan Agreement (as amended and restated) which consists of:

- (i) Term loans maturing in 2023 denominated in US dollar and denominated in euro, in aggregate principal amount of \$140.0 million (the "Three-Year Dollar Term Loan A Facility") and €120.0 million (the "Three-Year Euro Term Loan A Facility"), respectively, (together, the "Term Loan A Facilities due 2023");
- (ii) Term loans maturing in 2025 denominated in US dollar in an aggregate principal amount of \$210.0 million (the "Five Year Dollar Term Loan A Facility"); and
- (iii) Term loans maturing in 2026 denominated in US dollar (the "Dollar Term Loan B Facility") and in euro (the "Euro Term Loan B Facility"), in an aggregate principal amount of \$2,000.0 million and €1,500.0 million, respectively, (together, the "Term Loan B Facilities due 2026").

The \$85.5 million and €75.0 million outstanding principal of the Term Loan A Facilities due 2023 and the \$210.0 million outstanding principal of the Term Loan A Facilities due 2025 were repaid on 31 May 2022.

As at 31 December 2022, \$1,970.0 million was drawn under the Dollar Term Loan B Facility (€1,846.8 million equivalent); and €1,500.0 million was drawn under the Euro Term Loan B Facility.

The Term Loans that are denominated in dollars bear interest at a rate per annum equal to USD LIBOR divided by 100% minus the USD LIBOR Reserve percentage (subject to a floor of 0.5% per annum) plus 1.75% for the Three-year Dollar Term Loan A, 2.25% for the Five-Year Dollar Term Loan A Facility, and 2.75% for the Dollar Term Loan B Facility. Subsequent to year-end, the Group has initiated the process to transition from LIBOR to SOFR.

The Term Loans that are denominated in euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 1.75% for the Three-Year Euro Term Loan A Facility, 3.5% for the Five-Year Term Loan A Facility and 2.75% for the Euro Term Loan B Facility.

The obligations under the Term Loan B Facilities are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

The Term Loan B Agreement contains a number of limitations on indebtedness, restricted payments, transactions with affiliates, liens and sale of assets.

The Term Loan B Facilities do not contain any financial maintenance covenants.

The Dollar Term Loan B Facility are to be repaid in quarterly instalments beginning on 30 September 2021, in aggregate principal amounts equal to 0.25% of the original aggregate principal amount of the Dollar Term Loan B Facility. The Euro Term Loan B Facility and the balance of the Dollar Term Loan B Facility are payable, subject to certain exemptions, on 15 January 2026.

The Term Loans B facilities due 2026 are stated net of debt issue costs of €31.2 million (31 December 2021: €39.8 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

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17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Term Loan B facilities due 2027

The Group has outstanding borrowings under a credit facilities agreement dated 7 November 2014 (as amended and restated) which consist of euro and US dollar denominated Term loans (referred to as the "Term Loan B Facilities agreement").

On 31 January 2020, the Group successfully completed an amend-and-extend transaction of the existing term loans increasing the principal amount of the Euro Term Loan B borrowings to €450.0 million (the "Euro Term Loan B due 2027") and the Dollar Term Loan B borrowings remained at \$202.3 million (the Dollar Term Loan B due 2027).

As at 31 December 2022, €450.0 million remained drawn under the Euro Term Loan B due 2027 and \$196.7 million (€184.4 million equivalent) remained drawn under the Dollar Term Loan B Facility due 2027.

From 31 January 2020, the new Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to USD LIBOR divided by 100% minus the USD LIBOR Reserve Percentage (as defined in the Term Loan B Facilities Agreement) (subject to a floor of 0% per annum) plus:

- in the case of new Dollar Term Loan B Facility due 2027 bearing interest at a rate determined by reference to USD LIBOR, 2.00%;
- in the case of new Dollar Term Loan B Facility due 2027 bearing interest at a rate determined by reference to Alternate Base Rate, 1.00%.

Subsequent to year-end, the Group has completed its transition from LIBOR to SOFR. See note 32 for further details.

From 31 January 2020, the new Euro Term Loan B Facility due 2027 bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus 2.00%.

The obligations under the Term Loan B Facilities due 2027 is jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

The Term Loan B Facilities due 2027 contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Term Loan B Facilities due 2027 do not contain any financial maintenance covenants.

The new Dollar Term Loan B Facility due 2027 is to be repaid in equal instalments, in aggregate annual amounts equal to 1% of the original principal amount of the new Dollar Term Loan B Facility due 2027. The new Euro Term Loan Facility due 2027 and the balance of the new Dollar Term Loan B Facility due 2027 are payable on January 31, 2027.

The Term Loans B facilities due 2027 are stated net of debt issue costs of €3.1 million (31 December 2021: €3.9 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Senior Secured Notes due 2027

On 31 January 2020, the Group issued €600.0 million aggregate principal amount 2¼% Senior Secured Notes due 2027 (the "Senior Secured Notes due 2027"). The Senior Secured Notes due 2027 are listed on the Euro MTF - Luxembourg stock exchange and bear interest at 2¼% per annum, payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2020. Unless previously redeemed as noted below, the Senior Secured Notes due 2027 will be repaid by the Group at their principal amount on 16 January 2027.

The Senior Secured Notes due 2027 outstanding at 31 December 2022 were €600.0 million (31 December 2021: €600.0 million).

The Senior Secured Notes due 2027 are subject to redemption at any time on or after 15 January 2023 in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on 15 January of the year indicated below:

	Senior Secured Notes due 2027
Year	Redemption Price
2022.....	101.1250%
2023.....	100.5625%
2024 and thereafter.....	100.0000%

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17 INTEREST-BEARING LOANS AND BORROWINGS (continued)

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2027 are jointly and severally guaranteed on a senior secured basis by INEOS Styrolution Group GmbH and certain of its subsidiaries. They are secured by first priority liens (subject to certain exceptions) on the same assets that secured the obligations under the Term Loan B Facilities due 2027, the Term Loan Agreement and certain hedging obligations and cash management arrangements.

The Senior Secured Notes due 2027 contain a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2027 are stated net of debt issue costs of €3.0 million (31 December 2021: €3.7 million). These costs are allocated to the profit and loss account over the term of the Notes.

ABS Plant Facility

On 21 January 2022, INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd entered into a new term loan agreement with Bank of China and ICBC to provide RMB 3,300.0 million (€464.3 million equivalent) of financing for the construction of a new 600 kiloton ABS plant in Ningbo, China (the "ABS Plant Facility"). The term loan facility matures in 2032 and has a straight-line semi-annual amortisation over the lifetime commencing after the start of operations. The term loan bears interest at a rate equal to the China Loan Prime Rate minus a rate of 0.65% per annum. As at 31 December 2022, the amount utilised against the facility was RMB 3,035.2 million (€408.2 million equivalent). On 28 December 2022, a subsidiary of the Group completed an equity transfer agreement with China Petroleum & Chemical Corporation relating to the sale and purchase of 50% equity interest in INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. As a result of this divestiture, the obligation of the Group under this term loan facility have been transferred to the newly created joint-venture and derecognised in the Group consolidated financial statements. For further details see Note 3.

Securitization facilities

INEOS Styrolution Group GmbH and certain other Group companies are party to a €600.0 million trade receivables securitization program (the "Styrolution Securitization Program") that matures on 28 June 2024. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at a rate of either EURIBOR or US LIBOR plus 0.95% or short-term commercial paper rates plus a margin of 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

INOVYN Group Treasury Limited and certain other INOVYN business' companies are party to a €240.0 million trade receivables securitization program (the "INOVYN Securitization Program") that matures on 30 June 2024. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at a rate of either EURIBOR, US LIBOR or SONIA plus 0.95% or short-term commercial paper rates plus a margin of 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

The Debt issue costs of €0.2 million (31 December 2021: €0.3 million) were incurred in relation to the Securitization facilities. These costs are allocated to the profit and loss account over the term of the facilities.

Other facilities

The Group has several short-term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €224.2 million equivalent as of 31 December 2022 (31 December 2021: €194.8 million equivalent) in China, Malaysia, Singapore, South Korea, Thailand, and United Kingdom. The available amount under the working capital facilities at 31 December 2022 amounted to €197.8 million equivalent (31 December 2021: €151.2 million equivalent), with €26.4 million (31 December 2021: €43.6 million) of certain trade finance facilities being utilised in China.

The Group also has letter of credit facilities in China, Malaysia, Indonesia, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of 31 December 2022, the drawn amount under all letter of credit facilities was €16.0 million equivalent (31 December 2021: €23.1 million equivalent). The letters of credit are generally secured by current assets. The facilities also provide for a limited number of other financial services, such as bank guarantees and foreign exchange hedging lines.

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18 LEASE OBLIGATIONS

Analysed as:

	2022	2021
	€m	
Current lease liabilities	65.0	72.6
Non-current lease liabilities	224.3	226.6
	289.3	299.2

Maturity analysis – contractual undiscounted cash flows:

	2022	2021
	€m	
Less than one year	83.6	82.3
Between one and five years	150.6	144.8
More than five years	156.1	143.5
Total undiscounted lease liabilities at 31 December	390.3	370.6

Amounts recognised in the statement of cash flows:

	2022	2021
	€m	
Lease capital payments	82.8	95.8
Lease interest payments	11.8	11.7
Short-term leases	6.0	5.4
Leases of low value assets	0.6	2.1
Total cash outflow for leases	101.2	115.0

The Group has entered into a number of significant lease arrangements relating to off-site storage capacity, rail cars, land and buildings, and air separation plants used for the generation of industrial gases.

19 TRADE AND OTHER PAYABLES

	2022	2021
	€m	
Current		
Trade payables	1,390.8	1,737.0
Amounts owed to related parties	239.3	428.8
Accruals	468.7	522.8
Deferred income	7.1	7.4
Other payables	195.1	282.5
	2,301.0	2,978.5
Non-current		
Accruals	31.2	33.6
Deferred income	104.5	112.1
Other payables	6.8	1.2
	142.5	146.9

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

20 EMPLOYEE BENEFITS

The Group operates a number of pension and post-retirement medical plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and those that are funded are done so by payments to separately administered funds or insurance companies. The principal funded plans are in Belgium, Canada, France, Germany, India, South Korea, Mexico, Switzerland, USA, Norway, Austria, Spain and the United Kingdom.

The Group also operates a number of unfunded defined benefit pension schemes in the Indonesia, Canada, South Korea, Thailand, USA, Germany and Italy.

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20 EMPLOYEE BENEFITS (continued)

The most recent full valuations of the significant defined benefit plans were carried out as follows:

Plan	Country	Valuation date
All Plans	Belgium	01 January 2023
All Plans	Canada	31 December 2020
All Plans	France	31 December 2022
All Plans	Germany	31 December 2022
All Plans	India	N/A
All Plans	South Korea	31 December 2022
All Plans	Mexico	31 December 2022
All Plans	Switzerland	31 December 2022
All Plans	Thailand	31 December 2020
All Plans	USA	01 January 2022
All Plans	Indonesia	01 January 2023
All Plans	United Kingdom	04 May 2022
All Plans	Norway	31 December 2022
All Plans	Italy	31 December 2020
All Plans	Spain	31 December 2022
All Plans	Austria	31 December 2022

Where the most recent full valuations were carried out prior to the balance sheet date, these have been updated to 31 December 2022 by independent qualified actuaries.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in Europe, United Kingdom, North America and Rest of the World.

The European pension arrangements are a mix of final salary, career average, unit benefit and cash balance plans in nature, and the majority are closed to new entrants. The majority of the plans are funded via insurance policies and there are also a number of unfunded German and Italian plans.

The UK defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60, and are both closed to new entrants and future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the UK plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The North Americas pension arrangements consists of three funded plans in the USA (all of which are closed to future accrual) and one funded plan in Canada (which is closed to new entrants and to future accrual). All pension plans, except one, are final salary defined benefit in nature, and the plans' liabilities are valued regularly in line with statutory funding requirements.

The Rest of the World pension arrangements are comprised of the Group's pension plans in India, South Korea, Mexico, Thailand and Indonesia.

The Group also operates a number of post-retirement healthcare plans in North Americas and the United Kingdom, which provide employees with other post-retirement benefits in respect of healthcare. The plans are unfunded and the liability is assessed by qualified independent actuaries under the projected unit method.

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20 EMPLOYEE BENEFITS (continued)

Pension plan assumptions

The major actuarial assumptions (expressed as weighted averages or ranges) at year end were as follows:

	European		United Kingdom		North America		Rest of the World	
	2022	2021	2022	2021	2022	2021	2022	2021
	%							
Price inflation.....	1.30-2.50	1.00 – 2.00	3.20	3.20	0.00 – 2.00	0.00 – 2.00	0.00 – 3.50	0.00 – 3.50
Discount rate for scheme liabilities.....	2.20-3.80	0.25 – 2.25	5.00	1.90	2.75	2.75	2.00 – 9.50	2.00 – 9.50
Rate of increase in pensionable salaries.....	2.00-3.50	0.00 – 4.50	0.00	n/a	0.00 – 3.00	0.00 – 3.00	4.00 – 8.00	4.00 – 8.00
Rate of increase in pensions in payment.....	0.00-2.50	-2.90 – 2.00	3.00-3.70	2.20 – 3.70	0.00-0.50	0.00 – 0.50	-	n/a
Rate of increase for deferred pensioners.....	0.00-0.53	0.00 – 2.00	2.80-3.20	2.90 – 3.20	-	n/a	-	n/a
Healthcare medical trend rate (initial).....	2.40	2.00	5.40	5.40	5.48 – 6.00	5.48 – 6.00	-	n/a
Healthcare medical trend rate (ultimate).....	2.40	2.00	5.40	5.40	4.50 – 5.00	4.50 – 5.00	-	n/a

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	European		United Kingdom		North America		Rest of the World	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Years)							
Longevity at age 65 for current pensioners.....	20.4 – 24.9	20.4 – 24.9	21.8– 21.9	21.8 – 22.2	21.1 – 22.2	21.1 – 22.2	n/a	n/a

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2022			
	European	United Kingdom	North America	Rest of the World
	€m			
Discount rate: 1% decrease.....	31.7	116.6	0.9	0.1
Rate of inflation: 0.5% increase ⁽¹⁾	15.5	25.0	0.9	-
Mortality: 1 year increase in longevity for a member currently aged 65.....	7.6	24.3	0.9	-

	2021			
	European	United Kingdom	North America	Rest of the World
	€m			
Discount rate: 1% decrease.....	79.9	325.5	9.8	1.8
Rate of inflation: 0.5% increase ⁽¹⁾	24.1	110.8	1.2	-
Mortality: 1 year increase in longevity for a member currently aged 65.....	12.5	57.3	1.6	-

⁽¹⁾ The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.

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20 EMPLOYEE BENEFITS (continued)

Pension assets (schemes in surplus)

The disclosures relating to the net pension assets are disclosed below. The amounts recognised in the balance sheet are as follows:

	2022		
	European	United Kingdom €m	Total
Equities	24.8	0.8	25.6
Bonds	14.9	255.2	270.1
Property	6.3	-	6.3
Other	2.4	60.6	63.0
Fair value of plan assets	48.4	316.6	365.0
Present value of funded obligations	(39.2)	(298.1)	(337.3)
Net pension asset	9.2	18.5	27.7

	2021		
	European	United Kingdom €m	Total
Equities	36.5	89.5	126.0
Bonds	15.0	961.8	976.8
Property	5.0	14.0	19.0
Other	1.4	317.6	319.0
Fair value of plan assets	57.9	1,382.9	1,440.8
Present value of funded obligations	(45.8)	(1,326.0)	(1,371.8)
Net pension asset	12.1	56.9	69.0

Other investments largely consist of quoted instruments. There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the income statement are as follows:

	2022	2021	2022	2021	2022	2021
	European		United Kingdom €m		Total	
Current service cost ⁽¹⁾	(3.9)	(4.3)	(1.4)	(0.9)	(5.3)	(5.2)
Expected return on plan assets ⁽²⁾	0.6	0.2	25.5	8.2	26.1	8.4
Interest cost on obligation ⁽²⁾	(0.5)	(0.2)	(24.1)	(7.6)	(24.6)	(7.8)
Total	(3.8)	(4.3)	-	(0.3)	(3.8)	(4.6)

⁽¹⁾ Included within operating profit

⁽²⁾ Included within finance costs.

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20 EMPLOYEE BENEFITS (continued)

Pension assets (schemes in surplus) (continued)

Reconciliation of present value of scheme liabilities:

	European	United Kingdom	Total
		€m	
At 1 January 2021	-	(465.0)	(465.0)
Current service cost	(4.3)	(0.9)	(5.2)
Interest cost	(0.2)	(7.6)	(7.8)
Movements between schemes in surplus and schemes in deficit	(45.5)	(829.0)	(874.5)
Benefits paid	1.2	26.0	27.2
Actuarial gain/(loss) - experience	0.7	(0.7)	-
Actuarial gain/(loss) - assumptions	2.3	(5.4)	(3.1)
Exchange adjustments	-	(43.4)	(43.4)
At 31 December 2021	(45.8)	(1,326.0)	(1,371.8)
Current service cost	(3.9)	(1.4)	(5.3)
Interest cost	(0.5)	(24.1)	(24.6)
Movements between schemes in surplus and schemes in deficit	-	488.7	488.7
Benefits paid	2.0	78.2	80.2
Actuarial gain/(loss) - experience	(3.5)	(4.4)	(7.9)
Actuarial gain/(loss) - assumptions	12.5	470.2	482.7
Exchange adjustments	-	20.7	20.7
At 31 December 2022	(39.2)	(298.1)	(337.3)

Reconciliation of fair value of scheme assets:

	European	United Kingdom	Total
		€m	
At 1 January 2021	-	498.0	498.0
Expected return on scheme assets	0.2	8.2	8.4
Employer contributions	4.0	8.7	12.7
Movements between schemes in surplus and schemes in deficit	45.3	841.2	886.5
Benefits paid	(1.2)	(26.0)	(27.2)
Actuarial gain	9.6	6.9	16.5
Exchange adjustments	-	45.9	45.9
At 31 December 2021	57.9	1,382.9	1,440.8
Expected return on scheme assets	0.6	25.5	26.1
Employer contributions	3.7	28.3	32.0
Movements between schemes in surplus and schemes in deficit	-	(466.6)	(466.6)
Benefits paid	(1.9)	(78.2)	(80.1)
Actuarial loss	(11.9)	(552.8)	(564.7)
Exchange adjustments	-	(22.5)	(22.5)
At 31 December 2022	48.4	316.6	365.0

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20 EMPLOYEE BENEFITS (continued)

Pension liabilities (schemes in deficit)

The disclosures relating to the net pension liabilities are disclosed below. The amounts recognised in the balance sheet are as follows:

	2022				Total
	European	United Kingdom	North America	Rest of the World	
	€m				
Equities.....	47.7	-	35.9	0.7	84.3
Bonds.....	73.3	153.1	42.4	0.7	269.5
Property.....	12.5	-	-	-	12.5
Other.....	80.9	281.3	(31.6)	5.9	336.5
Fair value of plan assets.....	214.4	434.4	46.7	7.3	702.8
Present value of funded obligations.....	(273.1)	(456.3)	(40.1)	(9.6)	(779.1)
Present value of unfunded obligations.....	(88.3)	(0.3)	(8.9)	(15.7)	(113.2)
Net pension liability.....	(147.0)	(22.2)	(2.3)	(18.0)	(189.5)

	2021				Total
	European	United Kingdom	North America	Rest of the World	
	€m				
Equities.....	95.4	-	4.6	0.3	100.3
Bonds.....	95.6	1.2	55.4	0.6	152.8
Property.....	8.8	-	-	-	8.8
Other.....	47.9	0.7	0.5	8.3	57.4
Fair value of plan assets.....	247.7	1.9	60.5	9.2	319.3
Present value of funded obligations.....	(340.2)	(2.4)	(53.7)	(12.0)	(408.3)
Present value of unfunded obligations.....	(112.5)	(0.5)	(11.7)	(19.6)	(144.3)
Net pension liability.....	(205.0)	(1.0)	(4.9)	(22.4)	(233.3)

The majority of the assets invested in property are unquoted. All other investments are largely in quoted instruments. Equities comprise of well-diversified holdings over a wide range of global markets.

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the income statement are as follows:

	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	European		United Kingdom		North America		Rest of World		Total	
	€m									
Current service cost ⁽¹⁾	(13.8)	(15.1)	-	(1.7)	(0.7)	(0.9)	(1.9)	(2.0)	(16.4)	(19.7)
Past service credit ⁽¹⁾	-	0.2	-	-	-	-	-	-	-	0.2
Expected return on plan assets ⁽²⁾	3.1	1.6	-	13.0	1.7	1.6	0.3	0.2	5.1	16.4
Interest cost on obligation ⁽²⁾	(5.5)	(3.4)	-	(13.2)	(1.8)	(1.7)	(1.1)	(0.8)	(8.4)	(19.1)
Total.....	(16.2)	(16.7)	-	(1.9)	(0.8)	(1.0)	(2.7)	(2.6)	(19.7)	(22.2)

⁽¹⁾ Included within operating profit

⁽²⁾ Included within finance cost

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20 EMPLOYEE BENEFITS (continued)

Pension liabilities (schemes in deficit) (continued)

Reconciliation of present value of scheme liabilities:

	European	United Kingdom	North America	Rest of the World	Total
	£m				
At 1 January 2021	(509.3)	(799.5)	(68.6)	(33.4)	(1,410.8)
Transfers in	(0.8)	-	-	(0.1)	(0.9)
Current service cost	(15.1)	(1.7)	(0.9)	(2.0)	(19.7)
Past service credit	0.2	-	-	-	0.2
Employee contributions	(0.3)	-	-	-	(0.3)
Interest cost	(3.4)	(13.2)	(1.7)	(0.8)	(19.1)
Movements between schemes in surplus and schemes in deficit	45.5	829.0	-	-	874.5
Benefits paid	15.2	51.6	6.5	4.0	77.3
Actuarial (loss)/gain - experience	(5.8)	1.2	1.6	(0.7)	(3.7)
Actuarial gain/(loss) - assumptions	20.1	(17.0)	3.2	1.6	7.9
Exchange adjustments	1.0	(53.3)	(5.5)	(0.2)	(58.0)
At 31 December 2021	(452.7)	(2.9)	(65.4)	(31.6)	(552.6)
Divestiture	-	-	-	2.0	2.0
Current service cost	(13.8)	-	(0.7)	(1.9)	(16.4)
Employee contributions	(0.3)	-	-	-	(0.3)
Interest cost	(5.5)	-	(1.8)	(1.1)	(8.4)
Movements between schemes in surplus and schemes in deficit	-	(488.7)	-	-	(488.7)
Benefits paid	19.9	-	4.3	4.6	28.8
Actuarial (loss)/gain - experience	(6.2)	0.2	(0.4)	0.6	(5.8)
Actuarial gain - assumptions	95.4	1.3	17.2	2.2	116.1
Exchange adjustments	1.8	33.5	(2.2)	(0.1)	33.0
At 31 December 2022	(361.4)	(456.6)	(49.0)	(25.3)	(892.3)

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20 EMPLOYEE BENEFITS (continued)

Pension liabilities (schemes in deficit) (continued)

Reconciliation of fair value of scheme assets:

	European	United Kingdom	North America	Rest of the World	Total
	€m				
At 1 January 2021	270.0	771.7	61.5	8.7	1,111.9
Expected return on scheme assets	1.6	13.0	1.6	0.2	16.4
Employer contributions	23.4	32.7	1.0	4.1	61.2
Employee contributions	0.3	-	-	-	0.3
Movements between schemes in surplus and schemes in deficit	(45.3)	(841.2)	-	-	(886.5)
Benefits paid	(15.2)	(51.6)	(6.5)	(4.0)	(77.3)
Actuarial gain/(loss)	14.1	25.0	(2.0)	0.1	37.2
Exchange adjustments	(1.2)	52.3	4.9	0.1	56.1
At 31 December 2021	247.7	1.9	60.5	9.2	319.3
Divestiture	-	-	-	(1.9)	(1.9)
Expected return on scheme assets	3.1	-	1.7	0.3	5.1
Employer contributions	25.7	0.2	0.9	4.2	31.0
Employee contributions	0.3	-	-	-	0.3
Movements between schemes in surplus and schemes in deficit	-	466.6	-	-	466.6
Benefits paid	(19.8)	-	(4.4)	(4.6)	(28.8)
Actuarial loss	(41.7)	(0.6)	(13.6)	(0.1)	(56.0)
Exchange adjustments	(0.9)	(33.7)	1.6	0.2	(32.8)
At 31 December 2022	214.4	434.4	46.7	7.3	702.8

Depending on prevailing exchange rates, the Group expects to contribute approximately €59.7 million to its defined pension plans in 2023.

21 PROVISIONS

	Onerous contracts	Severance and restructuring	Environmental	Plant closures	Other provisions	Total
	€m					
At 1 January 2022	1.5	3.5	201.9	12.8	20.9	240.6
Charged/(credited) to the consolidated income statement ..	-	0.1	(0.2)	-	0.1	-
Reclassifications	-	-	4.8	(4.0)	(2.8)	(2.0)
Business disposals	(1.3)	-	-	-	-	(1.3)
Utilised in the year	(0.2)	(2.9)	(26.2)	(2.7)	(0.8)	(32.8)
Discount unwinding	-	-	(12.5)	(0.3)	(0.1)	(12.9)
Effects of movement in foreign exchange	-	(0.1)	(3.0)	(0.1)	(0.1)	(3.3)
At 31 December 2022	-	0.6	164.8	5.7	17.2	188.3
Non-current	-	0.3	161.4	6.2	17.4	185.3
Current	1.5	3.2	40.5	6.6	3.5	55.3
At 31 December 2021	1.5	3.5	201.9	12.8	20.9	240.6
Non-current	-	0.1	134.4	4.2	15.9	154.6
Current	-	0.5	30.4	1.5	1.3	33.7
At 31 December 2022	-	0.6	164.8	5.7	17.2	188.3

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21 PROVISIONS (continued)

Onerous contracts

Provisions related to unfavourable supply contracts and contract termination costs with related parties. Cash of €0.2 million was spent in the year. The remaining provision was disposed of as part of sale of INEOS Styrolution India limited (see Note 3).

Severance and restructuring

The provision recognised in 2021 by Aromatics business in respect of manpower reorganisation costs was fully spent in the year for €2.2 million. Remaining provision related to supply chain and commercial teams reorganisation costs in INEOS Inovyn. Cash of €0.7 million was spent in the year. The remaining provision of €0.6 million is expected to be fully utilised by 2025

Environmental

Environmental provisions represent the expected cost of remediation works where there is a legal or constructive obligation for the works to be carried out and a reasonable estimate of the cost can be made. The majority of the provisions created in prior years relate to obligations associated with the remediation of mercury-based cell rooms at INEOS Inovyn sites in Belgium, France, Sweden, Spain, Italy and the United Kingdom, plus costs of implementing the remediation work at the Feyzin site in France to comply with local legislation.

In total €26.2 million was spent on environmental-related provisions in the year and the remaining provisions of €164.8 million is expected to be utilised by 2047.

Plant closures

Plant closure provision mainly relate to activities at Runcorn, United Kingdom in respect of the Sulphur Chemicals plant which closed in 2021 and Wilhelmshaven, Germany in respect of the mercury cell room which closed in 2013. The remaining provision of €5.7 million is expected to be fully utilised by 2029.

Other provisions

Other provisions mainly relate to various legal and customer claims, including a liability to the Styrolution business' previous shareholder, BASF under prior legal agreements. There was a reclassification of €2.8 million to short-term accruals during 2022 as the amounts and timing of payment became more certain. The provision is expected to be fully utilised by 2027.

22 OTHER FINANCIAL LIABILITIES

	2022	2021
	€m	
Current		
Derivative commodity contracts designated as fair value through the profit or loss (note 25)	46.2	53.4

23 SHARE CAPITAL AND DIVIDENDS

Share capital

	2022	2021
	€m	
200,100 (2021: 200,100) issued Ordinary shares (pounds sterling) of £1.00 (2021: £1.00) each	0.3	0.3
2 (2021: 4) issued Ordinary shares (Euro) of €1.00 (2021: €1.00) each	-	-
	<u>0.3</u>	<u>0.3</u>

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23 SHARE CAPITAL AND DIVIDENDS (continued)

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

On 15 January 2021, the Company undertook a capital reduction exercise of its full share premium account of €6,620.4 million which was transferred to retained earnings. Two ordinary shares (Euro) were also cancelled.

Dividends

The following dividends were recognised during the year:

	<u>2022</u>	<u>2021</u>
	<u>€m</u>	
Repayment of Equity Bridge Contribution.....	-	824.9
Other dividends declared.....	521.0	393.3
	<u>521.0</u>	<u>1,218.2</u>

The Equity Bridge Contribution received from the Company's immediate party undertaking as part of the BP Acquisition was repaid in January 2021 via a return of capital of €824.9 million.

Interim dividends of €521.0 million were declared and paid during the year (2021: €393.3 million). Subsequent to year-end, the Directors have declared a final dividend of €500.9 million (2021: €nil) as at 23 January 2023 (see note 32).

The dividend declared in the current year equates to €2,603.7 per Ordinary share (2021: €6,087.8 per Ordinary share).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

24 MERGER RESERVE

On 31 December 2020, the Group acquired 94.9% of the shares in INOVYN Limited, pursuant to a contribution agreement dated 24 July 2020 between INEOS Group Investments Limited, INEOS Industries Limited, INEOS Industries Holdings Limited, the Company and INEOS Quattro Financing Limited, a subsidiary undertaking of the Company in exchange for €3,416.4 million. On 31 December 2020, €3,245.7 million was debited to a merger reserve, being the difference between the book value of the net assets acquired and the total consideration paid.

A difference of €1,281.2 million between the predecessor value of the Group and the fair value recognised as the investment has been debited to a merger reserve for other prior year acquisitions.

25 FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk (including currency and interest rate risk)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. They are responsible for developing and monitoring the Group's risk management policies. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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25 FINANCIAL INSTRUMENTS (continued)

25(a) Fair values of financial instruments

Trade and other receivables

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

The fair value of the interest-bearing loans (excluding the securitisation facility, lease liabilities and related party loans) is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. The fair value of the securitisation facilities is the same as the carrying value excluding debt issue costs. The fair value of lease liabilities is determined by reference to market rates for similar lease agreements. The fair value of the related party loans is the same as the carrying value.

Derivative financial instruments

The Group has entered into derivative financial instruments and the fair value is based on market or broker quotes.

Equity instruments

The Group has entered into derivative financial instruments and the fair value is based on market or broker quotes.

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial assets held at fair value through other comprehensive income:				
Equity instruments.....	5.5	5.5	-	-
Financial assets held at amortised cost:				
Trade receivables.....	1,383.1	1,383.1	1,788.0	1,788.0
Amounts due from related parties and associated undertakings	752.2	752.2	124.4	124.4
Other receivables (excluding prepayments and tax).....	336.9	336.9	429.6	429.6
Other investments.....	9.8	9.8	18.1	18.1
Deferred consideration	239.0	239.0	-	-
Cash and cash equivalents.....	1,530.1	1,530.1	1,291.3	1,291.3
Total financial assets	4,256.6	4,256.6	3,651.4	3,651.4

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25 FINANCIAL INSTRUMENTS (continued)

25(a) Fair values of financial instruments (continued)

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial liabilities held at fair value through profit or loss:				
Derivative commodity contracts.....	46.2	46.2	53.4	53.4
Financial liabilities carried at amortised cost:				
Senior Secured Notes due 2026.....	1,255.5	1,108.4	1,223.8	1,236.9
Senior Notes due 2026	500.0	410.0	500.0	502.2
Term Loan B Facilities due 2026	3,315.6	3,210.6	3,216.5	3,237.2
Term Loan A Facilities due 2023	-	-	179.9	182.7
Term Loan A Facilities due 2025	-	-	183.4	185.3
Term Loan B Facilities due 2027	631.3	589.8	621.5	612.4
Senior Secured Notes due 2027	597.0	486.0	596.3	584.3
Securitisation facilities	(0.2)	-	(0.3)	-
Loan from related party	41.7	41.7	39.8	39.8
Other loans	0.1	0.2	9.4	9.4
Trade payables.....	1,390.8	1,390.8	1,737.0	1,737.0
Amounts due to related parties	239.3	239.3	428.8	428.8
Accruals and other payables (excluding deferred income)...	701.8	701.8	840.1	840.1
Lease liabilities.....	289.3	289.3	299.2	299.2
Total financial liabilities	9,008.4	8,514.1	9,928.8	9,948.7

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "Fair Value Measurement", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	2022			
	Level			
	Fair value	1	2	3
	€m			
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(46.2)	-	(46.2)	-
	(46.2)	-	(46.2)	-
Net financial assets and liabilities designated as fair value through other comprehensive income				
Equity instruments	5.5	5.5	-	-
	5.5	5.5	-	-

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25 FINANCIAL INSTRUMENTS (continued)

25(a) Fair values of financial instruments (continued)

	2021		
	Level		
Fair value	1	2	3
€m			
Net financial assets and liabilities designated as fair value through profit or loss			
Derivative commodity contracts	(53.4)	-	(53.4)
	(53.4)	-	(53.4)

The derivative commodity contracts have been assigned to Level 2 since there are no market prices available. The fair value of derivatives is the value that the Group would receive or have to pay if the financial instrument were transferred to an external party at the reporting date. The equity instruments have been assigned to Level 1 since the shares are listed on the London Stock Exchange.

There have been no transfers from one level to another during 2021 and 2022.

25(b) Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of debt issue costs, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of debt issue costs, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

	2022			
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial assets at fair value through OCI	Financial liabilities at amortised cost
€m				
Gains from financial instruments				
Interest income	14.6	-	-	-
Foreign exchange gains	140.7	-	-	-
Net result	155.3	-	-	-
Carrying value at 31 December	4,251.1	-	-	-
Losses from financial instruments				
Interest cost	-	-	-	(247.0)
Amortisation of debt issue costs	-	-	-	(21.9)
Net fair value loss on derivatives	-	(20.8)	-	-
Net fair value loss on equity instruments	-	-	(0.4)	-
Foreign exchange losses	-	-	-	(78.6)
Net result	-	(20.8)	(0.4)	(347.5)
Carrying value at 31 December	-	(46.2)	5.5	(8,962.2)

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25 FINANCIAL INSTRUMENTS (continued)

25(b) Net gains and losses from financial instruments (continued)

	2021		
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial liabilities at amortised cost
	€m		
Gains from financial instruments			
Interest income.....	7.2	-	-
Foreign exchange gains.....	151.3	-	-
Net result.....	158.5	-	-
Carrying value at 31 December	3,651.4	-	-
Losses from financial instruments			
Interest cost.....	-	-	(214.3)
Amortisation of debt issue costs	-	-	(68.6)
Net fair value gains on derivatives.....	-	(40.8)	-
Foreign exchange losses.....	-	-	(56.9)
Net result.....	-	(40.8)	(339.8)
Carrying value at 31 December	-	(53.4)	(9,875.4)

25(c) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and amount owed to Group undertakings.

The Group's treasury policy and objectives in relation to credit risk is to minimise the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. No single customer accounts for more than 5% of revenue.

Investments, cash and cash equivalents

Surplus cash investments are only made with banks with which the Group has a relationship. Occasionally deposits are made with banking counterparties that provide financing arrangements, reducing the credit exposure of the Group.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk, and the associated impairments recognised, are given in note 16.

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25 FINANCIAL INSTRUMENTS (continued)

25(d) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders and has significant headroom on the securitisation facilities (see note 17).

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial year.

The maturity profile of the Group's undrawn committed facilities at 31 December 2022 and 2021 was as follows:

	2022	2021
	Undrawn facilities	Undrawn facilities
	€m	
In less than one year	-	-
In more than one year, but not more than two years	840.0	690.0
In more than two years, but not more than five years	-	-
	840.0	690.0

The undrawn committed facilities of €840 million (2021: €690.0 million) are in respect of the unused securitisation facilities. The maturity date of the securitisation facilities is 30 June 2024 for the INOVYN securitisation facility and 28 June 2024 for the Styrolution securitisation facility.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

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25 FINANCIAL INSTRUMENTS (continued)

25(d) Liquidity risk (continued)

Financial risk management (continued)

	2022					
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	€m					
Non-derivative financial liabilities						
Senior Secured Notes due 2026.....	1,255.5	(1,394.1)	(35.8)	(35.8)	(1,322.5)	-
Senior Notes due 2026.....	500.0	(575.1)	(18.8)	(18.8)	(537.5)	-
Term Loan B Facilities due 2026.....	3,315.6	(3,993.0)	(228.3)	(229.8)	(3,534.9)	-
Term Loan A Facilities due 2023.....	-	-	-	-	-	-
Term Loan A Facilities due 2025.....	-	-	-	-	-	-
Term Loan B Facilities due 2027.....	631.3	(760.7)	(32.8)	(33.1)	(694.8)	-
Senior Secured Notes due 2027.....	597.0	(660.8)	(13.5)	(13.5)	(633.8)	-
Securitisation facilities.....	(0.2)	(9.4)	(4.3)	(3.6)	(1.5)	-
Loan from related party.....	41.7	(51.9)	-	-	-	(51.9)
Other loans.....	0.1	(0.1)	(0.1)	-	-	-
Trade payables.....	1,390.8	(1,390.8)	(1,390.8)	-	-	-
Amounts due to related parties.....	239.3	(239.3)	(239.3)	-	-	-
Accruals and other payables (excluding deferred income).....	701.8	(701.8)	(669.9)	(25.4)	(4.8)	(1.7)
Lease obligations.....	289.3	(390.3)	(83.6)	(62.4)	(88.2)	(156.1)
Derivative financial liabilities						
Commodity contracts.....	46.2	(46.2)	(46.2)	-	-	-
	<u>9,008.4</u>	<u>(10,213.5)</u>	<u>(2,763.4)</u>	<u>(422.4)</u>	<u>(6,818.0)</u>	<u>(209.7)</u>

	2021					
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	€m					
Non-derivative financial liabilities						
Senior Secured Notes due 2026.....	1,223.8	(1,398.3)	(34.9)	(34.9)	(1,328.5)	-
Senior Notes due 2026.....	500.0	(593.9)	(18.8)	(18.8)	(556.3)	-
Term Loan B Facilities due 2026.....	3,216.5	(3,659.2)	(116.9)	(116.8)	(3,425.5)	-
Term Loan A Facilities due 2023.....	179.9	(185.9)	(124.5)	(61.4)	-	-
Term Loan A Facilities due 2025.....	183.4	(199.8)	(5.2)	(39.4)	(155.2)	-
Term Loan B Facilities due 2027.....	621.5	(702.0)	(16.9)	(16.9)	(668.2)	-
Senior Secured Notes due 2027.....	596.3	(674.3)	(13.5)	(13.5)	(647.3)	-
Securitisation facilities.....	(0.3)	(8.8)	(3.5)	(3.5)	(1.8)	-
Loan from related party.....	39.8	(49.6)	-	-	-	(49.6)
Other loans.....	9.4	(9.9)	(9.7)	(0.1)	(0.1)	-
Trade payables.....	1,737.0	(1,737.0)	(1,737.0)	-	-	-
Amounts due to related parties.....	428.8	(428.8)	(428.8)	-	-	-
Accruals and other payables (excluding deferred income).....	840.1	(840.1)	(805.3)	(29.2)	(3.7)	(1.9)
Lease obligations.....	299.2	(370.6)	(82.3)	(55.6)	(89.2)	(143.5)
Derivative financial liabilities						
Commodity contracts.....	53.4	(53.4)	(53.4)	-	-	-
	<u>9,928.8</u>	<u>(10,911.6)</u>	<u>(3,450.7)</u>	<u>(390.1)</u>	<u>(6,875.8)</u>	<u>(195.0)</u>

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25 FINANCIAL INSTRUMENTS (continued)

25(e) Market risk

Financial risk management

Market risk reflects the possibility that changes in market prices, such as foreign exchange rates, interest rates, crude oil, key feedstocks and raw materials will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Market risk - Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Sterling, Norwegian Krone and Swedish Krona. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

A substantial portion of the Group's revenue is generated in, or linked to, Sterling, US dollars and the Euro. Product prices, certain feedstock costs and most other operating costs are denominated in US Dollar, Sterling, Euro, Norwegian Krone and Swedish Krona. In the US petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in US Dollars.

The group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary items is considered to form part of a net investment in a foreign operation and changes to the fair value are recognised directly within equity.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future.

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The foreign currency exposure where the Group's financial assets / (liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement of the Group.

	<u>2022</u>	<u>2021</u>
	<u>€m</u>	
Euros.....	37.4	154.9
Pounds Sterling.....	27.3	20.6
US Dollars.....	186.3	33.6
Norwegian Krone.....	(0.3)	18.8
Others.....	(74.8)	(76.6)
	<u>175.9</u>	<u>151.3</u>

Sensitivity analysis

A 10% per cent weakening of the following currencies at 31 December 2021 and 31 December 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative year.

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25 FINANCIAL INSTRUMENTS (continued)

25(e) Market risk (continued)

(i) Market risk - Foreign currency risk (continued)

	2022	2021	2022	2021
	Equity		Profit or loss	
	€m			
Euros.....	-	-	(3.4)	(14.1)
Pounds Sterling.....	-	-	(2.6)	(1.8)
Norwegian Krone.....	-	-	(16.9)	(1.7)
US Dollars.....	-	-	-	(3.1)
Other.....	-	-	6.7	6.7

A 10% per cent strengthening of the above currencies against the Euro at 31 December 2021 and 31 December 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Market risk – Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2022	2021
	€m	
Fixed rate instruments		
Financial liabilities.....	(2,683.6)	(2,659.1)
	<u>(2,683.6)</u>	<u>(2,659.1)</u>
Variable rate instruments		
Financial assets.....	1,530.1	1,291.3
Financial liabilities.....	(3,946.8)	(4,210.4)
	<u>(2,416.7)</u>	<u>(2,919.1)</u>

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates and financial instrument at fair value through profit or loss. The analysis is performed on the same basis for 2022 and 2021.

Profit or (loss)	2022	2021
	€m	
Increase in interest rates by 1%.....	(24.2)	(29.2)

A 1% change in the opposite direction of the above interest rates at 31 December 2021 and 31 December 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

25 FINANCIAL INSTRUMENTS (continued)

25(e) Market risk (continued)

(iii) Market risk – Commodity price risk

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of feedstocks, electricity and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group in some circumstances enters into swap contracts to acquire physical volumes of commodities at future dates which are not covered under the own use exemption and are recognised as derivative instruments. Derivative commodity contracts designated as fair value through profit or loss are disclosed in notes 22.

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

25(f) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €9,444.1 million (2021: €8,587.3 million) as equity attributable to the owners of the Company of €4,582.5 million (2021: €3,238.4 million) and net debt (total gross loans and borrowings less cash and cash equivalents) of €4,861.6 million (2021: €5,348.9 million).

The principal sources of debt available to the Group at 31 December 2022 are described in note 17 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

26 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2022	2021
	€m	
Increase in cash and cash equivalents in the year.....	226.9	438.4
Cash outflow from change in debt financing.....	(12.2)	(647.1)
Change in net debt resulting from cash flow.....	214.7	(208.7)
Disposals of business.....	408.9	-
Other net non-cash transactions.....	(136.3)	(166.8)
Movement in net debt in the year.....	487.3	(375.5)

	1 January 2022	Cash flow	Disposal (Note 3)* €m	Foreign exchange and other non-cash changes	31 December 2022
Cash at bank and in hand.....	1,291.3	226.9	-	11.9	1,530.1
Debt due within one year.....	(150.5)	138.1	-	(8.2)	(20.6)
Debt due after more than one year.....	(6,489.7)	(150.3)	408.9	(140.0)	(6,371.1)
Total external borrowings.....	(6,640.2)	(12.2)	408.9	(148.2)	(6,391.7)
Net debt before issue costs	(5,348.9)	214.7	408.9	(136.3)	(4,861.6)

*Excludes cash

	1 January 2021	Cash flow	Foreign exchange and other non-cash changes €m	31 December 2021
Cash at bank and in hand.....	805.6	438.4	47.3	1,291.3
Debt due within one year.....	(2,930.4)	2,925.6	(145.7)	(150.5)
Debt due after more than one year.....	(2,848.6)	(3,572.7)	(68.4)	(6,489.7)
Total external borrowings.....	(5,779.0)	(647.1)	(214.1)	(6,640.2)
Net debt before issue costs	(4,973.4)	(208.7)	(166.8)	(5,348.9)

Following the application of IFRS 16 *Leases* on 1 January 2019, all lease liabilities have been excluded from the definition of net debt.

27 CAPITAL COMMITMENTS

Outstanding capital expenditure on property, plant and equipment authorised by the directors of Group companies and for which contracts had been placed as at 31 December 2022 by the Group amounted to approximately €211.7 million (2021: €575.5 million).

28 CONTINGENCIES

The Group companies are and may from time to time be involved in proceedings or litigation arising in the ordinary course of business. Management does not believe that the ultimate resolution of these matters will materially affect the Group's financial condition or results of operations.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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29 RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Quattro Holdings Limited;
- Key management personnel
- Jointly controlled entities and associated undertakings held by INEOS Limited (and their subsidiaries) and
- Jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Mr J A Ratcliffe, Mr A C Currie and Mr J Reece are shareholders in INEOS Limited.

Parent entities and their subsidiaries not included within the INEOS Quattro Holdings group

Material trading and non-trading transactions by the Group with the entities controlled by INEOS Limited are as follows:

	Transaction value		Balance outstanding	
	Twelve-Months Period Ended		Period Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(€ in millions)			
Sale of products	338.1	323.6	-	-
Purchase of raw materials	(1,488.1)	(1,229.3)	-	-
Cost recoveries	117.3	89.3	-	-
Services received	(223.9)	(139.7)	-	-
Net interest	(1.8)	(1.7)	-	-
Trade and other receivables	-	-	97.0	62.1
Loans receivable	-	-	500.8	-
Trade and other payables	-	-	(172.4)	(264.4)
Interest-bearing loans and borrowings	-	-	(41.7)	(39.8)

Included within services above is a management fee paid to INEOS Limited of €59.5 million (2021: €55.3 million). No amounts remained outstanding as at 31 December 2022 (2021: €nil).

In general, all outstanding trading balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2022 (2021: €nil).

The loan receivable is an unsecured loan owed by INEOS Industries Holdings Limited. The loan attracts interest at commercial rate and had maturity of 2 December 2023. Subsequent to the year-end, this loan was fully settled through a dividend distribution approved on 23 January 2023 (see note 32).

The interest bearing loan is an unsecured loan due to INEOS Enterprises Holdings Limited. The loan bears interest at a rate of 4.5%. There is no formal repayment date under the loan agreement.

Entities controlled by the shareholders of INEOS Limited

The shareholders of INEOS Limited own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the year ended 31 December 2022, the Group made no sales or purchases with these companies (2021: €nil). As at 31 December 2022, amounts owed by Screencondor Limited were €1.2 million (2021: €1.2 million).

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

29 RELATED PARTIES (continued)

Jointly controlled entities and associated undertakings held within the INEOS Limited group and jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited group.

Material trading and non-trading transactions with these entities during the period were as follows:

	Transaction value		Balance outstanding	
	Twelve-Months Period Ended		Period Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(€ in millions)			
Sale of products	88.6	79.8	-	-
Purchase of raw materials	(553.0)	(570.5)	-	-
Cost recoveries	236.1	191.5	-	-
Services received	(0.4)	-	-	-
Net interest	2.1	2.0	-	-
Trade and other receivables	-	-	77.8	46.7
Trade and other payables	-	-	(67.1)	(164.4)
Loans receivable	-	-	75.1	14.4

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2022 (2021: €nil).

Loans receivable include a total of €63.1 million loans granted by the Group to INEOS Styrolution Sinopec Advanced Materials (Ningbo) Ltd. These loans are unsecured, attract interest at commercial rate and mature in 2032.

Transactions with key management personnel

The Group define key management as the Directors of the Company. Details of Directors' remuneration are given in note 7.

30 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company of the Company is INEOS Industries Holdings Limited.

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. Copies of the financial statements can be obtained from the company secretary at the registered office, INEOS Industries Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with adopted IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods.

Critical judgements in applying the Group's accounting policies

On 28 July 2022, INEOS and Sinopec signed a petrochemical deal to establish a total of three joint-ventures for ABS, based on INEOS' proprietary ABS technology. The set-up of the first joint-venture was completed on 28 December 2022. Management had to exercise critical judgement regarding the allocation of the consideration to the disposal of INEOS Styro Advanced Materials (Ningbo) Pte Ltd due to the linked nature of the transactions. The contractual arrangements are such that the first two joint ventures are accounted for together, and the third will be accounted for separately, in due course.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities;
- Expected rates of return on the scheme assets;
- Mortality levels.

Details of post-retirement benefits including the major actuarial assumptions and the sensitivity of the post-retirement benefits to the assumptions are set out in Note 20 : pension plan assumptions.

Provisions

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related asset and depreciated over its estimated useful life.

Other provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The nature and amount of provisions as well as the key assumptions are included within the financial statements are detailed in note 21. The discount rate applied to reflect the time value of money in the carrying amount of provisions requires estimation. The discount rate applied is reviewed regularly and adjusted following changes in market rates. If the estimated discount rate, one of the key assumptions in determining the environmental provisions, used in the calculation had been 1% higher than management's estimate, the carrying amount of the environmental provisions would have been €3.9 million lower.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

31 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

Impairment tests for goodwill and other non-financial assets

Goodwill impairment testing is performed annually or if there is an indication of impairment. Goodwill impairment tests are based on cash generating units and compare the recoverable amount of the unit with the respective carrying amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. The value in use is determined using a discounted cash flow method, considering earnings forecast of the unit. The management of the Group identified the operating segments as cash generating units ("CGUs") for the purposes of testing goodwill for impairment. Each unit or group of units to which goodwill is allocated to shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The goodwill is internally monitored at the level of business units.

Intangible assets other than goodwill assets and property, plant and equipment are generally valued at cost less amortisation. Impairment losses on intangible assets and property, plant and equipment are recognised when the recoverable amount of the cash generating unit which includes the asset is lower than the respective carrying amount. In accordance with the definition of a cash generating unit under IAS 36, the individual production plants generally do not represent separate cash generating units, but are part of larger asset groups that form the cash generating units.

Since assessment whether goodwill or a non-financial asset is impaired is based on long-term business plans for the cash generating units and the determination of an appropriate discount rate, management uses significant estimates and assumptions in making these assessments. Details on the estimates used for the goodwill impairment test are disclosed in note 11.

Partial disposal of business with joint control retained

On 28 December 2022, the Group transferred 50% of its shareholding in INEOS Styrolution Advanced Materials (Ningbo) Pte Limited to China Petroleum & Chemical Corporation (Sinopec). As a result, the Group gave up control but retained joint control. The 50% equity share in the joint-venture acquired by the Group has been measured at fair value on the date of acquisition by applying discounted cash flow method based on a long-term business plan with a detailed planning period of seven years.

The discount rate of 9.0% applied to reflect the time value of money of the cash flows expected based on the long-term business plan requires estimation. If the estimated discount rate, one of the key assumptions in determining the fair value, used in the calculation had been 1% higher than management's estimate, the fair value of 50% share of the joint-venture will have been €81 million lower.

32 SUBSEQUENT EVENTS

On 23 January 2023, the Group declared a dividend payment to its owners of €500.9 million. The dividend was used to settle an inter-company loan (principal plus interest) owed by the Group's owners and as such has not resulted in any cash outflow (see note 16).

On 14 March 2023, the Group entered into an Incremental Facility Agreement to raise a new Dollar Term Loan B of \$500.0 million (€471.6 million equivalent) and a new Euro Term Loan B of €375.0 million. The gross proceeds received under these borrowings were used on 15 March 2023 to pay an interim dividend to the Group's owners of €500.0 million with the remaining proceeds used to increase the liquidity of the Group.

From March 2023, the Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to, at the option of US Finco:

- (a) the applicable Term SOFR plus 0.10% (subject to a floor of 0% per annum) plus a margin of 2.00%; or
- (b) the Alternate Base Rate (subject to a floor of 1.00% per annum) plus a margin of 1.00%.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

32 SUBSEQUENT EVENTS (continued)

In April 2023, the Group has initiated the process of transitioning the Dollar Term Loan B Facility due 2026 from LIBOR to SOFR.

Subsequent to the year-end, the Group entered into an interest rate swap agreement with HSBC to hedge the fair value risk in relation to the 2030 Term Loans with the notional principal amount of \$500 million. Under this interest rate swap agreement, the Group will exchange the variable SOFR exposure for fixed-SOFR obligations.

INEOS QUATTRO HOLDINGS LIMITED
COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		€m	
Administrative expenses.....		(0.3)	(0.1)
Operating loss	2	(0.3)	(0.1)
Income from shares in group undertakings	4	521.2	1,218.2
Profit before net finance costs		520.9	1,218.1
Finance income.....	5	0.5	-
Finance costs	5	(0.5)	-
Profit before tax		520.9	1,218.1
Tax on profit.....	6	(7.8)	0.2
Profit for the financial year		513.1	1,218.3

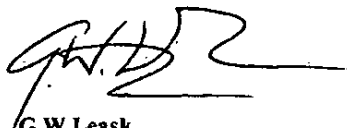
All activities of the Company relate to continuing operations.

The Company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

INEOS QUATTRO HOLDINGS LIMITED
COMPANY BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		€m	
Fixed assets			
Investments	7	6,620.8	6,620.8
Current assets			
Debtors: amounts due within one year	8	500.5	0.2
Debtors: amounts due after more than one year	8	-	-
Cash and cash equivalents		0.3	0.3
Total current assets		<u>500.8</u>	<u>0.5</u>
Current liabilities			
Interest-bearing loans and borrowings	9	(500.6)	(0.1)
Trade and other payables	10	(7.8)	(0.1)
Total current liabilities		<u>(508.4)</u>	<u>(0.2)</u>
Net current (liabilities)/assets		(7.6)	0.3
Total assets less current liabilities		<u>6,613.2</u>	<u>6,621.1</u>
Net assets		<u>6,613.2</u>	<u>6,621.1</u>
Capital and reserves			
Called up share capital	11	0.3	0.3
Share premium account	11	-	-
Profit and loss account		6,612.9	6,620.8
Total shareholder's funds		<u>6,613.2</u>	<u>6,621.1</u>

The financial statements on pages 107 to 121 were approved by the Board of Directors on 14 April 2023 and were signed on its behalf by:



G W Leask
Director

INEOS Quattro Holdings Limited
Registered number: 09922632

INEOS QUATTRO HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022

	<i>Note</i>	Called up share capital	Share premium account	Profit and loss account	Total shareholder's funds
				€m	
Balance at 1 January 2021		0.3	6,620.4	0.3	6,621.0
Profit and total comprehensive income for the financial year.....		-	-	1,218.3	1,218.3
<i>Transactions with owners, recorded directly in equity:</i>					
Reduction of share premium	11	-	(6,620.4)	6,620.4	-
Repayment of Equity Bridge Contribution	11	-	-	(824.9)	(824.9)
Dividends	11	-	-	(393.3)	(393.3)
Total contributions by and distributions to owners		-	(6,620.4)	5,402.2	(1,218.2)
Balance at 31 December 2021		0.3	-	6,620.8	6,621.1
Profit and total comprehensive income for the financial year.....		-	-	513.1	513.1
<i>Transactions with owners, recorded directly in equity:</i>					
Dividends	11	-	-	(521.0)	(521.0)
Total contributions by and distributions to owners		-	-	(521.0)	(521.0)
Balance at 31 December 2022		0.3	-	6,612.9	6,613.2

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

1 ACCOUNTING POLICIES

INEOS Quattro Holdings Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom, registered in England and Wales and has its registered office at Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

These financial statements present information about the Company as an individual undertaking and not about its group.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, on a going concern basis and under the historical cost accounting rules.

The Company financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") and the Companies Act 2006.

The Company meets its day to day working capital requirements through its intercompany loan, along with cash generated by its subsidiaries' operations. The Company held cash balances of €0.3 million at 31 December 2022 (2021: €0.3 million), current debtors of €500.5 million (2021: €0.2 million) and loans and borrowings of €500.6 million at 31 December 2022 (2021: €0.1 million). The Directors have considered the Company's projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €6,613.2 million as at December 31, 2022 (2021: €6,621.1 million) the Directors have concluded that the Company can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The consolidated financial statements of INEOS Quattro Holdings Limited are prepared in accordance with International Financial Reporting Standards. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in relation to the impairment of assets as required by IAS 36;
- Financial instrument disclosures as required by IFRS 7;
- The effects of new but not yet effective IFRSs;
- Comparative information for fixed asset reconciliations; and
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Company financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis. No assets or liabilities are stated at fair value.

1.3 Functional and presentation currency

The Company financial statements are presented in Euros, which is also its functional currency.

1.4 Investments

Investments in subsidiary undertakings are carried at the cost to the Company (being the fair value of the shares acquired) less any impairment.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

1 ACCOUNTING POLICIES (continued)

1.5 Impact of new standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2022 which have had a material impact on the Company.

1.6 Foreign currency

Foreign currency transactions are translated into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when deferred in reserves as qualifying net investment hedges.

1.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits with maturities of three months or less from the acquisition date and money market funds that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Pledged balances on accounts used for payment transactions related to the securitisation of receivables are classified as cash. The amount of these balances is disclosed in the notes.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in loans and receivables are stated at amortised cost less impairment.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Share capital (ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.8 Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

1 ACCOUNTING POLICIES (continued)

1.9 Finance income and cost

Interest income and interest payable are recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following timing differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the timing difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 OPERATING LOSS

The audit fee for the parent company for the year ended 31 December 2022 was €13,600 (2021: €10,300) and was borne by a fellow group undertaking.

3 STAFF NUMBERS AND COSTS

The Company had no employees, other than the Directors, during the year ended 31 December 2022 (2021: none).

No Directors received any fees or remuneration in respect of their services as a director of the Company during the year ended 31 December 2022 (2021: €nil).

4 INCOME FROM SHARES IN GROUP UNDERTAKINGS

During 2022 the Company received dividends of €521.2 million from INEOS Quattro Financing Limited.

During 2021 the Company received dividends of €824.9 million from INEOS Quattro Financing Limited to enable the Company to repay the Equity Bridge Contribution received from the Company's immediate party undertaking as part of the BP Acquisition. In addition, the Company received further dividends of €393.3 million from INEOS Quattro Financing Limited.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

5 FINANCE INCOME AND COSTS

	<u>2022</u>	<u>2021</u>
	<u>€m</u>	
Finance income		
Interest receivable from associated undertakings	0.5	-
Total finance income	<u>0.5</u>	<u>-</u>
Finance costs		
Interest payable to associated undertakings	(0.5)	-
Total finance costs	<u>(0.5)</u>	<u>-</u>
Net finance costs	<u>-</u>	<u>-</u>

6 TAX ON PROFIT

Recognised in the profit and loss account

	<u>2022</u>	<u>2021</u>
	<u>€m</u>	
UK Corporation tax:		
Current tax credit	(0.1)	(0.1)
Adjustment in respect of prior years	7.9	(0.1)
Total current tax charge/(credit)	<u>7.8</u>	<u>(0.2)</u>

Reconciliation of effective tax rate

	<u>2022</u>	<u>2021</u>
	<u>€m</u>	
Total tax charge/(credit)	7.8	(0.2)
Profit before taxation	520.9	1,218.1
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	99.0	231.4
Adjustment in respect of prior years	7.9	(0.1)
Tax exempt income	(99.1)	(231.5)
Total tax charge/(credit)	<u>7.8</u>	<u>(0.2)</u>

On 11 March 2021, the Finance Bill 2021 was announced in the United Kingdom, which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023.

7 INVESTMENTS

	<u>Shares in group undertakings</u>
	<u>€m</u>
Cost and net book value	
At 31 December 2021 and 2022	<u>6,620.8</u>

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

7 INVESTMENTS (continued)

The Company has the following investments in subsidiaries:

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Quattro Financing Limited ^a	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Quattro Finance 1 plc ^a	UK	Financing company	Ordinary	100%	100%	(1)
INEOS Quattro Finance 2 plc	UK	Financing company	Ordinary	100%	100%	(1)
INEOS Styrolution Finance GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Investment GmbH	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution America LLC	USA	Manufacture of styrene monomer and polymers, selling, distribution	Members interest	100%	100%	(3)
INEOS Styrolution Belgium NV	Belgium	Manufacture of styrene monomer and polymers	Ordinary	100%	100%	(4)
INEOS Styrolution Belgium Services bvba	Belgium	Sales office	Ordinary	100%	100%	(5)
INEOS Styrolution Canada Ltd	Canada	Manufacture of styrene monomer	Common	100%	100%	(6)
INEOS Styrolution (China) Investment Co. Ltd	China	Financing company	Registered capital Equity	100%	100%	(7)
INEOS Styrolution do Brasil Polimeros Ltda.	Brazil	Sales office	/Ordinary	100%	100%	(8)
INEOS Styrolution Hong Kong Company Limited.	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Styrolution Europe GmbH.	Germany	Distribution company	Ordinary	100%	100%	(2)
INEOS Styrolution France SAS.	France	Manufacture of polymers	Ordinary	100%	100%	(10)
INEOS Styrolution France Services SAS.	France	Sales office	Ordinary	100%	100%	(11)
INEOS Styrolution Group GmbH.	Germany	Holding company	Ordinary	100%	100%	(2)
INEOS Styrolution Iberia S.L.	Spain	Sales office	Ordinary	100%	100%	(12)
INEOS Styrolution Switzerland SA.	Switzerland	Distribution company	Ordinary	100%	100%	(14)
INEOS Styrolution Italia S.r.L.	Italy	Sales office	Ordinary	100%	100%	(15)
INEOS Styrolution Kimyasal Ürünler Ticaret Limited Sirketi.	Turkey	Sales office	Ordinary	100%	100%	(16)
INEOS Styrolution Köln GmbH.	Germany	Manufacture of polymers	Ordinary	100%	100%	(17)
INEOS Styrolution Korea Ltd.	South Korea	Manufacture of polymers	Common	100%	100%	(18)
KR Copolymer Co. Ltd	South Korea	Manufacture of K-Resin	Ordinary	100%	100%	(19)
INEOS Styrolution Ludwigshafen GmbH.	Germany	Manufacture of polymers	Ordinary	100%	100%	(2)
INEOS Styrolution Mexicana, S.A. de C.V.	Mexico	Manufacture of polymers	Ordinary	100%	100%	(20)
INEOS Styrolution Netherlands B.V.	Netherlands	Sales office	Ordinary	100%	100%	(21)
INEOS Styrolution OOO.	Russia	Sales office	Charter capital	100%	100%	(22)
INEOS Styrolution Poland Sp. z o.o.	Poland	Sales office	Ordinary	100%	100%	(23)
INEOS Styrolution Polymers (Foshan) Co. Ltd.	China	Manufacture of polymers	Registered capital	100%	100%	(24)

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
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7 INVESTMENTS (continued)

7(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Styrolution Polymers (Ningbo) Co. Ltd.	China	Manufacture of polymers	Registered capital	100%	100%	(25)
INEOS Styrolution Advanced Materials (Ningbo) Pte Ltd. ⁽⁴⁾	China	Manufacture of ABS (under construction)	Registered capital	50%	100%	(26)
INEOS Styrolution Polymers (Shanghai) Co. Ltd.	China	Sales office	Registered capital	100%	100%	(27)
INEOS Styrolution Schwarzheide GmbH	Germany	Manufacture of polymers	Ordinary	100%	100%	(30)
INEOS Styrolution APAC Pte Ltd.	Singapore	Sales office	Ordinary	100%	100%	(31)
INEOS Styrolution UK Limited**	UK	Sales office	Ordinary	100%	100%	(1)
INEOS Styrolution US Holding LLC	USA	Holding company	Member interest	100%	100%	(3)
INEOS Styrolution Verwaltungsgesellschaft mbH.	Germany	Financing company	Ordinary	100%	100%	(2)
INEOS Styrolution (Thailand) Co., Ltd.	Thailand	Manufacture of polymers	Ordinary	100%	100%	(34)
INEOS Styrolution Vietnam Co., Ltd.	Vietnam	Sales office	Charter Capital	100%	100%	(35)
Deutsche Bank Mexico F/1787 Styrolution.	Mexico	Securitisation vehicle	n/a	n/a	n/a	(37)
INEOS Styrolution Receivables Finance Designated Activity Company.	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)
INEOS Quattro Holdings UK Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls UK Limited	UK	Production of acetic acid and other acetyls products	Ordinary	100%	100%	(1)
INEOS Acetyls International Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS US Petrochem LLC	USA	Holding company	Ordinary	100%	100%	(3)
INEOS US Chemicals Company	USA	Production of purified terephthalic acid and paraxylene	Common	100%	100%	(3)
INEOS 179 Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics and Acetyls Trading (Shanghai) Company Limited	China	Sales office	Registered capital	100%	100%	(29)
INEOS Acetyls Japan KK	Japan	Sales office	Ordinary	100%	100%	(36)
INEOS Acetyls Investments Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Asia Limited	Hong Kong	Sales office	Ordinary	100%	100%	(33)
INEOS Acetyls (Malaysia) Sdn Bhd.	Malaysia	Sales office	Ordinary	100%	100%	(68)
INEOS Acetyls (Korea) Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Acetyls Americas Limited**	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Holdings Limited	UK	Holding company	Ordinary	100%	100%	(1)
INEOS Aromatics Limited	UK	Sales company	Ordinary	100%	100%	(1)
INEOS World-Wide Technical Services Limited**	UK	Licensing services	Ordinary	100%	100%	(1)
INEOS Aromatics Holding Company	USA	Holding company	Common	100%	100%	(3)

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

7 INVESTMENTS (continued)

7(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INEOS Zhuhai Chemical Company Limited (formerly BP Zhuhai Chemical Company Ltd) ^(a)	China	Production of purified terephthalic acid and paraxylene	Member interest	91.90%	91.90%	(66)
INEOS Aromatics Indonesia Holdings Ltd	USA	Holding company	Common	100%	100%	(64)
INEOS Aromatics Belgium NV	Belgium	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(71)
INEOS Aromatics Belgium Holdings LLC	USA	Holding company	Common	100%	100%	(3)
PT INEOS Aromatics Indonesia	Indonesia	Production of purified terephthalic acid and paraxylene	Ordinary	100%	100%	(72)
PT INEOS Aromatics Trading Indonesia ^(a)	Indonesia	Trading company	Ordinary	100%	100%	(76)
NOVYN Limited ^(a)	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Holdings Limited ^(a)	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Finance Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Group Treasury Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Europe Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Norge AS	Norway	Manufacture of chemicals and PVC	Ordinary	100%	100%	(39)
NOVYN Sverige AB	Sweden	Manufacture of chemicals and PVC	Ordinary	100%	100%	(40)
INEOS ChlorVinyls Holdings BV	Netherlands	Holding company	Ordinary	100%	100%	(41)
NOVYN Newton Aycliffe Limited	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Newton Aycliffe Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
NOVYN Services Limited	UK	Service company	Ordinary	100%	100%	(38)
NOVYN Enterprises Limited	UK	Extraction and supply of brine and water	Ordinary	100%	100%	(38)
NOVYN ChlorVinyls Holdings Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
NOVYN ChlorVinyls Limited	UK	Manufacture of chemicals and PVC	Ordinary	100%	100%	(38)
INEOS Enterprises Group Limited	UK	Manufacture of salt and sulphur chemicals	Ordinary	100%	100%	(38)
Keuper Gas Storage Limited	UK	Gas storage	Ordinary	100%	100%	(38)
INEOS Chlor Atlantik GmbH	Germany	Non-trading	Ordinary	100%	100%	(42)
NOVYN Americas Inc	USA	Purchase and resale of chemicals	Ordinary	100%	100%	(43)
NOVYN Sales International Limited ^(a)	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Chlor Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INEOS Vinyls UK Ltd ^(a)	UK	Non-trading	Ordinary	100%	100%	(38)
INEOS Vinyls GmbH & Co KG	Germany	Holding company	Ordinary	100%	100%	(42)

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
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7 INVESTMENTS (continued)

7(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INOVYN Schkopau GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
INOVYN Sales GmbH	Germany	Non trading	Ordinary	100%	100%	(42)
EVC Pension Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(38)
INOVYN Energy Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 1 Limited	UK	Holding company	Ordinary	100%	100%	(38)
Kerling Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(38)
INOVYN Deutschland GmbH	Germany	Manufacture of chemicals and PVC	Ordinary	100%	100%	(42)
INOVYN Espana S.L.	Spain	Manufacture of chemicals and PVC	Ordinary	100%	100%	(44)
INOVYN Österreich GmbH ^(a)	Austria	Sales office	Ordinary	100%	100%	(45)
INOVYN Belgium SA	Belgium	Manufacture of chemicals	Ordinary	100%	100%	(46)
INOVYN Olefines France SAS	France	Operation of ethylene cracker	Ordinary	100%	100%	(47)
INOVYN Portugal Lda	Portugal	Sales office	Ordinary	100%	100%	(48)
INOVYN Trade Services SA	Belgium	Purchase and resale of chemicals	Ordinary	100%	100%	(46)
INOVYN Manufacturing Belgium SA	Belgium	Manufacture of chemicals and PVC	Ordinary	100%	100%	(46)
INOVYN France SAS	France	Manufacture of chlorine products	Ordinary	100%	100%	(47)
INOVYN Italia S.p.A.	Italy	Commercial services	Ordinary	100%	100%	(49)
INOVYN Produzione Italia S.p.A	Italy	Manufacture of chemicals	Ordinary	100%	100%	(50)
INOVYN Quimica Espana S.L	Spain	Waste treatment	Ordinary	100%	100%	(44)
Vinyloop Ferrara S.p.A ^(a)	Italy	PVC Recycling	Ordinary	100%	100%	(49)
TTE Training Limited	UK	Training company	Limited by Guarantee	100%	100%	(52)
TTE Apprenticeship Training Agency Limited	UK	Apprenticeship company	Limited by Guarantee	100%	100%	(52)
INEOS Norway Finance Ireland Limited	Ireland	Securitisation vehicle	n/a	n/a	n/a	(51)

* Shares held directly by INEOS Quattro Holdings Limited. All other subsidiaries listed are held indirectly.

(a) In the process of being liquidated

(b) Sold in November 2022.

(c) Effective on 28 December 2022, the Group sold 50% of its 100% share in INEOS Styrolution Sinopec Advanced Materials (Ningbo) Pte Ltd to China Petroleum & Chemical Corporation establishing a joint venture between the Group and Sinopec

(d) Portion of ownership interests held by non-controlling interests is 8.1%.

(e) Company incorporated on 11 August 2022.

(f) Portion of ownership interests held by non-controlling interests is 5.1%.

(g) Dissolved in January 2023 following liquidation.

** Audit exemption. Subsidiaries claiming exemption from audit under section 479A Companies Act 2006.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
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7 INVESTMENTS (continued)

7(b) Registered office addresses of investments

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(1)	Hawkstone, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom
(2)	Mainzer Landstrasse 50, 60325 Frankfurt, Germany
(3)	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, Delaware, USA
(4)	Haven 725, Scheldelaan 600, 2040 Antwerp, Belgium
(5)	2070 Zwijsendrecht, Nieuwe Weg 1, 1053 Haven, Mechelen, Belgium
(6)	872 Tashmoor Avenue, Samia ON N7T 8A3 Ontario, Canada
(7)	Room 2502, 567 Langao Road, Putuo District, Shanghai, China
(8)	Rua Quintana 887 3º andar, conjuntos 33 e 34, Cidade Moncoes, São Paulo 04569-011
(9)	Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP, United Kingdom
(10)	Rue Albert Duplat, F-62410 Wingles, France
(11)	95 rue la Boétie, F-75008 Paris, France
(12)	Ronda General Mitre 28-30, 08017 Barcelona, Spain
(14)	Avenue des Uttins 3, CH-1180 Rolle, Switzerland
(15)	Via Caldera 21, 20153 Milano Cesano Maderno, Italy
(16)	Büyükdere Cad. Meydan sok., Spring Giz Plaza K. 13 N.11, Maslak Sariyer, Istanbul, Turkey
(17)	Alte Strasse 201, 50769 Cologne, Germany
(18)	Sanggae-ro 143 (Sanggae-dong), Nam-gu, Ulsan, South Korea
(19)	14th Floor, 92 Tongil-ro (Soonhwa-dong) Jung-gu, Seoul, 04517, Korea
(20)	Avenida Insurgentes Sur No. 859, Piso 11, Oficina 1102, Colonia Nápoles, 03810, Mexico City, Mexico
(21)	Strawinskylaan 411, NL-1077 XX Amsterdam, The Netherlands
(22)	Bldg. 3, 18 Pyatnitskaya St., 115035 Moscow, Russian Federation
(23)	ul Wólenska 9, 02-583 Warszawa, Poland
(24)	No. 61, Jinben Industry Avenue, Xinan Sub-district, Sanshui District, Foshan, Guangdong Province, China
(25)	No.2388, Minghai North Road, Ningbo Petrochemical Economy & Technology Development Zone, Ningbo, Zhejiang, China
(26)	Building No. 3 Unit 1-10, 266 Beihai Road, Ningbo Petrochemical Zone, Zhenhai District, Ningbo, China
(27)	Central Towers, Suite 2501&2503, 567 Langao Road, 200333 Shanghai, China
(28)	Avenida Adolfo Ruiz Cortines y Priv. Roble S/N, Col. San Pedro Lozano, Monterrey, Nuevo León, 64299, Mexico
(29)	17F, Block B, Central Towers, 567 Langao Road, Putuo District, Shanghai, P.R.China, 200333
(30)	Schipkauer Strasse 1, 01987 Schwarzhede, Germany
(31)	111 Somerset Road, #14-16 to 21 TripleOne Somerset, Singapore 238164, Singapore
(32)	Av. Ricardo Margáin Zozaya 444, Torre Equus IZA Sur, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, 66265, Mexico
(33)	5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
(34)	No. 4/2, I-8 Road, T. Map Ta Phut, A Muang, 2115 Rayong, Thailand
(35)	16th floor, Dacha Business Centre, 360 Kim Ma Str., Ngoc Khanh Ward, Ba Dinh Dist, Hanoi, Vietnam
(36)	1-25-1 Nishi-Shinjuku, Shinjuku-ku, (35F, Shinjyuku Center Building), Tokyo 1630635, Japan
(37)	Torre Virreyes, Pedregal 24, Piso 20, Colonia Molino del Rey, 11040, Mexico City, Mexico
(38)	Bankes Lane Office, Bankes Lane, Runcorn, Cheshire, WA7 4JE, United Kingdom
(39)	Rafnes Industnområde, 3966 Stathelle, Norway
(40)	444-83 Stenungsund, Sweden
(41)	Luna Arena, Herikerbergweg 238, Amsterdam, The Netherlands, 1101 CM
(42)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(43)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(44)	Calle Marie Curie 1-3-5, 08760 Martorell, Barcelona, Spain
(45)	Schottengasse 1, 4. Stock, 1010 Wien, Austria
(46)	Avenue des Olympiades 20, 1140 Brussels, Belgium
(47)	2 Avenue de la République, 39500 Tavaux, France
(48)	Rua do Centro Cultural nº 5 – R/C, sala 8, 1700-106 Lisboa, Portugal
(49)	Via Marconi 73, 44122 Ferrara (FE), Italy
(50)	Rosignano Marittimo (LI), Via Piave 6 CAP 57016, Italy
(51)	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
(52)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT, United Kingdom
(53)	Postboks 1367 – Vika, 0114 Oslo, Norway
(54)	Calle Principe de Vergara 204 – Primero C – 28002, Madrid, Spain
(55)	Rue de la Religion, 10, 1400 Nivelles, Belgium
(56)	Mainzer Landstraße 55, 60329 Frankfurt am Main, Germany

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NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
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7 INVESTMENTS (continued)

7(b) Registered office addresses of investments

Reference	Registered office address
(57)	Verkstadsvagen 11, 44431 Stenungsund, Sweden
(58)	Paniglasse 24/1/19 ^e , A-1040 Wien, Austria
(59)	12 Rue Raoul Nordling CS 7001, 92270 Bois Colombes, France
(60)	Fregatten 3, 444-30 Stenungsund, Sweden
(61)	Via Giovanni Da Procida, 11, 20149, Milan, Italy
(62)	Scheldelaan 480, 2040 Antwerpen, Belgium
(63)	Via Magona, 57023 Cecina, Italy
(64)	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States
(65)	6 th Floor, No. 413 Section 2 Ti-Ding Blvd., Neihu, Taipei, 11493, Taiwan
(66)	Da Ping Harbour, Lin Gang Industrial Zone, Zhuhai City, Guangdong Province, China
(67)	12 th Floor, Menara Symphony No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
(68)	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
(69)	97 Weijiang Road (in the Petrochemical Park), Changshou District, Chongqing, China
(70)	63-15 Sanggac-ro, Cheongnyang-myeon, Ulju-gun, Ulsan, 44987, Korea
(71)	Amocolaan 2 2440 Geel, Belgium
(72)	20 th Floor Summitmas II Jl., Jend. Sudirman Kav. 61 – 62, Jakarta, Selatan, Indonesia
(73)	No. 1-1 Formosa Industrial Complex, Mailiao, Yunlin Hsien, Taiwan
(74)	9# Huo Ju Road, Liu He District, Nanjing, Jiangsu Province, China
(75)	Maracaibo Drive, Point Lisas Industrial Estate, Point Lisas, Trinidad and Tobago
(76)	South Quarter Building Tower C, GJI, R.A. Kartini Kav. 8, Cilandak Barat, Jakarta, Indonesia

8 DEBTORS

	2022	2021
	€m	
Amounts falling due within one year		
Amounts owed by group undertakings	500.5	-
Group relief balance owed by group undertakings	-	0.2
	500.5	0.2

The amounts owed by group undertakings in the current year are an unsecured loan owed by the Company's immediate parent undertaking measured at amortised cost. The loan attracted interest at commercial rate and had a maturity at 8 December 2023. The loan was settled in January 2023 (see note 14).

9 INTEREST-BEARING LOANS AND BORROWINGS

	2022	2021
	€m	
Current		
Amounts owed to group undertakings	500.6	0.1

The amounts owed to group undertakings in the current year are an unsecured loan owed to the Company's immediate subsidiary measured at amortised cost. The loan attracted interest at commercial rate and had a maturity at 8 December 2023. The loan was settled in January 2023 (see note 14).

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

10 TRADE AND OTHER PAYABLES

	2022	2021
	€m	
Accruals.....	-	0.1
Group relief balance owed to group undertakings.....	7.8	-
	<u>7.8</u>	<u>0.1</u>

11 CAPITAL AND RESERVES

Share capital

	As at 31 December 2022	As at 31 December 2021
	€m	
200,100 (2021: 200,100) issued Ordinary shares (pounds sterling) of £1.00 (2021: £1.00) each	0.3	0.3
4 (2021: 4) issued Ordinary shares (Euro) of €1.00 (2021: €1.00) each.....	-	-
	<u>0.3</u>	<u>0.3</u>

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

The following dividends were recognised during the year:

	2022	2021
	€m	
Repayment of Equity Bridge Contribution.....	-	824.9
Other dividends declared.....	521.0	393.3
	<u>521.0</u>	<u>1,218.2</u>

Interim dividends of €521.0 million were declared and paid during the year (2021: €393.3 million). The Directors have declared the payment of a final dividend of €500.9 million (2021: €nil) on 23 January 2023 (see note 14).

The Equity Bridge Contribution received from the Company's immediate party undertaking as part of the BP Acquisition was repaid in January 2021 via a return of capital of €824.9 million.

The dividend declared equates to €2,603.7 per Ordinary share (2021: €6,087.8 per Ordinary share).

INEOS QUATTRO HOLDINGS LIMITED
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12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company of the Company is INEOS Industries Holdings Limited.

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest group in which the results of the Company are consolidated is that headed by INEOS Quattro Holdings Limited. The largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. Copies of the financial statements can be obtained from the company secretary at the registered office: INEOS Industries Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

13 ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company prepares its financial statements in accordance with FRS 101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.

14 SUBSEQUENT EVENT

On 23 January 2023, the Company received a dividend of €500.9 million from its immediate subsidiary. On the same day, the Directors of the Company declared the payment of a final dividend of €500.9 million to the Company's immediate parent. This dividend income did not constitute any cash inflow for the Company as this was used to fully repay the amount the Company owed to its immediate subsidiary in form of a loan (see note 9). Similarly, the dividend distribution did not constitute any cash outflow for the Company as this was used by the Company's immediate parent to settle the amount owed to the Company in form of a loan (see note 8).