INEOS Quattro Holdings Limited

Condensed consolidated interim financial statements as of March 31, 2024

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED INCOME STATEMENT

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Revenue	**3,210.3**	**3,500.8**
Cost of sales	(2,807.6)	(2,976.0)
Gross profit	**402.7**	**524.8**
Distribution costs	(196.3)	(202.7)
Administrative expenses	(133.5)	(134.0)
Operating profit	**72.9**	**188.1**
Share of (loss)/profit of joint ventures and associated undertakings	(2.7)	9.0
Loss on disposal of investment	(0.1)	-
Profit/(loss) on disposal of property, plant and equipment	0.5	(0.1)
Profit before net finance costs	**70.6**	**197.0**
Finance income	49.2	40.3
Finance costs before exceptional items	(150.6)	(106.8)
Exceptional finance costs	(5.2)	-
Total finance costs	(155.8)	(106.8)
(Loss)/profit before tax	**(36.0)**	**130.5**
Tax credit/(charge)	17.8	(23.6)
(Loss)/profit for the period	**(18.2)**	**106.9**
(Loss)/profit attributable to:		
- Owners of the parent	(17.5)	98.8
- Non-controlling interest	(0.7)	8.1
	(18.2)	**106.9**

The condensed notes on pages 7 to 24 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
(Loss)/profit for the period	**(18.2)**	**106.9**
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations, net of tax	10.1	25.7
Fair value (loss)/gain on investments in equity instruments designated as FVTOCI	(0.1)	0.3
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences of subsidiaries	27.8	(64.2)
Other comprehensive income/(expense) for the period net of tax	**37.8**	**(38.2)**
Total comprehensive income for the period	**19.6**	**68.7**
Total comprehensive income attributable to:		
- Owners of the parent	19.6	60.1
- Non-controlling interest	-	8.6
Total comprehensive income for the period	**19.6**	**68.7**

The condensed notes on pages 7 to 24 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET

	March 31, 2024	December 31, 2023
	(€ in millions)	
Non-current assets		
Property, plant and equipment	4,764.1	4,817.9
Intangible assets	2,210.7	2,215.9
Investments in equity-accounted investees	1,548.2	1,650.8
Other investments	10.2	10.4
Other financial assets	2.2	2.2
Other receivables	137.7	131.9
Employee benefits	31.1	30.9
Deferred tax assets	176.8	178.8
Total non-current assets	**8,881.0**	**9,038.8**
Current assets		
Inventories	1,241.4	1,190.9
Trade and other receivables	1,902.1	1,535.1
Tax receivables for current tax	106.1	77.1
Other financial assets	136.4	131.8
Cash and cash equivalents	1,852.7	1,935.1
Total current assets	**5,238.7**	**4,870.0**
Total assets	**14,119.7**	**13,908.8**
Equity		
Share capital	0.3	0.3
Merger reserve	(4,526.9)	(4,526.9)
Retained earnings	7,710.4	7,727.9
Other reserves	21.4	(15.7)
Equity attributable to owners of the parent	**3,205.2**	**3,185.6**
Non-controlling interest	68.4	68.4
Total equity	**3,273.6**	**3,254.0**
Non-current liabilities		
External interest-bearing loans and borrowings	7,395.6	7,322.7
Lease liabilities	224.9	234.4
Trade and other payables	207.1	216.5
Employee benefits	178.8	197.6
Provisions	179.1	178.4
Deferred tax liabilities	226.8	248.0
Total non-current liabilities	**8,412.3**	**8,397.6**
Current liabilities		
External interest-bearing loans and borrowings	12.6	4.5
Lease liabilities	68.0	72.2
Trade and other payables	2,175.3	1,985.9
Tax liabilities for current tax	135.8	144.9
Other financial liabilities	2.1	4.4
Provisions	40.0	45.3
Total current liabilities	**2,433.8**	**2,257.2**
Total liabilities	**10,846.1**	**10,654.8**
Total equity and liabilities	**14,119.7**	**13,908.8**

The condensed notes on pages 7 to 24 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Merger reserve	Retained earnings	Other reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at December 31, 2023	**0.3**	**(4,526.9)**	**7,727.9**	**(15.7)**	**3,185.6**	**68.4**	**3,254.0**
Loss for the period	-	-	(17.5)	-	(17.5)	(0.7)	(18.2)
Other comprehensive (expense)/income:							
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	9.7	9.7	0.4	10.1
Fair value loss on investments in equity instruments designated as FVTOCI	-	-	-	(0.1)	(0.1)	-	(0.1)
Foreign exchange translation differences of subsidiaries	-	-	-	27.5	27.5	0.3	27.8
Total other comprehensive (expense)/income	**-**	**-**	**-**	**37.1**	**37.1**	**0.7**	**37.8**
Balance at March 31, 2024	**0.3**	**(4,526.9)**	**7,710.4**	**21.4**	**3,205.2**	**68.4**	**3,273.6**

	Share capital	Merger reserve	Retained earnings	Other reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at December 31, 2022	**0.3**	**(4,526.9)**	**8,961.0**	**148.1**	**4,582.5**	**66.1**	**4,648.6**
Profit for the period			98.8	-	98.8	8.1	106.9
Other comprehensive (expense)/income:							
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	24.4	24.4	1.3	25.7
Fair value gain on investments in equity instruments designated as FVTOCI	-	-	-	0.3	0.3	-	0.3
Foreign exchange translation differences of subsidiaries				(63.4)	(63.4)	(0.8)	(64.2)
Total other comprehensive (expense)/income	**-**	**-**	**-**	**(38.7)**	**(38.7)**	**0.5**	**(38.2)**
Transactions with owners, recorded directly in equity:							
Dividends			(1,000.9)	-	(1,000.9)	-	(1,000.9)
Transactions with owners, recorded directly in equity	**-**	**-**	**(1,000.9)**	**-**	**(1,000.9)**	**-**	**(1,000.9)**
Balance at March 31, 2023	**0.3**	**(4,526.9)**	**8,058.9**	**109.4**	**3,641.7**	**74.7**	**3,716.4**

The condensed notes on pages 7 to 24 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Cash flows from operating activities		
(Loss)/profit for the period	(18.2)	106.9
Adjustments for:		
Depreciation and impairment	158.1	153.0
Amortization	31.8	31.4
Net finance costs	106.6	66.5
Share of loss/(profit) of joint ventures and associated undertakings	2.7	(9.0)
Loss on disposal of investment	0.1	-
(Profit)/loss on disposal of property, plant and equipment	(0.5)	0.1
Tax (credit)/charge	(17.8)	23.6
(Increase)/decrease in trade and other receivables	(312.3)	46.7
(Increase)/decrease in inventories	(38.8)	72.0
Increase/(decrease) in trade and other payables	176.5	(41.6)
Decrease in provisions and employee benefits	(12.7)	(12.5)
Tax paid	(35.7)	(29.7)
Net cash from operating activities	**39.8**	**407.4**
Cash flows from/(used in) investing activities		
Interest and other finance income received	7.1	6.4
Receipt from loans made to related parties	5.6	2.5
Dividends received from joint ventures	75.4	53.6
Proceeds from disposal of property, plant and equipment	1.3	-
Acquisition of intangible assets	(0.6)	(2.1)
Acquisition of property, plant and equipment	(56.9)	(88.2)
Net cash from/(used in) investing activities	**31.9**	**(27.8)**
Cash flows (used in)/from financing activities		
Proceeds from external borrowings	657.5	846.6
Repayment of external borrowings	(647.1)	(5.2)
Debt issue costs	(21.1)	(12.2)
Interest paid and other finance items	(128.6)	(105.0)
Capital element of lease payments	(21.0)	(19.6)
Dividends paid	-	(500.0)
Net cash (used in)/from financing activities	**(160.3)**	**204.6**
Net (decrease)/increase in cash and cash equivalents	(88.6)	584.2
Cash and cash equivalents at January 1	1,935.1	1,530.1
Effect of exchange rate fluctuations on cash held	6.2	(8.5)
Cash and cash equivalents at March 31	**1,852.7**	**2,105.8**

The condensed notes on pages 7 to 24 are an integral part of these unaudited condensed consolidated interim financial statements.

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements include INEOS Quattro Holdings Limited and all its subsidiaries (together referred to as the "Group"). Intra-group transactions and balances have been eliminated on consolidation. The financial and operating results for any period less than a year are not necessarily indicative of the results that may be expected for a full year. The Group does not experience any significant seasonality in its operating results.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain assets and liabilities that have been measured at fair value, principally derivative financial instruments and the assets and liabilities of the Group's defined benefit pension schemes measured at fair value and using the projected unit credit method, respectively.

These condensed consolidated interim financial statements are presented in euro, which is the functional currency of the majority of operations of the Group and is consistent with the audited financial statements for the year ended December 31, 2023.

The significant judgements and key sources of estimation uncertainty applicable to the preparation of the condensed consolidated interim financial statements are the same as those described within the Group's audited financial statements for the year ended December 31, 2023. In each case, judgements have been applied consistently and estimates made using a consistent methodology, with inputs and assumptions updated to reflect the Group's latest forecasts and prevailing market conditions at the balance sheet date as appropriate.

The accompanying condensed consolidated interim financial statements of the Group are unaudited.

The Group does not have operations in Belarus, Russia or Ukraine. The Group is not currently experiencing any material disruption to its operations and does 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 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 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.

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €1,852.7 million at March 31, 2024 and interest-bearing loans and borrowings (net of debt issue costs) of €7,408.2 million at March 31, 2024. The Directors have considered the Group'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 this report. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, 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 this report.

On the basis of this assessment together with net assets of €3,273.6 million as at March 31, 2024 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.

2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 "Interim financial reporting" per UK-adopted international accounting standards. In compliance with IAS 34, the Company has opted for a condensed scope of reporting in the condensed interim financial statements compared with the consolidated annual financial statements.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited consolidated annual report and accounts for the year ended December 31, 2023, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2024. The adoption of new standards, interpretations and amendments in the current year, has not had a material impact. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at March 31, 2024.

3. SEGMENTAL INFORMATION

Revenue and adjusted EBITDA 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.
- *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.

The revenue and adjusted EBITDA attributable to each business segment is as follows:

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Revenue		
Styrolution	1,195.5	1,219.3
INOVYN	779.8	1,109.9
Acetyls	234.6	251.6
Aromatics	1,006.4	927.2
Eliminations	(6.0)	(7.2)
	3,210.3	**3,500.8**
Adjusted EBITDA		
Styrolution	100.1	65.3
INOVYN	76.3	263.0
Acetyls	45.3	27.3
Aromatics	38.4	25.9
Adjusted EBITDA	**260.1**	**381.5**

3. SEGMENTAL INFORMATION (continued)

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 and dividends received from other investments ("adjusted EBITDA") to operating profit:

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Adjusted EBITDA	260.1	381.5
Depreciation and amortization	(189.9)	(184.4)
Share of loss/(profit) of joint ventures and associated undertakings	2.7	(9.0)
Operating profit	**72.9**	**188.1**

Adjusted EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4. EXCEPTIONAL ITEMS

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Total exceptional finance costs	**5.2**	**-**

Exceptional finance costs:

During the three-month period ended March 31, 2024, exceptional finance costs of €5.2 million were incurred in relation to the write off of unamortized debt issue costs associated with the 2026 Dollar and Euro Term Loan B Facilities which were partially repaid on March 25, 2024.

5. NET FINANCE COSTS

	Three-Month Period Ended March 31,	
	2024	2023
	(€ in millions)	
Finance income		
Interest on bank and other short-term deposits	16.2	10.2
Interest receivable from associated undertakings	1.3	1.9
Exchange movements	25.1	-
Net fair value gain on derivatives	5.4	24.2
Other finance income	1.2	4.0
Total finance income	**49.2**	**40.3**
Finance costs excluding exceptional items		
Interest payable on Term Loans	(103.8)	(63.2)
Interest payable on Senior Secured Notes and Senior Notes	(30.5)	(17.0)
Interest payable on securitization facility	(2.1)	(1.1)
Interest payable to related parties	(0.5)	(0.5)
Amortization of debt issue costs	(7.0)	(4.2)
Interest payable on leases	(3.3)	(3.4)
Net exchange movements	-	(15.3)
Other finance charges	(2.1)	(0.7)
Interest on employee benefits	(1.3)	(1.4)
Total finance costs before exceptional items	**(150.6)**	**(106.8)**
Exceptional finance costs (note 4)	(5.2)	-
Total finance costs	**(155.8)**	**(106.8)**
Net finance costs	**(106.6)**	**(66.5)**

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

6. TAXATION

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss. After adjusting for the (loss)/profit from the share of associates and joint ventures, the effective tax rate of the Group is 53.5% for the three-months of 2024 (2023: 19.4%) and reflects the anticipated tax rate for the Group for the full year. The effective tax rate for the group was higher than the standard rate in the United Kingdom due to the split of profits and losses between countries with lower or higher tax rates.

7. PROPERTY, PLANT AND EQUIPMENT

In the three-month period ended March 31, 2024, the Group spent €56.9 million (three-month period ended March 31, 2023: €88.2 million) on property, plant and equipment. In the Styrolution business, the most significant expenditures were in relation to a new 100 kiloton ASA plant at Bayport, Texas and the development of a new technology to recycle styrene monomer. In the INOVYN business, the most significant expenditures consisted of a new mechanical vapor recompression salt plant at Tavaux, France and general safety and sustenance expenditure. In the Acetyls and Aromatics businesses, the most significant expenditures were mainly on sustenance and safety compliance work.

Investments in property, plant and equipment in the three-month period ended March 31, 2023 by the Styrolution business mainly included a new 100 kiloton ASA plant at Bayport, Texas and the development of a new technology to recycle styrene monomer. In INOVYN, the largest investments in the comparative period consisted of a new mechanical vapor recompression salt plant at Tavaux, France. There were also planned turnaround events of the chlor-alkali and VCM assets at Martorell in Spain. Capital expenditures in the Acetyls business were mainly on sustenance and safety compliance work and in the Aromatics business consisted of planned turnarounds at Zhuhai in China and at Cooper River in the USA.

8. INVENTORIES

	March 31, 2024	**December 31, 2023**
	(€ in millions)	
Raw materials and consumables	544.2	538.2
Work in progress	171.3	148.4
Finished products	525.9	504.3
	1,241.4	**1,190.9**

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS

Borrowing obligations as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
	€m	
Non-current liabilities		
Senior Secured Notes due 2026	517.1	513.7
Senior Notes due 2026	372.2	372.2
Senior Secured Notes due 2027	600.0	600.0
Senior Secured Notes due 2029	894.7	885.2
Term Loan B Facilities due 2026	760.1	1,732.5
Term Loan B Facilities due 2027	627.6	623.5
Term Loan B Facilities due 2029	2,885.9	1,860.5
Term Loan B Facilities due 2030	829.0	819.6
Other loans	0.1	0.1
Gross borrowings	**7,486.7**	**7,407.3**
Less: unamortised finance costs	(91.1)	(84.6)
Net borrowings	**7,395.6**	**7,322.7**
Current liabilities		
Term Loan B Facilities due 2026	18.5	18.0
Term Loan B Facilities due 2027	1.9	1.8
Term Loan B Facilities due 2029	14.6	5.0
Term Loan B Facilities due 2030	4.6	3.4
Gross borrowings	**39.6**	**28.2**
Less: unamortised finance costs	(27.0)	(23.7)
Net borrowings	**12.6**	**4.5**

Gross debt and issue costs	March 31, 2024		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Senior Secured Notes due 2026	517.1	(6.1)	511.0
Senior Notes due 2026	372.2	-	372.2
Senior Secured Notes due 2027	600.0	(2.1)	597.9
Senior Secured Notes due 2029	894.7	(8.7)	886.0
Term Loan B Facilities due 2026	778.6	(4.8)	773.8
Term Loan B Facilities due 2027	629.5	(2.2)	627.3
Term Loan B Facilities due 2029	2,900.5	(80.1)	2,820.4
Term Loan B Facilities due 2030	833.6	(13.9)	819.7
Securitisation facilities	-	(0.2)	(0.2)
Other loans	0.1	-	0.1
	7,526.3	**(118.1)**	**7,408.2**

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Gross debt and issue costs	December 31, 2023		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Senior Secured Notes due 2026	513.7	(6.6)	507.1
Senior Notes due 2026	372.2	-	372.2
Senior Secured Notes due 2027	600.0	(2.2)	597.8
Senior Secured Notes due 2029	885.2	(8.3)	876.9
Term Loan B Facilities due 2026	1,750.5	(11.2)	1,739.3
Term Loan B Facilities due 2027	625.3	(2.3)	623.0
Term Loan B Facilities due 2029	1,865.5	(62.9)	1,802.6
Term Loan B Facilities due 2030	823.0	(14.7)	808.3
Securitisation facilities	-	(0.1)	(0.1)
Other loans	0.1	-	0.1
	7,435.5	**(108.3)**	**7,327.2**

Terms and debt repayment schedule as at March 31, 2024	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	$	SOFR (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	$	SOFR (floor 0.0%) + 2.00%	2027
Senior Secured Notes due 2027	€	2.25%	2027
Euro Senior Secured Notes due 2029	€	8.50%	2029
Dollar Senior Secured Notes due 2029	$	9.63%	2029
Euro Term Loan B Facility due 2029	€	EURIBOR (floor of 0.5%) + 4.00%	2029
Dollar Term Loan B Facility due 2029	$	SOFR (floor 0.0%) + 3.75.00%	2029
Euro Term Loan B Facility due 2030	€	EURIBOR (floor of 0.5%) + 4.50%	2030
Dollar Term Loan B Facility due 2030	$	SOFR (floor 0.0%) + 4.25%	2030
Securitisation facilities	$/€/£	Variable	2027

Senior Secured Notes due 2026

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

On November 14, 2023, the Group undertook an amendment of its existing Term Loan Agreement and issued new Senior Secured Notes. A portion of the gross proceeds from the offering of the Senior Secured Notes due 2029 and the amounts borrowed under the New Term Loan B Facilities were used to purchase €417.9 million of the Euro Senior Secured Notes due 2026 and to purchase $353.8 million (€333.2 million equivalent) of the Dollar Senior Secured Notes due 2026.

The Senior Secured Notes outstanding at March 31, 2024 before issue costs were €517.1 million (December 31, 2023: €513.7 million). The total amounts outstanding on the Euro denominated Secured Notes were €382.1 million (December 31, 2023: €382.1 million) and the US dollar denominated Secured Notes were $146.2 million (€135.0 million equivalent) (December 31, 2023: €131.6 million).

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Secured Notes due 2026 (continued)

The Senior Secured Notes are listed on the Euro MTF - Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The Dollar Senior Secured Notes bear interest at a rate of 3⅜% 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 the Senior Secured Notes due 2029, and certain hedging obligations and cash management arrangements.

The Euro Senior Secured Notes are subject to redemption at any time on or after January 15, 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	Euro Senior Secured Notes Redemption Price
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 January 15, 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	Dollar Senior Secured Notes Redemption Price
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 €6.1 million (December 31, 2023: €6.6 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2026.

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Notes due 2026

In January 2021 the Group raised €500.0 million of Senior Notes maturing on July 15, 2026.

On November 14, 2023, the Group undertook an amendment of its existing Term Loan Agreement and issued new Senior Secured Notes. A portion of the gross proceeds from the offering of the Senior Secured Notes due 2029 and the amounts borrowed under the New Tern Loan B Facilities were used to purchase €127.8 million of the Senior Notes due 2026.

The Senior Notes outstanding at March 31, 2024 were €372.2 million (December 31, 2023: €372.2 million).

The Senior Notes are listed on the Euro MTF - Luxembourg stock exchange. The Senior Notes bear interest at a rate of 3¾% 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, the Senior Secured Notes due 2029 and the Credit Facility Agreements.

The Senior Notes are subject to redemption at any time on or after January 15, 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**
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 B Facilities due 2026, 2029 and 2030

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

On March 14, 2023, the Group successfully raised incremental debt under the existing 2026 term loans increasing the principal amount of the Euro Term Loan B borrowings by €375 million (the “Euro Term Loan B due 2030”) and the Dollar Term Loan B borrowings by $500.0 million (the Dollar Term Loan B due 2030”).

On November 14, 2023, in addition to the Existing Term Loans due 2026 and 2030, the joinder and amendment agreement to the Term Loan Agreement provided for new term loans B of the Group maturing in 2029 denominated in US dollar (the “Dollar Term Loan B Facility due 2029”) and denominated in euro (the “Euro Term Loan B Facility due 2029”) in aggregate principal amounts of $1,100.0 million (€1,035.8 million equivalent) and €875.0 million, respectively.

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Term Loan B Facilities due 2026, 2029 and 2030 (continued)

A portion of the gross proceeds from the offering of the Senior Secured Notes due 2029 and the amounts borrowed under the New Term Loan B Facilities were used to redeem on a cashless basis €703.6 million of the amounts outstanding under the 2026 Euro Term Loan B Facility and to redeem on a cash less basis $890.4 million (€838.4 million equivalent) of the amounts outstanding under the 2026 Dollar Term Loan B Facility.

On January 16, 2024, the Group completed a €70.0 million fungible add-on to its existing Tranche B Euro Term Loans due March 2029 on the same terms as the original 2029 Tranche B Euro Term Loan facility. Proceeds were used to redeem outstanding borrowings under the 2026 Tranche B Euro Term Loan facility by €70.0 million, thereof €50.0 million were converted (on a cashless basis) from the 2026 Tranche B Euro Term Loan facility.

On March 25, 2024, the Group entered into an Incremental Facility Agreement to raise a new Dollar Term Loan B of $475.0 million (€438.4 million equivalent) and a new Euro Term Loan B of €500.0 million, both maturing in 2029. The gross proceeds from the transaction were used to prepay outstanding borrowings under the 2026 Tranche B Dollar of $528.6 million (€487.9 million equivalent) and Euro Term Loans of €434.0 million.

As at March 31, 2024, $526.0 million was drawn under the Dollar Term Loan B Facility due 2026 (€486.1 million equivalent) (December 31, 2023: €954.1 million); €292.5 million was drawn under the Euro Term Loan B Facility due 2026 (December 31, 2023: €796.4 million). $496.3 million was drawn under the Dollar Term Loan B Facility due 2030 (€458.6 million equivalent) (December 31, 2023: €448.0 million); and €375.0 million was drawn under the Euro Term Loan B Facility due 2030 (December 31, 2023: €375.0 million). Additionally, $1,575.0 million was drawn under the Dollar Term Loan B Facility due 2029 (€1,455.5 million equivalent) (December 31, 2023: €990.5 million); and €1,445.0 million was drawn under the Euro Term Loan B Facility due 2029 (December 31, 2023: €875.0 million).

Since May 2023, the Dollar Term Loan B Facility due 2026 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.11448% CSA (subject to a floor of 0.5%) plus 2.75%. The Dollar Term Loan B Facility due 2030 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.10% CSA (subject to a floor of 0% per annum) plus a margin of 3.75%. The Dollar Term Loan B Facility due 2029 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.10% CSA (subject to a floor of 0% per annum) plus a margin of 4.25%.

The Term Loan B Facilities denominated in euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 2.75% for the Euro Term Loan B Facility due 2026, 4.0% for the Euro Term Loan B Facility due 2030 and 4.5% for the Euro Term Loan B Facility due 2029.

The obligations under the Term Loans are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries. The Term Loan Agreement contains a number of restrictions including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Dollar Term Loan B Facility due 2026, the Dollar Term Loan B Facility due 2023 and the Dollar Term Loan B Facility due 2029 are to be repaid in quarterly instalments beginning on September 30, 2021, on September 30, 2023, and on June 30, 2024 respectively, equal to 0.25% of the original aggregate principal amount of the Dollar Term Loan B Facility due 2026, the Dollar Term Loan B Facility due 2030 and the Dollar Term Loan B Facility due 2029. The Euro Term Loan B Facility due 2026 and the balance of the Dollar Term Loan B Facility due 2026 are payable, subject to certain exemptions, on January 15, 2026. The Euro Term Loan B Facility due 2029 and the balance of the Dollar Term Loan B Facility due 2029 are payable, subject to certain exemptions, on March 31, 2029. The Euro Term Loan B Facility due 2030 and the balance of the Dollar Term Loan B Facility due 2030 are payable, subject to certain exemptions, on March 14, 2030.

The Term Loans B facilities due 2026 are stated net of debt issue costs of €4.8 million (December 31, 2023: €11.2 million). The Term Loans B facilities due 2029 are stated net of debt issue costs of €80.1 million (December 31, 2023: €62.9 million). The Term Loans B facilities due 2030 are stated net of debt issue costs of €13.9 million (December 31, 2023: €14.7 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Term Loan B facilities due 2027

The Group has outstanding borrowings under a credit facilities agreement dated November 7, 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 January 31, 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 March 31, 2024, €450.0 million under the Euro Term Loan B due 2027 (December 31, 2023: €450.0 million) and $194.2 million (€179.5 million equivalent) under the Dollar Term Loan B Facility due 2027 (December 31, 2023: €175.3 million) remained outstanding.

Since May 2023, the Dollar Term Loan B Facility due 2027 bears interest at a rate per annum equal to the applicable Term SOFR plus 0.10% CSA (subject to a floor of 0% per annum) plus a margin of 2.00%.

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 restrictions 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 quarterly instalments equal to 0.25% 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 €2.2 million (December 31, 2023: €2.3 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Senior Secured Notes due 2027

On January 31, 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 January 15 and July 15 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 January 16, 2027.

The Senior Secured Notes due 2027 outstanding at March 31, 2024 were €600 million (December 31, 2023: €600.0 million).

The Senior Secured Notes due 2027 are subject to redemption at any time on or after January 15, 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 January 15 of the year indicated below:

Year	Senior Secured Notes due 2027 Redemption Price
2024 and thereafter	100.0000%

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).

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Term Loan B facilities due 2027 (continued)

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 €2.1 million (December 31, 2023: €2.2 million). These costs are allocated to the profit and loss account over the term of the Notes.

Senior Secured Notes due 2029

On November 14, 2023, the Group issued $400.0 million (€376.6 million equivalent) aggregate principal amount of $9^5/_8$% Senior Secured Notes due 2029 (the "Dollar Senior Secured Notes due 2029") and €525.0 million aggregate principal amount of $8^1/_2$% Senior Secured Notes due 2029 (the "Euro Senior Secured Notes due 2029" and, together with the Dollar Senior Secured Notes due 2029, the "Senior Secured Notes due 2029"). The Senior Secured Notes due 2029 are listed on the Euro MTF - Luxembourg Stock Exchange and bear interest at $9^5/_8$% per annum, in the case of the Dollar Senior Secured Notes due 2029, and $8^1/_2$% per annum, in the case of the Euro Senior Secured Notes due 2029 and are payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2024. Unless previously redeemed as noted below, the Senior Secured Notes due 2029 will be repaid by the Group at their principal amount on March 15, 2029.

As at March 31, 2024, $400.0 million (€369.7 million equivalent) under the Dollar Senior Secured Notes due 2029 (December 31, 2023: €360.2 million) and €525.0 million under the Euro Senior Secured Notes due 2029 remained outstanding (December 31, 2023: €525.0 million).

Subsequent to the period-end, on April 5, 2024, the Group executed a fungible tap-on of €250 million to the existing $8^1/_2$% Euro Senior Secured Notes maturing in March 2029 (see note 12).

Prior to November 15, 2025, INEOS Quattro Finance 2 Plc (the "Issuer") may redeem all or a portion of each of the Euro Senior Secured Notes due 2029 and the Dollar Senior Secured Notes due 2029 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the applicable make-whole premium. In addition, prior to 15 November 2025, the Issuer may redeem at its option up to 40% of the aggregate principal amount of each of the Euro Senior Secured Notes due 2029 and the Dollar Senior Secured Notes due 2029 with the net proceeds of certain equity offerings at 108.50% of the principal amount of the Euro Senior Secured Notes due 2029 or at 109.625% of the principal amount of the Dollar Senior Secured Notes due 2029, as applicable, plus accrued interest, if at least 50% of the Euro Senior Secured Notes due 2029 or the Dollar Senior Secured Notes due 2029, as applicable, remain outstanding.

The Euro Senior Secured Notes due 2029 are subject to redemption at any time on or after November 15, 2025, 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 November 15 of the year indicated below:

Year	**Euro Senior Secured Notes Redemption Price**
2025	104.250%
2026	102.125%
2027 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).

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Secured Notes due 2029 (continued)

The Dollar Senior Secured Notes due 2029 are subject to redemption at any time on or after November 15, 2025, 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 November 15 of the year indicated below:

Year	Dollar Senior Secured Notes Redemption Price
2025	104.813%
2026	102.406%
2027 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 due 2029 and the Dollar Senior Secured Notes due 2029 are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries that guarantee the obligations under the Term Loan B Facilities agreement, the Term Loan Agreement, the Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and certain hedging obligations and cash management arrangements. The Euro Senior Secured Notes due 2029 and the Dollar Senior Secured Notes due 2029 and the related guarantees are secured by first priority liens (subject to certain exceptions) on certain of the assets that secure the obligations under the Term Loan B Facilities Agreement, the Term Loan Agreement, Senior Secured Notes due 2027, the Senior Secured Notes due 2026, and certain hedging obligations and cash management arrangements. Within 90 days of November 14, 2023, the remaining guarantees and assets that guarantee and secure the obligations under the Term Loan B Facilities agreement, the Term Loan Agreement, the Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and certain hedging obligations and cash management arrangements will also guarantee and secure the Euro Senior Secured Notes due 2029 and the Dollar Senior Secured Notes due 2029.

The Senior Secured Notes due 2029 are stated net of debt issue costs of €8.7 million (December 31, 2023: €8.3 million). These costs are allocated to the profit and loss account over the term of the Notes.

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 February 16, 2027. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at an annual rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 1.00%. For undrawn amounts, the facility bears interest of 0.6% p.a..

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 March 7, 2027. The facility is secured by pledges over the trade receivables sold into the program. For drawn amounts, interest is charged on the facility at an annual rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 1.00%. For undrawn amounts, the facility bears interest of 0.6% p.a..

The debt issue costs of €0.2 million (December 31, 2023: €0.1 million) were incurred in relation to the Securitizaton facilities. These costs are allocated to the profit and loss account over the term of the facilities.

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

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 €210.8 million equivalent as of March 31, 2024 (December 31, 2023: €211.6 million equivalent) in China, Malaysia, Singapore, South Korea, Thailand, and United Kingdom. The available amount under the working capital facilities at March 31, 2024 amounted to €185.6 million equivalent (December 31, 2023: €192.1 million equivalent), with €25.2 million (December 31, 2023: €19.5 million) of certain trade finance facilities being utilized in China.

The Group also has letter of credit facilities in China, Malaysia, Indonesia, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of March 31, 2024, the drawn amount under all letter of credit facilities was €10.3 million equivalent (December 31, 2023: €13.5 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.

10. FINANCIAL INSTRUMENTS

The carrying amount is a reasonable approximation of fair value of trade receivables and payables.

The financial assets/liabilities categorised as Fair Value through Profit and Loss (FVTPL) presented in Level 2 contain commodity derivatives and interest rate swaps.

The financial assets/liabilities categorised as Fair Value through Other Comprehensive Income (FVOCI) presented in Level 1 contain investment in equity instrument with no significant influence or control.

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).

	March 31, 2024			
		Level		
	Fair value	**1**	**2**	**3**
	€m			
Net financial assets/(liabilities) designated as fair value through profit or loss				
Interest rate swap	7.1	-	7.1	-
Derivative commodity contracts	(2.1)	-	(2.1)	-
	5.0	**-**	**5.0**	**-**
Net financial assets designated as fair value through other comprehensive income				
Equity instruments	5.4	5.4	-	-
	5.4	**5.4**	**-**	**-**

10. FINANCIAL INSTRUMENTS (continued)

	December 31, 2023			
		Level		
	Fair value	**1**	**2**	**3**
		€m		
Net financial assets/(liabilities) designated as fair value through profit or loss				
Interest rate swap	5.8	-	5.8	-
Derivative commodity contracts	(4.4)	-	(4.4)	-
	1.4	**-**	**1.4**	**-**
Net financial assets designated as fair value through other comprehensive income				
Equity instruments	5.3	5.3	-	-
	5.3	**5.3**	**-**	**-**

The commodity derivatives and the interest rate swaps are fair valued using rates in a quoted market. There have been no transfers between levels during the three-month period ended March 31, 2024 (2023: no transfers between levels).

Credit risk

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 derivatives.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure. The Group has established a credit policy under which each new customer is analyzed 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.

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.

Liquidity risk

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, and it maintains the most appropriate mix of short and long-term borrowings from the Group's lenders.

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 period.

10. FINANCIAL INSTRUMENTS (continued)

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 as well as other currencies including the Chinese renminbi, the Korean won and Thai baht. 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, Swedish krona, the Chinese renminbi, the Korean won and Thai baht. In the US petrochemical and specialty chemical businesses, product prices, raw materials costs and most other costs are primarily denominated in US dollars.

The Group has established a currency risk policy under which material currency flows are analysed and if management considers it needed the risks are mitigated. The Group looks at transactional and translation currency risks.

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

11. CONTINGENCIES

The Group is subject to various proceedings instituted by governmental authorities arising under the provisions of applicable laws or regulations relating to the discharge of materials into the environment or otherwise relating to the protection of the environment. In management's opinion, none of the proceedings is material to the financial condition or results of operation of the Group.

12. SUBSEQUENT EVENTS

On April 5, 2024, the Group executed a fungible tap-on to the existing 8 ½% Euro Senior Secured Notes maturing in March 2029. The amount of €250 million of additional senior secured notes due 2029 were placed with certain investors in a private transaction and issued under the existing indenture dated November 14, 2023. The gross proceeds from this transaction were also used to repay a portion of the outstanding borrowings under the 2026 Tranche B Term Loans.

13. 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 JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

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

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

	Transaction value		Balance outstanding	
	Three-Month Period Ended		Period Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023
	(€ in millions)			
Sale of products	72.8	84.9	-	-
Purchase of raw materials	(306.6)	(273.8)	-	-
Cost recoveries	38.1	17.8	-	-
Services (received)/provided	(51.6)	(65.1)	-	-
Net interest	(0.5)	(0.5)	-	-
Trade and other receivables	-	-	74.5	67.9
Trade and other payables	-	-	(173.6)	(150.0)
Interest-bearing loans and borrowings	-	-	(44.1)	(43.6)

Included within services above is a management fee paid to INEOS Limited of €17.8 million (March 31, 2023: €16.9 million). No amounts remained outstanding at the period-end (December 31, 2023: €nil).

In general, all outstanding 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 INEOS companies as at March 31, 2024 (December 31, 2023: €nil).

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.

13. RELATED PARTIES (continued)

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 three-month period ended March 31, 2024, the Group made no sales or purchases with these companies (March 31, 2023: €nil). As at March 31, 2024, amounts owed by Screencondor Limited were €1.6 million (December 31, 2023: €1.6 million).

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	
	Three-Month Period Ended		Period Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023
	(€ in millions)			
Sale of products	11.2	20.1	-	-
Purchase of raw materials	(91.5)	(80.2)	-	-
Cost recoveries	20.4	30.6	-	-
Net interest	1.3	1.9	-	-
Trade and other receivables	-	-	23.1	24.0
Trade and other payables	-	-	(83.2)	(67.4)
Deferred consideration	-	-	123.8	120.7
Loans receivable	-	-	102.9	66.3

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 loans receivable. 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 jointly controlled entities and associated undertakings as at March 31, 2024 (December 31, 2023: €nil).

The deferred consideration relates to future instalments to be received from Sinopec on the achievement of certain milestones, which are expected to be fulfilled by in the first half of 2024.

Loans total of €60.0 million (December 31, 2023: €59.4 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. Loans total of €37.4 million (December 31, 2023: €40.5 million) were granted by the Group to Atlas Methanol Company Unlimited. These loans are unsecured, attract interest at commercial rate and mature in 2024.

FORWARD-LOOKING STATEMENTS

The Company includes "forward-looking statements," within the meaning of the US securities laws, based on our current expectations and projections about future events, including:

- the cyclical nature of our industries and their sensitivity to changes in capacity, demand and global economic factors;
- raw material availability and costs, as well as energy and supply arrangements, including arrangements with principal feedstock suppliers, and our ability to pass increases in raw material prices and other expenses on to our customers;
- operational and other industry risks, including the risk of environmental contamination;
- the substitutability of other products for our products and regulatory initiatives that may create incentives for the use of substitute products;
- outbreaks of COVID-19 or other pandemics or epidemics and the response (or lack of response) of governments thereto;
- wars and other armed conflicts;
- the highly competitive nature of our principal industries;
- business interruption risks resulting from the actions of third parties, including our joint ventures;
- demand levels in emerging markets and the ability of regional producers to satisfy such demand;
- our and our customers' ability to borrow or raise capital;
- our ability to maintain key customer relationships;
- political, economic and legal risks associated with doing business in emerging markets;
- risks related to our increased manufacturing footprint in China;
- current or future environmental requirements, including those related to waste management, water quality and air emissions, and the related costs of maintaining compliance and addressing liabilities;
- government safety regulations and/or public perceptions regarding our products, including those that relate to the potential classification of styrene as a carcinogen;
- existing and proposed government regulations to address climate change by reducing greenhouse gas emissions;
- our ability to comply with anti-corruption laws, economic and trade sanctions or other similar regulations;
- the adequacy of our insurance coverage;
- currency fluctuations and economic downturns in the countries in which we operate;
- our ability to implement our business, cost control and growth strategies;
- our response to environmental, social and governance risks;
- our ability to keep up with technological innovation and the increasing trend toward digitalization of our industry;
- our ability to implement and commercialize recycling solutions in our business;
- our ability to maintain an effective system of internal controls;
- risks related to the destruction, ineffectiveness or obsolescence of our information systems;
- risks related to cybersecurity;
- our ability to retain key personnel and to attract highly-skilled individuals;
- our ability to consummate future acquisitions, integrate acquired businesses or achieve expected synergies from consummated acquisitions;
- the enforceability and validity of our intellectual property rights and the confidentiality of our proprietary information and trade secrets;
- risks related to litigation and other proceedings, including product liability claims;
- changes in tax laws or their application or increases in tax authorities' scrutiny of transactions;
- our ability to make necessary contributions to pension plans;
- relationships with our workforce and service providers;
- our substantial indebtedness which may affect our ability to service our outstanding indebtedness and operate our business;
- our ability to comply with the terms and conditions under our Securitization Programs;
- interest rate risks;
- changes or uncertainty in respect of interest rate benchmarks.

All statements other than statements of historical facts included in this report including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business and the notes, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties. Words such as "believe," "expect," "anticipate," "may," "intend," "will," "should," "estimate" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. In addition, from time to time we or our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing and these forward-looking statements may be included in but are not limited to press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following discussion is based upon the unaudited consolidated historical financial statements of INEOS Quattro Holdings Limited prepared in accordance with the recognition and measurement of IFRS. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements.

Overview

Combined Business

We are a leading global petrochemicals producer, marketer and merchant. Our business operates approximately 45 manufacturing sites in 18 countries in the Americas, Europe and Asia. We have a strong global footprint and leading market positions with respect to our key products. Our business benefits from cost advantages as a result of operating large scale, highly integrated facilities strategically located near major transportation routes and customer locations.

Results of Operations

Consolidated

The following table sets forth, for the periods indicated, our revenue and expenses and such amounts as a percentage of revenue.

	Three-Month Period Ended March 31,			
	2024		2023	
	(€ in millions)	*%*	*(€ in millions)*	*%*
Revenue	**3,210.3**	**100.0**	**3,500.8**	**100.0**
Cost of sales	(2,807.6)	(87.5)	(2,976.0)	(85.0)
Gross profit	**402.7**	**12.5**	**524.8**	**15.0**
Distribution costs	(196.3)	(6.1)	(202.7)	(5.8)
Administrative expenses	(133.5)	(4.2)	(134.0)	(3.8)
Operating profit	**72.9**	**2.2**	**188.1**	**5.4**
Share of (loss)/profit of joint ventures and associated undertakings	(2.7)	(0.1)	9.0	0.3
Loss on disposal of investment	(0.1)	-	-	-
Profit/(loss) on disposal of property, plant and equipment	0.5	-	(0.1)	-
Profit before net finance costs	**70.6**	**2.1**	**197.0**	**5.6**
Net finance costs	(106.6)	(3.3)	(66.5)	(1.9)
(Loss)/profit before tax	**(36.0)**	**(1.2)**	**130.5**	**3.7**
Tax credit/(charge)	17.8	0.6	(23.6)	(0.7)
(Loss)/profit for the period	**(18.2)**	**(0.6)**	**106.9**	**3.1**

Three-month period ended March 31, 2024, compared with three-month period ended March 31, 2023

Consolidated

Revenue. Revenue decreased by €290.5 million, or 8.3%, to €3,210.3 million in the three-month period ended March 31, 2024, from €3,500.8 million in the three-month period ended March 31, 2023. The decrease in revenue was driven by lower average sales prices partially offset by higher volumes than in the comparative period. The European and American market displayed signs of recovery in the first quarter of 2024 with an increase in sales volume of polymer PTA and acetic acid. The Asian market continued to be characterized by weak demand combined with an oversupplied market, although polymer demand stabilized on low levels and PTA and acetic acid volumes increased supported by the export market. The average sales prices were lower than in the comparative period due to the weak market environment and the decrease in energy prices. In the prior year quarter, the INOVYN business benefited from high average sales prices of caustic soda due to low chorine production. Caustic soda European contract price reduced sharply in the first quarter of 2024 as chlorine production increased.

Cost of sales. Cost of sales decreased by €168.4 million, or 5.7%, to €2,807.6 million in the three-month period ended March 31, 2024, from €2,976.0 million in the three-month period ended March 31, 2023. The decrease was the result of lower costs of the Group's key raw materials including electricity and natural gas costs partially offset by higher production.

Gross profit. Gross profit decreased by €122.1 million, or 23.3%, to €402.7 million in the three-month period ended March 31, 2024, from €524.8 million in the three-month period ended March 31, 2023. The decrease was primarily driven by a reduction in average margins mainly in caustic soda offset by an increase in volumes. Caustic soda demand in Europe remained weak, but industry operating rates in Europe were pushed higher in the first quarter of 2024 due to stronger downstream chlorine usage, driving a reduction of 125% on margin. Margins in Europe remained heavily impacted by the low demand keeping PTA, acetic acid and polystyrene margins down. Margins in the American market were also impacted by low demand for PTA and polystyrene while change in operation with the acquisition of the Eastman plant allowed for improvement of acetic acid margins compared to prior year period. ABS and Styrene margins improved in Europe and in Americas. The Asian market remained characterized by a soft demand combined with overcapacities.

Distribution costs. Distribution costs decreased by €6.4 million, or 3.2%, to €196.3 million in the three-month period ended March 31, 2024, from €202.7 million in the three- month period ended March 31, 2023. This was mainly due to weaker US dollar versus the euro in the three-month period ended March 31, 2024, as compared to the same period in 2023. Additionally, some presentational changes were implemented in 2024 with some costs in relation to inventory costs being classified in cost of sales versus distribution expenses in the prior year. These reclassifications have led to more expenses being presented in cost of sales and less within distribution costs.

Administrative expenses. Administrative expenses decreased by €0.5 million, or 0.4%, to €133.5 million in the three-month period ended March 31, 2024, from to €134.0 million in the three-month period ended March 31, 2023 mainly as a result of the cost optimisation implemented by the businesses in response to the weak economical environment and positive foreign exchange impact driven by a weaker US dollar versus euro in the three-month period ended March 31, 2024, as compared to the same period in 2023. The reduction in administrative expenses was partially offset by an increase in administrative expenses of €3.7 million related to the new Texas City site acquired by the Acetyls business in December 2023.

Operating profit. Operating profit decreased by €115.2 million, or 61.2% to €72.9 million in the three-month period ended March 31, 2024, from to €188.1 million in the three-month period ended March 31, 2023.

Share of (loss)/profit of joint ventures and associated undertakings. Share of (loss)/profit of joint ventures and associated undertakings decreased by €11.7 million, or 130.0% to a loss of €2.7 million in the three-month period ended March 31, 2024, from a profit of €9.0 million in the three-month period ended March 31, 2023. Losses in the Styrolution Chinese joint-venture increased due to start-up costs incurred in relation to the new ABS Kaimen facility. In the Acetyls business, share of profit of joint ventures were flat compared to prior year period as lower performance from the American joint venture was mainly offset by improved performance in Asia.

Loss on disposal of investment. Loss on the disposal of investment was €0.1 million for the three-month period ended March 31, 2024, as compared to a loss of €nil for the same period in 2023.

Profit/(loss) on disposal of property, plant and equipment. Profit on the disposal of property, plant and equipment was €0.5 million for the three-month period ended March 31, 2024, as compared to a loss of €0.1 million for the same period in 2023.

Profit before net finance costs. Profit before net finance costs decreased by €126.4 million, or 64.2%, to €70.6 million for the three-month period ended March 31, 2024, from €197.0 million for the three-month period ended March 31, 2023.

Net finance costs. Net finance costs increased by €40.1 million, or 60.3%, to €106.6 million in the three-month period ended March 31, 2024 from €66.5 million in the three-month period ended March 31, 2023. The main reason for the increase was €54.1 million of higher interest costs on the Term loans and the Senior Notes and €18.8 million of lower gains on commodity derivative fair value movements, partially offset by €40.4 million of higher net foreign exchange gains and €6.0 million of higher interest income compared to the comparative quarter.

(Loss)/profit before tax. (Loss)/profit before income tax decreased by €166.5 million, or 127.6%, to a loss of €36.0 million in the three-month period ended March 31, 2024, from a profit of €130.5 million in the three-month period ended March 31, 2023.

Tax (credit)/charge. Tax (credit)/charge decreased by €41.4 million, or 175.4%, to a credit of €17.8 million in the three-month period ended March 31, 2024, from a charge of €23.6 million in the three-month period ended March 31, 2023. After adjusting for the (loss)/profit from the share of associates and joint ventures, the underlying effective tax rate for the three-month period ended March 31, 2024 was 53.5% compared to 19.4% in the comparative quarter. The higher anticipated effective tax rate for the three-month period ended March 31, 2024 as compared to the same period in 2023 resulted from the split of profits and losses in countries with higher or lower tax rates.

(Loss)/profit for the period. (Loss)/profit for the period decreased by €125.1 million, or 117.0%, to a loss of €18.2 million in the three-month period ended March 31, 2024 from a profit of €106.9 million in the three-month period ended March 31, 2023.

Business segments

The Group reports under four business segments: Styrolution, INOVYN, Acetyls and Aromatics.

The following table provides an overview of the historical revenue and adjusted EBITDA of each of the business segments for the periods indicated:

	Three-month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Revenue		
Styrolution	1,195.5	1,219.3
INOVYN	779.8	1,109.9
Acetyls	234.6	251.6
Aromatics	1,006.4	927.2
Eliminations	(6.0)	(7.2)
	3,210.3	**3,500.8**
Adjusted EBITDA		
Styrolution	100.1	65.3
INOVYN	76.3	263.0
Acetyls	45.3	27.3
Aromatics	38.4	25.9
	260.1	**381.5**

Styrolution

Revenue. Revenue in the Styrolution segment decreased by €23.8 million, or 2.0%, to €1,195.5 million in the three-month period ended March 31, 2024, as compared to €1,219.3 million for the same period in 2023. The decrease in revenue was driven by lower sales prices partially offset by higher volumes. Polymer demand improved during the first quarter of 2024, mainly in Europe and America regions, as customers were restocking and due to supply chain disruptions. Polymer demand in Asia stabilized on low levels during the first quarter of 2024 with slight improvement of polystyrene demand. Styrene markets in North America and Europe remained tight following outages and improved derivative demand, allowing for a pick-up in spot and merchant sales. Average sales prices decreased due to the weak demand and the addition of new capacity in Asia.

Adjusted EBITDA. Adjusted EBITDA in the Styrolution segment increased by €34.8 million, or 53.3%, to €100.1 million in the three-month period ended March 31, 2024, as compared to €65.3 million in the same period in 2023. Polymers margins were slightly lower than prior year quarter. Margins for polystyrene were lower than the prior year period, due to continuously low demand in combination with additional capacity in China. ABS margins improved in the Europe and America markets compared to the comparative quarter but dropped in the Asian market due to overcapacity. Styrene monomer margins were stronger in Europe and in the Americas due to outages in the market despite weak downstream demand. Gross margins benefitted from inventory holdings gains of €29.0 million due to rising prices of key feedstocks in the three-month period ended March 31, 2024 as opposed to inventory holdings losses of €2.2 million in the comparative period.

INOVYN

Revenue. Revenue in the INOVYN segment decreased by €330.1 million, or 29.7%, to €779.8 million in the three-month period ended March 31, 2024, as compared to €1,109.9 million for the same period in 2023. The main reason for the decrease in revenue was the reduction in pricing across the whole of the product portfolio. Total sales volumes improved slightly as volumes in the comparative period were impacted by turnarounds at the Martorell and Tavaux sites. General purpose PVC prices in domestic markets were significantly lower due to continued weakness in the construction sector and ample producer supply. Prices in export markets continued to be subdued. Sales of general purpose PVC into export markets reached 24% of total volumes in the first quarter of 2024 compared to 14% in the same period in the prior year. Caustic soda European contract price saw a €945/ton (56%) reduction compared to the comparative quarter. Revenues of other products such as caustic potash, epichlorohydrin, chloromethanes and salt were all lower than in the comparative quarter.

Adjusted EBITDA. Adjusted EBITDA in the INOVYN segment decreased by €186.7 million, or 71.0%, to €76.3 million in the three-month period ended March 31, 2024, as compared to €263.0 million in the same period in 2023. The decrease in EBITDA was mainly the result of lower caustic soda pricing and general purpose PVC margin reductions, partially offset by lower energy costs. Underlying demand for general purpose PVC in Europe remains weak against a backdrop of low construction activity, although operating rates for European producers improved in the first quarter of 2024, supported by lower imports. As a result of the highly competitive market environment for general purpose PVC, the spread over ethylene in domestic markets was more than 40% lower than in the same period in the prior year. Specialty PVC markets are subdued with margins achieved lower than in the comparative period. Caustic soda demand in Europe remained weak, but industry operating rates in Europe were pushed higher in the first quarter of 2024 due to stronger downstream chlorine usage, putting further pressure on caustic soda pricing which averaged €756/ton in the first quarter of 2024 compared to €1,701/tonne in the comparative quarter. Offsetting these negative impacts was the reduced cost of electricity and natural gas with EEX (German power) and TTF (Dutch natural gas) indices trading at levels that were respectively 42% and 49%, lower than the comparative quarter, although prices are almost double compared to pre-pandemic levels. Lower margins were achieved in the first quarter of 2024 for other products such as Cereclor, epichlorohydrin, chloromethanes and caustic potash due to lower average sales prices.

Acetyls

Revenue. Revenue in the Acetyls segment decreased by €17.0 million, or 6.8%, to €234.6 million in the three-month period ended March 31, 2024, as compared to €251.6 million for the same period in 2023. The decrease in revenues compared to the prior year quarter was driven by lower average sales prices partially offset by higher sales volume. Sales volumes were 31% higher compared to the same period in the prior year mainly due to increased sales in Europe and Asia. Volumes in Europe were up by 70% driven by lower gas prices compared to prior year period where demand was impacted by high raw material prices. Volumes in Asia were up by 49% mainly due to higher spot sales opportunities coupled with higher export volume into the Indian market. Volumes in the US market were below prior year quarter due to the loss of a low margin customers partially offset by the volume increase resulting from the

Eastman acquisition toward the end of 2023. Europe acetic acid sales price was down from €934/te in the first quarter of 2023 to €542/te in the first quarter of 2024 driven by falling feedstock prices (mainly natural gas). Natural gas dropped from £1.11/therm in the first quarter of 2023 to £0.69/therm in the first quarter of 2024. US acetic acid prices decreased by 21% driven by lower methanol and natural gas prices. Acetic acid price in Asia remained relatively stable reflecting the overall balanced market of incremental supply from new plants in China being offset by growth in acid demand.

Adjusted EBITDA. Adjusted EBITDA in the Acetyls segment increased by €18.0 million, or 65.9%, to €45.3 million in the three-month period ended March 31, 2024, as compared to €27.3 million in the same period in 2023. The EBITDA increased due to the combined effect of higher volumes and higher margins. Unit margins in Europe were below prior year period due to market conditions and falling feedstock prices narrowing the margins on cost plus fees contracts. In the US, margins increased compared to prior year period due to the increase in wholly own production in the Texas City plant following the Eastman acquisition and the loss of a low margin customer. Share of profit of joint ventures and associated undertakings were in line with prior year quarter as lower profits from the US joint-venture were more than offset by higher profits from Asian joint-ventures.

Aromatics

Revenue. Revenue in the Aromatics segment increased by €79.2 million, or 8.5%, to €1,006.4 million in the three-month period ended March 31, 2024, as compared to €927.2 million for the same period in 2023. The increase in revenues compared to the same period in the prior year was driven by higher sales volumes partially offset by lower average sales prices. PTA sales volumes were up by 15% in the first quarter of 2024 compared to the same quarter in 2023. The increase in sales volume was primarily driven by Europe where a rebalancing of regional pricing improved competitiveness versus Asian low margin imports. The improvement in cost competitiveness versus imports allowed an increase in sales volumes in both the core customers and the higher margin Turkish market. Volumes also increased in the Asian market as volumes in the prior year period were low for Zhuhai due to a planned maintenance and Merak benefitted from higher sales volumes in the first quarter of 2024. PTA pricing reduced year on year in Europe and the US reflecting the increased discounts required to secure sales. China sales prices increased compared to the prior year period as margins in the first quarter of 2023 were particularly soft. The first quarter of 2024 marked a strong start to the year, though some downward price pressure at the end of the quarter is being monitored closely.

Adjusted EBITDA. Adjusted EBITDA in the Aromatics segment increased by €12.5 million or 48.3%, to €38.4 million in the three-month period ended March 31, 2024, as compared to €25.9 million in the same period in 2023. The EBITDA increase was mainly driven by an increase in volume and inventory holdings gains partially offset by lower margins. Overall PTA margins were lower than in the comparative quarter. The US was the main driver of the reduction as heavier discount were required in the first quarter of 2024 to secure base volumes. Despite this reduction in margins versus the first quarter of 2023, the US market remained the most profitable region. Both European and Asian margins were flat period on period. Inventory holdings gains of €19.8 million were realised in the three-month period ended March 31, 2024 due to increase in crude oil prices compared to inventory holdings gains of €6.3 million in the comparative period, also due to increase in crude oil prices albeit in lower proportion than in the first quarter of 2024.

Liquidity and Capital Resources

Capital Resources

Our historical liquidity requirements have arisen primarily from the need for us to fund external acquisitions such as the acquisition by the Group of Eastman Texas City Chemicals Inc on December 1, 2023, to fund capital expenditures for the general maintenance and expansion of our production facilities and for new facilities, to meet our debt service requirements, to fund movements in our working capital and to pay taxes.

Our primary sources of liquidity are from borrowings composed of a mixture of secured term loans and secured notes, together with unsecured notes as well as our Securitization Programs, cash flows from operations of subsidiaries and cash on balance sheet. As of March 31, 2024, our Securitizations Programs remained undrawn. Our ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

We believe that our operating cash flows, together with the cash resources and borrowings program under the Securitization Programs and other facilities that we are able to sufficiently fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case.

Management estimates that, even in a downturn in the business cycle and weaker market conditions, we would have sufficient liquidity to meet our anticipated liabilities when due without incurring unacceptable losses or risking damage to our reputation.

Financing Arrangements

On March 25, 2024, the Group successfully raised incremental debt under the existing 2029 term loans increasing the principal amount of the Euro Term Loan B borrowings by €500.0 million and the Dollar Term Loan B borrowings by $475.0 million. As of March 31, 2024, the Group's financing arrangements included €382.1 million and $146.2 million of Senior Secured Notes due 2026, €600.0 million of Senior Secured Notes due 2027, €372.2 million Senior Notes due 2026, €525.0 million and $400.0 million of Senior Secured Notes due 2029, €292.5 million and $526.0 million Term Loan B facilities due 2026, €450.0 million and $194.2 million Term Loan B Facilities due 2027, €1,445.0 million and $1,575.0 million Term Loan B Facilities due 2029 and €375.0 million and $496.3 million Term Loan B Facilities due 2030. Our financing arrangements also include Securitization Programs, which as at March 31, 2024 had a total capacity of €840.0 million and an available drawdown amount of €603.6 million, none of which was drawn. The programs are subject to certain borrowing limits that are adjusted periodically based on the amount of eligible trade receivables available at the time of adjustment.

The Group also has various short-term credit facilities with different local banks to fund our working capital requirements in China, Malaysia, Singapore, South Korea, Thailand and the United Kingdom.

We or our affiliates may repay, redeem or repurchase any of our outstanding debt instruments, including term loans and notes, at any time and from time to time in the open market, in privately negotiated transactions, pursuant to one or more tender or exchange offers or otherwise, upon such terms and with such consideration as we or any such affiliate may determine. The amounts involved may be material.

Capital Expenditures

As part of our strategy to focus capital investments on improving returns, we have instituted measures to ensure the most efficient uses of capital investment. We intend to manage capital expenditures to maintain our well-invested asset base.

During the nine-month periods ended March 31, 2024 and 2023, capital expenditures analysed by business segment were as follows:

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Styrolution	15.5	32.7
INOVYN	32.1	43.9
Acetyls	4.0	0.8
Aromatics	5.3	10.8
Total	**56.9**	**88.2**

In the three-month period ended March 31, 2024, the Group spent €56.9 million (three-month period ended March 31, 2023: €88.2 million) on property, plant and equipment. In the Styrolution business, the most significant expenditures were in relation to a new 100 kiloton ASA plant at Bayport, Texas and the development of a new technology to recycle styrene monomer. In the INOVYN business, the most significant expenditures consisted of a new mechanical vapor recompression salt plant at Tavaux, France and general safety and sustenance expenditure. In the Acetyls and Aromatics businesses, the most significant expenditures were mainly on sustenance and safety compliance work.

Investments in property, plant and equipment in the three-month period ended March 31, 2023, by the Styrolution business mainly included a new 100 kiloton ASA plant at Bayport, Texas and the development of a new technology to recycle styrene monomer. In INOVYN, the largest investments in the comparative period consisted of a new mechanical vapor recompression salt plant at Tavaux, France. There were also planned turnaround events of the chlor-alkali and VCM assets at Martorell in Spain. Capital expenditures in the Acetyls business were mainly on sustenance and safety compliance work and in the Aromatics business consisted of planned turnarounds at Zhuhai in China and at Cooper River in the USA.

Working Capital

We anticipate that our working capital requirements will vary due to changes in raw materials, energy costs, market demand and planned maintenance which affect inventory, accounts receivable and accounts payable levels as well as sales volumes. Working capital levels typically develop in line with raw material and energy prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under the Securitization Program and other short-term credit facilities.

Cash Flows

During the three-month period ended March 31, 2024 and 2023, the Group's net cash flows were as follows:

	Three-Month Period Ended March 31,	
	2024	**2023**
	(€ in millions)	
Net cash flows from operating activities	39.8	407.4
Net cash flows from/(used in) investing activities	31.9	(27.8)
Net cash flows (used in)/from financing activities	(160.3)	204.6

Net cash flows from operating activities

Net cash inflows from operating activities in the three-month period ended March 31, 2024 were €39.8 million, compared to €407.4 million in the same period in 2023. Positive cash flow was generated by positive adjusted EBITDA offset by working capital outflows. Working capital outflows were €174.5 million in 2024, compared to inflows of €77.1 million in 2023. The outflows in 2024 were caused by an increase in sales volumes and sales prices and higher average inventory prices. Higher raw material prices led to an offsetting increase in trade creditors. The inflows in 2023 were due to lower trade receivables due to lower sales volumes, lower inventories due to reduction in volume partially offset by lower payables due to reduced raw materials prices compared to December 2022.

There were outflows of €12.7 million on provisions and employee benefits in the three-month period ended March 31, 2024 (three-month period ended March 31, 2023: €12.5 million outflow), mainly related to payment to Belgium and UK pension schemes, remediation work in the INOVYN business and restructuring for the Styrolution and Aromatics businesses.

The Group made taxation payments of €35.7 million in three-month period ended March 31, 2024 (three-month period ended March 31, 2023: €29.7 million). The largest payments were in Germany, Switzerland and Canada (three-month period ended March 31, 2023: Germany, Switzerland, Mexico Norway, Korea and France).

Net cash flows from/(used in) investing activities

The total cash inflow for investing activities in the three-month period ended March 31, 2024 was €31.9 million compared to outflows of €27.8 million in the same period in 2023.

During the three-month period ended March 31, 2024 the Group received dividends from joint ventures of €75.4 million (three-month period ended March 31, 2023: €53.6 million). The Group received €1.3 million in proceeds for the disposal of property, plant and equipment mainly related to the sale of redundant laboratory equipments and cogenerator assets in the US (three-month period ended March 31, 2023: €nil).

Spend on intangible assets of €0.6 million in the three-month period ended March 31, 2024 primarily consisted of purchase of software in the INOVYN business (three-month period ended March 31, 2023: €2.1 million).

During the three-month period ended March 31, 2024, the Group received €1.4 million from the Group's associated undertaking, INEOS Runcorn (TPS) Limited as a partial repayment of a shareholder loan (three-month period ended March 31, 2023: €2.5 million). Additionally, the Group received €4.1 million from the Group's associated undertaking, Atlas Methanol Company Unlimited as a partial repayment of a shareholder loan (three-month period ended March 31, 2023: €nil)

During the three-month period ended March 31, 2024, the Group received €6.0 million of interest payment related to external cash investments and €1.1 million of interest payment in relation to shareholder loans to related parties (three-month period ended March 31, 2023: €5.7 million and €0.7 million respectively).

There were no other significant cash flows from investing activities in the three-month period ended March 31, 2024 and 2023 other than the acquisition of property, plant and equipment (refer to the "Capital Expenditure" section).

Net cash flows (used in)/from financing activities

The total cash outflow for financing activities in the three-month period ended March 31, 2024 was €160.3 million compared to inflows of €204.6 million in the same period in 2023.

On January 16, 2024, the Group completed a €70.0 million fungible add-on to its existing Tranche B Euro Term Loans due March 2029 on the same terms as the original 2029 Tranche B Euro Term Loan facility. Proceeds were used to redeem outstanding borrowings under the 2026 Tranche B Euro Term Loan facility by €70.0 million, thereof €50.0 million were converted (on a cashless basis) from the 2026 Tranche B Euro Term Loan facility.

On March 25, 2024, the Group entered into an Incremental Facility Agreement to raise a new Dollar Term Loan B of $475.0 million (€438.4 million equivalent) and a new Euro Term Loan B of €500.0 million, both maturing in 2029. Proceeds were used to redeem outstanding borrowings under the 2026 Tranche B Dollar of $528.6 million (€487.9 million equivalent) thereof $105.6 million (€97.5 million equivalent) were converted (on a cashless basis) from the 2026 Tranche B Dollar Term Loan facility and under the 2026 Tranche B Euro of €434.0 million thereof €203.5 million were converted (on a cashless basis) from the 2026 Tranche B Euro Term Loan facility. Debt issue costs of €20.9 million were paid in relation with this transaction.

During the three-month period ended March 31, 2024, the Group paid debt issue costs of €0.2 million in respect of the renewal of the INOVYN Securitization Program.

On March 14, 2023, the Group raised incremental debt under the existing 2026 term loans increasing the principal amount of the Euro Term Loan B borrowings by €375.0 million and the Dollar Term Loan B borrowings by $500.0 million (€471.6 million equivalent). Debt issue costs of €12.2 million were paid in relation with this transaction.

In the three-month period ended March 31, 2024, the Group made scheduled repayments of $5.0 million (€4.6 million equivalent) on the Dollar Term Loan B Facility due 2026 (three-month period ended March 31, 2023: €4.7 million), $0.5 million (€0.5 million equivalent) on the Dollar Term Loan B Facility due 2027 (three-month period ended March 31, 2023: €0.5 million) and $1.3 million (€1.1 million equivalent) on the Dollar Term Loan B Facility due 2030 (three-month period ended March 31, 2023: €nil).

Interest payments of €128.6 million were made for the three-month period ended March 31, 2024 compared to €105.0 million for the period ended March 31, 2023. The interest payments during the first three month of 2024 related primarily to scheduled cash payments in respect of the Term Loan B Facilities due 2026, 2027, 2029 and 2030, Senior Secured Notes due 2026 and 2027, Senior Notes due 2026, securitization facilities of €2.0 million and lease liabilities of €3.1 million partially offset by a cash settlement of €1.8 million on interest rate swap contract. The interest payments during the first three month of 2023 related primarily to scheduled cash payments in respect of the Term Loan B Facilities due 2026, 2027 and 2030, Senior Secured Notes due 2026 and 2027, Senior Notes due 2026, securitization facilities of €1.3 million and lease liabilities of €3.5 million.

During the three-month period ended March 31, 2024, the Group made payments of €21.0 million (three-month period ended March 31, 2023: €19.6 million) in respect of the capital element of lease liabilities.

The Group made dividend payments to its parent in the three-month period ended March 31, 2023 of €500.0 million.

Net debt

Total net debt as at March 31, 2024 was €5,673.6 million (December 31, 2023: €5,500.4 million), excluding lease liabilities of €292.9 million (December 31, 2023: €306.6 million). The Group held net cash balances of €1,852.7 million as at March 31, 2024 (December 31, 2023: €1,935.1 million) which included restricted cash of €14.0 million used as collateral against bank guarantees and letters of credit. As at March 31, 2024 the Group had availability under the undrawn securitization facilities of €603.6 million.