



INEOS Quattro Holdings Limited

Condensed consolidated interim financial statements as of June 30, 2024

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Three-Month Period | |
|--|---------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Revenue | 3,438.1 | 3,148.3 |
| Cost of sales | (3,096.4) | (2,844.8) |
| Gross profit | 341.7 | 303.5 |
| Distribution costs..... | (197.1) | (128.5) |
| Administrative expenses before exceptional items..... | (148.7) | (154.7) |
| Exceptional administrative expenses..... | (83.1) | - |
| Total administrative expenses | (231.8) | (154.7) |
| Operating (loss)/profit | (87.2) | 20.3 |
| Share of (loss)/profit of joint ventures and associated undertakings | (6.0) | 8.3 |
| (Loss)/profit on disposal of property, plant and equipment | (0.4) | 1.7 |
| (Loss)/profit before net finance costs | (93.6) | 30.3 |
| Finance income | 25.2 | 34.2 |
| Finance costs before exceptional items | (155.1) | (112.0) |
| Exceptional finance costs | (1.5) | - |
| Total finance costs..... | (156.6) | (112.0) |
| Loss before tax | (225.0) | (47.5) |
| Tax credit | 45.9 | 14.5 |
| Loss for the period | (179.1) | (33.0) |
| Loss attributable to: | | |
| - Owners of the parent | (179.0) | (29.8) |
| - Non-controlling interest | (0.1) | (3.2) |
| | (179.1) | (33.0) |

The condensed notes on pages 8 to 26 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Six-Month Period | |
|--|-------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Revenue | 6,648.4 | 6,649.1 |
| Cost of sales | (5,904.0) | (5,820.8) |
| Gross profit | 744.4 | 828.3 |
| Distribution costs..... | (393.4) | (331.2) |
| Administrative expenses before exceptional items..... | (282.2) | (288.7) |
| Exceptional administrative expenses..... | (83.1) | - |
| Total administrative expenses | (365.3) | (288.7) |
| Operating (loss)/profit | (14.3) | 208.4 |
| Share of (loss)/profit of joint ventures and associated undertakings | (8.7) | 17.3 |
| Loss on disposal of businesses | (0.1) | - |
| Profit on disposal of property, plant and equipment | 0.1 | 1.6 |
| (Loss)/profit before net finance costs | (23.0) | 227.3 |
| Finance income | 73.9 | 74.3 |
| Finance costs before exceptional items | (305.2) | (218.6) |
| Exceptional finance costs | (6.7) | - |
| Total finance costs..... | (311.9) | (218.6) |
| (Loss)/profit before tax | (261.0) | 83.0 |
| Tax credit/(charge) | 63.7 | (9.1) |
| (Loss)/profit for the period | (197.3) | 73.9 |
| (Loss)/profit attributable to: | | |
| - Owners of the parent..... | (196.5) | 69.0 |
| - Non-controlling interest | (0.8) | 4.9 |
| | (197.3) | 73.9 |

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INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Three-Month Period | |
|--|---------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Loss for the period | (179.1) | (33.0) |
| Other comprehensive income/(expense): | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| Remeasurement of post-employment benefit obligations, net of tax ... | 12.1 | (0.3) |
| Fair value (loss)/gain on investments in equity instruments designated as FVTOCI | (0.5) | 1.7 |
| <i>Items that may subsequently be recycled to profit and loss:</i> | | |
| Foreign exchange translation differences of subsidiaries | 20.6 | (68.8) |
| Other comprehensive income/(expense) for the period net of tax.. | 32.2 | (67.4) |
| Total comprehensive expense for the period | (146.9) | (100.4) |
| Total comprehensive (expense)/income attributable to: | | |
| - Owners of the parent | (147.1) | (95.3) |
| - Non-controlling interest..... | 0.2 | (5.1) |
| Total comprehensive expense for the period | (146.9) | (100.4) |

| | Six-Month Period | |
|--|-------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| (Loss)/profit for the period | (197.3) | 73.9 |
| Other comprehensive (expense)/income: | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| Remeasurement of post-employment benefit obligations, net of tax ... | 22.2 | 25.4 |
| Fair value (loss)/gain on investments in equity instruments designated as FVTOCI | (0.6) | 2.0 |
| <i>Items that may subsequently be recycled to profit and loss:</i> | | |
| Foreign exchange translation differences of subsidiaries | 48.4 | (133.0) |
| Other comprehensive income/(expense) for the period net of tax.. | 70.0 | (105.6) |
| Total comprehensive expense for the period | (127.3) | (31.7) |
| Total comprehensive (expense)/income attributable to: | | |
| - Owners of the parent | (127.5) | (35.2) |
| - Non-controlling interest..... | 0.2 | 3.5 |
| Total comprehensive expense for the period | (127.3) | (31.7) |

The condensed notes on pages 8 to 26 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET

| | <u>June 30, 2024</u> | <u>December 31, 2023</u> |
|---|------------------------|--------------------------|
| | <i>(€ in millions)</i> | |
| Non-current assets | | |
| Property, plant and equipment..... | 4,661.4 | 4,817.9 |
| Intangible assets | 2,190.3 | 2,215.9 |
| Investments in equity-accounted investees..... | 1,542.8 | 1,650.8 |
| Other investments..... | 10.2 | 10.4 |
| Other financial assets | 2.2 | 2.2 |
| Other receivables..... | 140.7 | 131.9 |
| Employee benefits | 31.1 | 30.9 |
| Deferred tax assets | 156.0 | 178.8 |
| Total non-current assets | 8,734.7 | 9,038.8 |
| Current assets | | |
| Inventories..... | 1,318.2 | 1,190.9 |
| Trade and other receivables..... | 1,870.5 | 1,535.1 |
| Tax receivables for current tax..... | 139.5 | 77.1 |
| Other financial assets | 136.5 | 131.8 |
| Cash and cash equivalents..... | 1,837.5 | 1,935.1 |
| Total current assets | 5,302.2 | 4,870.0 |
| Total assets..... | 14,036.9 | 13,908.8 |
| Equity | | |
| Share capital | 0.3 | 0.3 |
| Merger reserve | (4,526.9) | (4,526.9) |
| Retained earnings | 7,531.4 | 7,727.9 |
| Other reserves..... | 53.3 | (15.7) |
| Equity attributable to owners of the parent..... | 3,058.1 | 3,185.6 |
| Non-controlling interest | 68.6 | 68.4 |
| Total equity | 3,126.7 | 3,254.0 |
| Non-current liabilities | | |
| External interest-bearing loans and borrowings | 7,416.7 | 7,322.7 |
| Lease liabilities..... | 222.9 | 234.4 |
| Trade and other payables..... | 213.2 | 216.5 |
| Employee benefits | 159.7 | 197.6 |
| Provisions..... | 253.6 | 178.4 |
| Deferred tax liabilities..... | 182.8 | 248.0 |
| Total non-current liabilities..... | 8,448.9 | 8,397.6 |
| Current liabilities | | |
| External interest-bearing loans and borrowings | 13.4 | 4.5 |
| Lease liabilities..... | 69.5 | 72.2 |
| Trade and other payables..... | 2,211.1 | 1,985.9 |
| Tax liabilities for current tax | 135.1 | 144.9 |
| Other financial liabilities | 3.0 | 4.4 |
| Provisions..... | 29.2 | 45.3 |
| Total current liabilities | 2,461.3 | 2,257.2 |
| Total liabilities | 10,910.2 | 10,654.8 |
| Total equity and liabilities | 14,036.9 | 13,908.8 |

The condensed notes on pages 8 to 26 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium reserve | Merger reserve | Retained earnings | Other reserves | Equity attributable to owners of the Company | Non- controlling interest | Total equity |
|--|------------------------|-----------------------------|-------------------|----------------------|-------------------|--|---------------------------------|-----------------|
| | <i>(€ in millions)</i> | | | | | | | |
| 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 | - | - | - | (196.5) | - | (196.5) | (0.8) | (197.3) |
| Other comprehensive (expense)/income: | | | | | | | | |
| Remeasurement of post-employment benefit obligations, net of tax | - | - | - | - | 21.4 | 21.4 | 0.8 | 22.2 |
| Fair value loss on investments in equity instruments designated as FVTOCI | - | - | - | - | (0.6) | (0.6) | - | (0.6) |
| Foreign exchange translation differences of subsidiaries..... | - | - | - | - | 48.2 | 48.2 | 0.2 | 48.4 |
| Total other comprehensive income | - | - | - | - | 69.0 | 69.0 | 1.0 | 70.0 |
| Transactions with owners, recorded directly in equity: | | | | | | | | |
| Dividends..... | - | - | - | - | - | - | - | - |
| Transactions with owners, recorded directly in equity | - | - | - | - | - | - | - | - |
| Balance at June 30, 2024..... | 0.3 | - | (4,526.9) | 7,531.4 | 53.3 | 3,058.1 | 68.6 | 3,126.7 |

| | Share capital | Share premium reserve | Merger reserve | Retained earnings | Other reserves | Equity attributable to owners of the Company | Non- controlling interest | Total equity |
|--|------------------------|-----------------------------|-------------------|----------------------|-------------------|--|---------------------------------|------------------|
| | <i>(€ in millions)</i> | | | | | | | |
| 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..... | - | - | - | 69.0 | - | 69.0 | 4.9 | 73.9 |
| Other comprehensive income: | | | | | | | | |
| Remeasurement of post-employment benefit obligations, net of tax | - | - | - | - | 24.1 | 24.1 | 1.3 | 25.4 |
| Fair value gain on investments in equity instruments designated as FVTOCI | - | - | - | - | 2.0 | 2.0 | - | 2.0 |
| Foreign exchange translation differences of subsidiaries..... | - | - | - | - | (130.3) | (130.3) | (2.7) | (133.0) |
| Total other comprehensive expense | - | - | - | - | (104.2) | (104.2) | (1.4) | (105.6) |
| 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 June 30, 2023..... | 0.3 | - | (4,526.9) | 8,029.1 | 43.9 | 3,546.4 | 69.6 | 3,616.0 |

The condensed notes on pages 8 to 26 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

| | Six-Month Period | |
|--|-------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Cash flows from operating activities | | |
| (Loss)/profit for the period..... | (197.3) | 73.9 |
| Adjustments for: | | |
| Depreciation and impairment | 380.1 | 305.7 |
| Amortization | 63.8 | 62.3 |
| Net finance costs | 238.0 | 144.3 |
| Share of loss/(profit) of joint ventures and associated undertakings | 8.7 | (17.3) |
| Loss on disposal of businesses | 0.1 | - |
| Profit on disposal of property, plant and equipment..... | (0.1) | (1.6) |
| Tax charge..... | (63.7) | 9.1 |
| (Increase)/decrease in trade and other receivables | (281.5) | 193.7 |
| (Increase)/decrease in inventories | (109.6) | 163.2 |
| Increase/(decrease) in trade and other payables | 236.2 | (192.1) |
| Increase/(decrease) in provisions and employee benefits..... | 46.4 | (22.6) |
| Tax (credit)/paid..... | (53.0) | (75.8) |
| Net cash from operating activities..... | 268.1 | 642.8 |
| Cash flows used in investing activities | | |
| Interest and other finance income received | 12.9 | 14.2 |
| Repayment of loans made to related parties..... | 19.7 | 4.6 |
| Dividends received from joint ventures | 84.4 | 91.7 |
| Disposal of businesses, net of cash disposed of | 0.2 | - |
| Proceeds from disposal of property, plant and equipment | 2.0 | 1.8 |
| Acquisition of businesses, net of cash acquired | (3.3) | - |
| Acquisition of intangible assets..... | (1.7) | (8.5) |
| Acquisition of property, plant and equipment | (131.3) | (209.0) |
| Net cash used in investing activities | (17.1) | (105.2) |
| Cash flows (used in)/from financing activities | | |
| Proceeds from external borrowings..... | 907.5 | 846.6 |
| Repayment of external borrowings | (916.6) | (10.4) |
| Debt issue costs | (17.0) | (16.5) |
| Interest paid and other finance items..... | (288.9) | (194.6) |
| Capital element of lease payments | (43.0) | (38.7) |
| Dividends paid attributable to the owners of the Company ... | - | (500.0) |
| Net cash (used in)/from financing activities | (358.0) | 86.4 |
| Net (decrease)/increase in cash and cash equivalents..... | (107.0) | 624.0 |
| Cash and cash equivalents at January 1..... | 1,935.1 | 1,530.1 |
| Effect of exchange rate fluctuations on cash held | 9.4 | (15.0) |
| Cash and cash equivalents at June 30..... | 1,837.5 | 2,139.1 |

The condensed notes on pages 8 to 26 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED 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 €1,837.5 million at June 30, 2024 and interest-bearing loans and borrowings (net of debt issue costs) of €7,430.1 million at June 30, 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 €3,126.7 million as at June 30, 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.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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 June 30, 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 June 30, | | Six-Month Period Ended June 30, | |
|--------------------|--|----------------|--|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | | |
| Revenue | | | | |
| Styrolution..... | 1,301.6 | 1,168.6 | 2,497.1 | 2,387.9 |
| INOVYN..... | 807.7 | 905.5 | 1,587.5 | 2,015.4 |
| Acetyls | 232.0 | 207.7 | 466.6 | 459.3 |
| Aromatics | 1,101.7 | 870.4 | 2,108.1 | 1,797.6 |
| Eliminations | (4.9) | (3.9) | (10.9) | (11.1) |
| | 3,438.1 | 3,148.3 | 6,648.4 | 6,649.1 |

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

3. SEGMENTAL INFORMATION (continued)

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|------------------------|--|--------------|--|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | | |
| Adjusted EBITDA | | | | |
| Styrolution..... | 103.0 | 32.7 | 203.1 | 98.0 |
| INOVYN..... | 100.0 | 163.8 | 176.3 | 426.8 |
| Acetyls | 35.4 | 23.0 | 80.7 | 50.3 |
| Aromatics | 5.5 | (7.3) | 43.9 | 18.6 |
| | 243.9 | 212.2 | 504.0 | 593.7 |

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 (“adjusted EBITDA”) to operating profit:

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|---|--|-------------|--|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | | |
| Adjusted EBITDA..... | 243.9 | 212.2 | 504.0 | 593.7 |
| Depreciation, impairment and amortisation..... | (254.0) | (183.6) | (443.9) | (368.0) |
| Exceptional administrative expenses..... | (83.1) | - | (83.1) | - |
| Share of loss/(profit) of joint ventures and associated undertakings | 6.0 | (8.3) | 8.7 | (17.3) |
| Operating (loss)/profit | (87.2) | 20.3 | (14.3) | 208.4 |

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.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

4. EXCEPTIONAL ITEMS

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|---|--------------------------------------|------|------------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | | |
| Exceptional items included in administrative expenses: | | | | |
| Restructuring provision ⁽¹⁾ | 72.7 | - | 72.7 | - |
| Reorganization costs ⁽²⁾ | 10.4 | - | 10.4 | - |
| | 83.1 | - | 83.1 | - |
| Exceptional finance costs: | | | | |
| Charge on early settlement of debt..... | 1.5 | - | 6.7 | - |
| Total exceptional expenses..... | 84.6 | - | 89.8 | - |

Exceptional cost of sales and administrative expenses:

- (1) In June 2024, the Styrolution business announced its decision to permanently close its styrene monomer production site in Sarnia, Canada by June 2026. While the implications of the closure are being further reviewed, a restructuring provision of €72.7 million has been recognized.
- (2) In December 2023, the Acetyls business acquired Eastman Texas City Chemicals Inc. A provision of reorganization costs of €10.4 million has been recognized of which €3.5 million has been spent in the three-month period ended June 30, 2024 with the remainder of the provision expected to be utilized during the year.

Exceptional finance costs:

During the three-month period ended June 30, 2024, exceptional finance costs of €1.5 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 April 5, 2024 (see note 9).

5. 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 25.2%% for the six-months of 2024 (2023: 13.9%) and reflects the anticipated tax rate for the Group for the full year. The effective tax rate for the group is in line with the standard rate in the United Kingdom but reflects the impact of the split of profits and losses between countries with lower or higher tax rates. Following the decision to close the production site in Sarnia, Canada, the €55.0 million net deferred tax liability associated was released to the profit and loss account.

Pillar Two legislation is effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two taxes is based on the most recent tax filings, country-by-country reporting, and future estimates of income for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the group operates are above 15% or will be where jurisdictions are increasing local tax rates. However, there are a limited number of jurisdictions where the transitional safe harbour relief may not apply, and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

6. NET FINANCE COSTS

| | Three-Month Period | | Six-Month Period | |
|---|---------------------------|----------------|-------------------------|----------------|
| | Ended June 30, | | Ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | | |
| Finance income | | | | |
| Interest on bank and other short-term deposit | 16.7 | 16.1 | 32.9 | 26.3 |
| Interest receivable from associated undertakings | 1.3 | 1.6 | 2.6 | 3.5 |
| Exchange movements..... | 5.6 | 0.2 | 30.7 | - |
| Other finance income | 1.6 | 4.0 | 2.8 | 8.0 |
| Net fair value gain on derivatives..... | - | 12.3 | 4.9 | 36.5 |
| Total finance income | 25.2 | 34.2 | 73.9 | 74.3 |
| Finance costs before exceptional items | | | | |
| Interest payable on Term Loans | (105.5) | (83.6) | (209.3) | (146.8) |
| Interest payable on Senior Secured Notes and Senior Notes | (34.8) | (16.9) | (65.3) | (33.9) |
| Interest payable on securitization facility | (1.3) | (1.0) | (3.4) | (2.1) |
| Interest payable to related parties | (0.5) | (0.4) | (1.0) | (0.9) |
| Amortization of debt issue costs | (6.7) | (4.7) | (13.7) | (8.9) |
| Interest payable on leases | (3.4) | (3.4) | (6.7) | (6.8) |
| Net fair value loss on derivatives | (0.5) | - | - | - |
| Exchange movements..... | - | - | - | (15.1) |
| Other finance charges..... | (1.1) | (0.7) | (3.2) | (1.4) |
| Interest on employee benefits..... | (1.3) | (1.3) | (2.6) | (2.7) |
| Total finance costs before exceptional items | (155.1) | (112.0) | (305.2) | (218.6) |
| Exceptional finance costs (see note 4) | (1.5) | - | (6.7) | - |
| Net finance costs | (131.4) | (77.8) | (238.0) | (144.3) |

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

7. INVENTORIES

| | June 30, | December 31, |
|------------------------------------|------------------------|---------------------|
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Raw materials and consumables..... | 563.4 | 538.2 |
| Work in progress | 193.6 | 148.4 |
| Finished products | 561.2 | 504.3 |
| | 1,318.2 | 1,190.9 |

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

In the six-month period ended June 30, 2024, the Group spent €131.3 million (six-month period ended June 30, 2023: €209.0 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 the replacement of the mains power supply in Rafnes, Norway. 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 six-month period ended June 30, 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 the INOVYN business, the most significant expenditures consisted of a new mechanical vapor recompression salt plant at Tavaux, France, a brine borehole drilling program at Northwich, UK and general SHE/sustenance expenditure. There were also planned turnaround events of the chlor-alkali and VCM assets at Martorell, 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, China and at Cooper River, US.

In June 2024, the Styrolution business announced its decision to permanently close its styrene monomer production site in Sarnia by June 2026. While the implications of the closure are being further reviewed the property, plant and equipment of the Sarnia site, with the exclusion of the land, have been fully impaired for a total value of €56.8 million.

The Sarnia site is included in the cash generating unit (“CGU”) 'Styrene Monomer'. The closure of the site is expected to improve the future cash flows of the CGU and therefore will not result in any goodwill impairment.

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS

Borrowing obligations as of June 30, 2024 and December 31, 2023 are as follows:

| | June 30, 2024 | December 31, 2023 |
|---------------------------------------|--------------------------|------------------------------|
| | €m | |
| Non-current liabilities | | |
| Senior Secured Notes due 2026 | 518.5 | 513.7 |
| Senior Notes due 2026 | 372.2 | 372.2 |
| Senior Secured Notes due 2027 | 600.0 | 600.0 |
| Senior Secured Notes due 2029 | 1,148.4 | 885.2 |
| Term Loan B Facilities due 2026 | 499.0 | 1,732.5 |
| Term Loan B Facilities due 2027 | 628.9 | 623.5 |
| Term Loan B Facilities due 2029 | 2,896.9 | 1,860.5 |
| Term Loan B Facilities due 2030 | 832.4 | 819.6 |
| Other loans | - | 0.1 |
| Gross borrowings | 7,496.3 | 7,407.3 |
| Less: unamortised finance costs | (79.6) | (84.6) |
| Net borrowings | 7,416.7 | 7,322.7 |
| Current liabilities | | |
| Term Loan B Facilities due 2026 | 18.7 | 18.0 |
| Term Loan B Facilities due 2027 | 1.9 | 1.8 |
| Term Loan B Facilities due 2029 | 14.7 | 5.0 |
| Term Loan B Facilities due 2030 | 4.7 | 3.4 |
| Gross borrowings | 40.0 | 28.2 |
| Less: unamortised finance costs | (26.6) | (23.7) |
| Net borrowings | 13.4 | 4.5 |

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

| Gross debt and issue costs | June 30, 2024 | | |
|---------------------------------------|---|--------------------|-------------------------------------|
| | Gross loans and borrowings | Issue costs | Net loans and borrowings |
| | €m | | |
| Senior Secured Notes due 2026 | 518.5 | (5.5) | 513.0 |
| Senior Notes due 2026 | 372.2 | - | 372.2 |
| Senior Secured Notes due 2027 | 600.0 | (1.9) | 598.1 |
| Senior Secured Notes due 2029 | 1,148.4 | (2.6) | 1,145.8 |
| Term Loan B Facilities due 2026 | 517.7 | (2.8) | 514.9 |
| Term Loan B Facilities due 2027 | 630.8 | (2.0) | 628.8 |
| Term Loan B Facilities due 2029 | 2,911.6 | (77.6) | 2,834.0 |
| Term Loan B Facilities due 2030 | 837.1 | (13.5) | 823.6 |
| Securitization facilities | - | (0.3) | (0.3) |
| Other loans | - | - | - |
| | 7,536.3 | (106.2) | 7,430.1 |

| 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 |
| Securitization facilities | - | (0.1) | (0.1) |
| Other loans | 0.1 | - | 0.1 |
| | 7,435.5 | (108.3) | 7,327.2 |

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule as at June 30, 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 |
| Euro Term Loan B Facility due 2026 | € | EURIBOR (floor of 0.0%) + 2.75% | 2026 |
| Dollar Term Loan B Facility due 2026 | \$ | SOFR (floor of 0.5%) + 2.75% | 2026 |
| Senior Secured Notes due 2027 | € | 2.25% | 2027 |
| 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 |
| Euro Senior Secured Notes due 2029 | € | 8.50% | 2029 |
| Dollar Senior Secured Notes due 2029 | \$ | 9.625% | 2029 |
| Euro Term Loan B Facility due 2029 | € | EURIBOR (floor of 0.5%) + 4.50% | 2029 |
| Dollar Term Loan B Facility due 2029 | \$ | SOFR (floor 0.0%) + 4.25% | 2029 |
| Euro Term Loan B Facility due 2030 | € | EURIBOR (floor of 0.5%) + 4.00% | 2030 |
| Dollar Term Loan B Facility due 2030 | \$ | SOFR (floor 0.0%) + 3.75% | 2030 |
| Securitisation facilities | \$/€/£ | Variable | 2027 |

Senior Secured Notes due 2026

In January 2021 the Group issued €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 2020 Term Loan Agreement and issued new Senior Secured Notes due 2029. 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 due 2029 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 June 30, 2024 before issue costs were €518.5 million (December 31, 2023: €513.7 million). The total amounts outstanding on the Euro Secured Notes were €382.1 million (December 31, 2023: €382.1 million) and the US dollar Secured Notes were \$146.2 million (€136.4 million equivalent) (December 31, 2023: €131.6 million).

The Senior Secured Notes due 2026 are listed on the Euro MTF – market of the Luxembourg Stock Exchange. The Euro Senior Secured Notes due 2026 bear interest at a rate of 2½% per annum. The Dollar Senior Secured Notes due 2026 bear interest at a rate of 3¾% per annum. Interest on the Senior Secured Notes due 2026 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, 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:

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Secured Notes due 2026 (continued)

| 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 due 2026 are subject to redemption at any time, 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 Senior Secured Notes due 2026 contain a number of operating covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sales of assets and dividend payments.

The Senior Secured Notes due 2026 are stated net of debt issue costs of €5.5 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.

Senior Notes due 2026

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

On November 14, 2023, the Group issued new Senior Secured Notes due 2029. A portion of the gross proceeds from the offering of the Senior Secured Notes due 2029 were used to purchase €127.8 million of the Senior Notes due 2026.

The Senior Notes outstanding at June 30, 2024 were €372.2 million (December 31, 2023: €372.2 million).

The Senior Notes due 2026 are listed on the Euro MTF market of the Luxembourg Stock Exchange. The Senior Notes due 2026 bear interest at a rate of 3¾% per annum. Interest on the Senior Notes due 2026 is payable semi-annually in arrears. The Senior Notes due 2026 have no mandatory repayment requirement until maturity.

The Senior Notes due 2026 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 exceptions) 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 due 2026. These security interests rank behind the security interests granted over those assets in favor of the creditors of certain other indebtedness, including the Credit Facility Agreements, the Senior Secured Notes due 2027, the Senior Secured Notes due 2029, and certain hedging obligations and cash management arrangements.

The Senior Notes due 2026 are subject to redemption at any time, 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:

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Notes due 2026 (continued)

| 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 due 2026 contain a number of operating 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 entered into a credit facilities agreement (as amended and restated) which consists of term loans maturing in 2026 denominated in US dollar (the “Dollar Term Loan B Facility due 2026”) and in euro (the “Euro Term Loan B Facility due 2026”), 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 2020 Credit Facilities Agreement in the form of term loans maturing in 2030 denominated in euro in the amount of €375 million (the “Euro Term Loan B due 2030”) and term loans maturing in 2030 denominated in US dollars in the amount of \$500.0 million (the Dollar Term Loan B due 2030”).

On November 14, 2023, in addition to the Term Loan B Facilities due 2026 and the Term Loan B Facilities due 2030, a new joinder and amendment agreement to the 2020 Credit Facilities Agreement provided for new term loans maturing in 2029 denominated in euro (the “Euro Term Loan B Facility due 2029”) and denominated in US dollars (the “Dollar Term Loan B Facility due 2029”) in aggregate principal amounts of €875.0 million and \$1,100.0 million (€1,035.8 million equivalent), respectively.

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 due 2029 were used to repay on a cashless basis €703.6 million of the amounts outstanding under the Euro Term Loan B Facility due 2026 and to repay on a cash less basis \$890.4 million (€838.4 million equivalent) of the amounts outstanding under the Dollar Term Loan B Facility due 2026.

On January 16, 2024, the Group completed a €70.0 million fungible add-on to its existing Euro Term Loan B Facility due 2029 on the same terms. The proceeds were used to redeem outstanding borrowings under the Euro Term Loan B Facility due 2026 by €70.0 million, of which €50.0 million were converted (on a cashless basis) from the Euro Term Loan B Facility due 2026.

On March 25, 2024, the Group entered into an incremental facility agreement to the 2020 Credit Facilities Agreement to raise additional term loans under the Euro Term Loan B Facility due 2029 in an amount of €500.0 million and additional term loans under the Dollar Term Loan B Facility due 2029 of \$475.0 million (€438.4 million equivalent). The gross proceeds from the transaction were used to prepay outstanding borrowings under the Euro Term Loan B Facility due 2026 of €434.0 million and Dollar Term Loan B Facility due 2026 of \$528.6 million (€487.9 million equivalent).

On April 5, 2024, the Group issued additional Euro Senior Secured Notes due 2029 in a fungible tap (see the *Senior Secured Notes 2029* section). The gross proceeds from this transaction were used to redeem outstanding borrowings under the Euro Term Loan B Facility due 2026 by €86.5 million and to redeem outstanding borrowings under the Dollar Term Loan B Facility due 2026 by \$187.2 million (€173.0 million equivalent).

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

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

As at June 30, 2024, €206.0 million was drawn under the Euro Term Loan B Facility due 2026 (December 31, 2023: €796.4 million) and \$333.8 million was drawn under the Dollar Term Loan B Facility due 2026 (€311.7 million equivalent) (December 31, 2023: €954.1 million); €375.0 million was drawn under the Euro Term Loan B Facility due 2030 (December 31, 2023: €375.0 million) and \$495.0 million was drawn under the Dollar Term Loan B Facility due 2030 (€462.1 million equivalent) (December 31, 2023: €448.0 million). Additionally, €1,445.0 million was drawn under the Euro Term Loan B Facility due 2029 (December 31, 2023: €875.0 million); and \$1,571.0 million was drawn under the Dollar Term Loan B Facility due 2029 (€1,466.6 million equivalent) (December 31, 2023: €990.5 million)

The Term Loan B Facilities denominated in euro 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, EURIBOR (subject to a floor of 0% per annum) plus 4.0% for the Euro Term Loan B Facility due 2030 and EURIBOR (subject to a floor of 0% per annum) plus 4.5% for the Euro Term Loan B Facility due 2029.

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% (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% (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% (subject to a floor of 0% per annum) plus a margin of 4.25%.

The obligations under the Term Loan B Facilities are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries that guarantee the obligations under the 2014 Credit Facilities Agreement, the Senior Secured Notes due 2029, the Senior Secured Notes due 2026, the Senior Secured Notes due 2027 and certain hedging obligations and cash management arrangements. They are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the 2014 Credit Facilities Agreement, the Senior Secured Notes due 2029, the Senior Secured Notes due 2026, the Senior Secured Notes due 2027 and certain hedging obligations and cash management arrangements.

The 2020 Credit Facilities Agreement 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 do not contain any financial maintenance covenants.

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 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 exceptions, 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 exceptions, 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 exceptions, on March 14, 2030.

The Term Loan B Facilities due 2026 are stated net of debt issue costs of €2.8 million (December 31, 2023: €11.2 million). The Term Loan B Facilities due 2029 are stated net of debt issue costs of €77.6 million (December 31, 2023: €62.9 million). The Term Loan B Facilities due 2030 are stated net of debt issue costs of €13.5 million (December 31, 2023: €14.7 million). These costs are allocated to the profit and loss account over the terms of the relevant Term Loan B Facilities.

Term Loan B Facilities due 2027

The Group has outstanding borrowings under a credit facilities agreement dated November 7, 2014 (as amended and restated from time to time) which consist of euro- and US dollar-denominated term loans (referred to as the "2014 Credit Facilities Agreement").

On January 31, 2020, the Group successfully completed an amend-and-extend transaction of the existing term loans under the 2014 Credit Facilities Agreement resulting in a principal amount of euro-denominated term loan borrowings due 2027 of €450.0 million (the "Euro Term Loan B Facility due 2027") and US dollar-denominated term loan borrowings due 2027 of \$202.3 million (the "Dollar Term Loan B Facility due 2027") then-outstanding.

INEOS QUATTRO HOLDINGS LIMITED
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9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Term Loan B facilities due 2027(continued)

As at June 30, 2024, €450.0 million under the Euro Term Loan B due 2027 (December 31, 2023: €450.0 million) and \$193.7 million (€180.8 million equivalent) under the Dollar Term Loan B Facility due 2027 (December 31, 2023: €175.3 million) remained outstanding.

The 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%.

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% (subject to a floor of 0% per annum) plus a margin of 2.00%.

The obligations under the Term Loan B Facilities due 2027 are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries that guarantee the obligations under the 2020 Credit Facilities Agreement, the Senior Secured Notes due 2029, the Senior Secured Notes due 2026, the Senior Secured Notes due 2027 and certain hedging obligations and cash management arrangements. They are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the 2020 Credit Facilities Agreement, the Senior Secured Notes due 2029, the Senior Secured Notes due 2026, the Senior Secured Notes due 2027 and certain hedging obligations and cash management arrangements.

The 2014 Credit Facilities Agreement 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 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 Euro Term Loan Facility due 2027 and the balance of the 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 €2.0 million (December 31, 2023: €2.3 million). These costs are allocated to the profit and loss account over the term of the Term Loan B Facilities due 2027.

Senior Secured Notes due 2027

On January 31, 2020, the Group issued €600.0 million aggregate principal amount 2¼% euro-denominated Senior Secured Notes maturing on January 16, 2027 (the "Senior Secured Notes due 2027").

The Senior Secured Notes due 2027 outstanding at June 30, 2024 were €600.0 million (December 31, 2023: €600.0 million).

The Senior Secured Notes due 2027 are listed on the Euro MTF market of the 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 July 15, 2020. The Senior Secured Notes due 2027 have no mandatory repayment requirement until maturity.

The Senior Secured Notes due 2027 are jointly and severally guaranteed on a senior secured basis by certain of the Group's subsidiaries that guarantee the obligations under the Credit Facilities Agreements, the Senior Secured Notes due 2029, the Senior Secured Notes due 2026 and certain hedging obligations and cash management arrangements. They are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Credit Facilities Agreements, the Senior Secured Notes due 2029, the Senior Secured Notes due 2026 and certain hedging obligations and cash management arrangements.

The Senior Secured Notes due 2027 are subject to redemption at any time, in whole or in part, at a redemption price equal to 100.0% of the aggregate principal amount of the Senior Secured Notes due 2027 redeemed. In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2027 contain a number of operating 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 €1.9 million (December 31, 2023: €2.2 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2027.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXTERNAL INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Secured Notes due 2029

On November 14, 2023, the Group issued €525.0 million aggregate principal amount of 8¹/₂% euro-denominated Senior Secured Notes maturing on March 15, 2029 (the “Euro Senior Secured Notes due 2029”) and \$400.0 million (€376.6 million equivalent) aggregate principal amount of 9⁵/₈% US dollar-denominated Senior Secured Notes maturing on March 15, 2029 (the “Dollar Senior Secured Notes due 2029”).

On April 5, 2024, the Group issued €250.0 million of additional Euro Senior Secured Notes due 2029 in a fungible tap, placed with certain investors in a private transaction. The gross proceeds from this transaction equaled to €260.6 million with the premium of €10.6 million treated as debt issue costs and allocated to the profit and loss account over the term of the Euro Senior Secured Notes due 2029. The proceeds from this transaction were used to repay a portion of the outstanding borrowings under the Term Loan B Facilities due 2026 (see the *Term Loan B Facilities due 2026, 2029 and 2030* section).

As at June 30, 2024, \$400.0 million (€373.4 million equivalent) under the Dollar Senior Secured Notes due 2029 (December 31, 2023: €360.2 million) and €775.0 million under the Euro Senior Secured Notes due 2029 remained outstanding (December 31, 2023: €525.0 million).

The Senior Secured Notes due 2029 are listed on the Euro MTF market of the Luxembourg Stock Exchange and bear interest at 8¹/₂% per annum, in the case of the Euro Senior Secured Notes due 2029, and 9⁵/₈% per annum, in the case of the Dollar 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. The Senior Secured Notes due 2029 have no mandatory repayment requirement until maturity.

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 Credit Facilities Agreements, 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 the same assets that secure the obligations under the Credit Facilities Agreements, Senior Secured Notes due 2027, the Senior Secured Notes due 2026 and certain hedging obligations and cash management arrangements.

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 November 15, 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).

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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 Senior Secured Notes due 2029 contain a number of operating covenants, including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2029 are stated net of debt issue costs of €2.6 million (December 31, 2023: €8.3 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2029.

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% per annum.

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% per annum.

The debt issue costs of €0.3 million (December 31, 2023: €0.1 million) were incurred in relation to the securitization facilities. These costs are allocated to the profit and loss account over the term of the facilities.

Other facilities

The Group has several short-term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €200.9 million equivalent as of June 30, 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 June 30, 2024 amounted to €179.0 million equivalent (December 31, 2023: €192.1 million equivalent), with €21.9 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 June 30, 2024, the drawn amount under all letter of credit facilities was €28.5 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.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. 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 | |
|---|-------------------------|------------------|---------------------|----------------------|
| | Six-Months Period Ended | | Period Ended | |
| | June 30, 2024 | June 30, 2023 | June 30, 2024 | December 31, 2023 |
| | <i>(€ in millions)</i> | | | |
| Sale of products | 134.7 | 126.5 | - | - |
| Purchase of raw materials..... | (600.8) | (548.5) | - | - |
| Cost recoveries | 49.7 | 51.4 | - | - |
| Services (received)/provided | (84.4) | (106.2) | - | - |
| Net interest | (1.0) | (0.4) | - | - |
| Trade and other receivables..... | - | - | 64.2 | 67.9 |
| Trade and other payables..... | - | - | (153.9) | (150.0) |
| Interest-bearing loans and borrowings | - | - | (44.6) | (43.6) |

Included within services above is a management fee paid to INEOS Limited of €35.5 million (June 30, 2023: €33.8 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 June 30, 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.

On April 2, 2024, INEOS Industries Holdings Limited, a related party to the Group, purchased €36.5 million of the Euro Term Loan B Facility due 2029 in an open market purchase. This position was sold in an open market sale on July 12, 2024.

INEOS QUATTRO HOLDINGS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. 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 six-month period ended June 30, 2024, the Group made no sales or purchases with these companies (June 30, 2023: €nil). As at June 30, 2024, amounts owed by Screencondor Limited were €1.7 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:

| | <u>Transaction value</u> | | <u>Balance outstanding</u> | |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|
| | <u>Six-Months Period Ended</u> | | <u>Period Ended</u> | |
| | <u>June 30,</u> <u>2024</u> | <u>June 30,</u> <u>2023</u> | <u>June 30,</u> <u>2024</u> | <u>December</u> <u>31, 2023</u> |
| | <i>(€ in millions)</i> | | | |
| Sale of products..... | 32.7 | 126.5 | - | - |
| Purchase of raw materials..... | (185.1) | (548.5) | - | - |
| Cost recoveries..... | 42.5 | 51.4 | - | - |
| Services received..... | (6.9) | (106.2) | - | - |
| Net interest..... | 2.6 | (0.4) | - | - |
| Trade and other receivables..... | - | - | 21.9 | 24.0 |
| Trade and other payables..... | - | - | (80.3) | (67.4) |
| Deferred consideration..... | - | - | 125.1 | 120.7 |
| Loans receivable..... | - | - | 90.1 | 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 June 30, 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 in the second half of 2024 upon completion of required contractually agreed administrative procedures.

Loans of €60.2 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 of €29.9 million were granted by the Group to Atlas Methanol Company Unlimited. These loans are unsecured, attract interest at commercial rate and mature in 2024. As at December 31, 2023, the loans to Atlas Methanol Company Unlimited amounted to €40.5 million and were presented as investment in equity-accounted investees so not reported as related party transactions. In October 2023, the Acetyls business announced its decision to mothball the Atlas methanol plan, which is owned in partnership with Methanex Corporation, in September 2024 when its legacy 20-year natural gas agreement expires. Part of the negotiation with Methanex Corporation included the full repayment of the shareholder loans during the financial year 2024.

INEOS QUATTRO HOLDINGS LIMITED
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

FORWARD-LOOKING STATEMENTS

This report 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, and from extreme weather conditions, including droughts, and any governmental reaction related thereto;
- 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; and
- interest rate risks.

INEOS QUATTRO HOLDINGS LIMITED
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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.

INEOS QUATTRO HOLDINGS LIMITED
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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 June 30, | | | |
|---|--|--------------|------------------------|--------------|
| | 2024 | | 2023 | |
| | <i>(€ in millions)</i> | % | <i>(€ in millions)</i> | % |
| Revenue | 3,438.1 | 100.0 | 3,148.3 | 100.0 |
| Cost of sales | (3,096.4) | (90.1) | (2,844.8) | (90.4) |
| Gross profit | 341.7 | 9.9 | 303.5 | 9.6 |
| Distribution costs..... | (197.1) | (5.7) | (128.5) | (4.1) |
| Administrative expenses before exceptional items | (148.7) | (4.3) | (154.7) | (4.9) |
| Exceptional administrative expenses..... | (83.1) | (2.4) | - | - |
| Total administrative expenses | (231.8) | (6.7) | (154.7) | (4.9) |
| Operating (loss)/profit | (87.2) | (2.5) | 20.3 | 0.6 |
| Share of (loss)/profit of joint ventures and associated undertakings..... | (6.0) | (0.2) | 8.3 | 0.3 |
| (Loss)/profit on disposal of property, plant and equipment | (0.4) | - | 1.7 | 0.1 |
| (Loss)/profit before net finance costs | (93.6) | (2.7) | 30.3 | 1.0 |
| Finance income | 25.2 | 0.7 | 34.2 | 1.1 |
| Finance costs before exceptional items | (155.1) | (4.5) | (112.0) | (3.6) |
| Exceptional finance costs | (1.5) | - | - | - |
| Total finance costs..... | (156.6) | (4.6) | (112.0) | (3.6) |
| Loss before tax | (225.0) | (6.5) | (47.5) | (1.5) |
| Tax credit | 45.9 | 1.3 | 14.5 | 0.5 |
| Loss for the period | (179.1) | (5.2) | (33.0) | (1.0) |

INEOS QUATTRO HOLDINGS LIMITED
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Three-month period ended June 30, 2024, compared with three-month period ended June 30, 2023

Consolidated

Revenue. Revenue increased by €289.8 million, or 9.2%, to €3,438.1 million in the three-month period ended June 30, 2024, from €3,148.3 million in the three-month period ended June 30, 2023. The increase in revenue was mainly driven by higher volumes partially offset by lower sales prices than in the comparative period. The European and American markets continued to display signs of recovery in the second quarter of 2024 with an increase in sales volume of general purpose PVC, polymer, styrene and PTA. The Asian market continued to be characterized by weak demand combined with an oversupplied market, although ABS sales volumes improved supported by an incremental demand recovery and PTA 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 chlorine production. Caustic soda European contract price continued to reduce in the second quarter of 2024 as chlorine production increased. The decrease in sales prices in the INOVYN business was partially offset by improved average sales prices in the Styrolution and Aromatics businesses.

Cost of sales. Cost of sales increased by €251.6 million, or 8.8%, to €3,096.4 million in the three-month period ended June 30, 2024, from €2,844.8 million in the three-month period ended June 30, 2023. The increase was the result of higher production partially offset by lower costs of the Group's key raw materials including electricity and natural gas costs. In June 2024, the Styrolution business announced its decision to permanently close its styrene monomer production site in Sarnia, Canada by June 2026. As result, the net book value of the property, plant and equipment related to the Sarnia site was fully impaired for a total value of €56.8 million.

Gross profit. Gross profit increased by €38.2 million, or 12.6%, to €341.7 million in the three-month period ended June 30, 2024, from €303.5 million in the three-month period ended June 30, 2023. The increase was primarily driven by an increase in volume and a reduction in fixed costs partially offset by a reduction in average margins mainly in caustic soda. The caustic soda European contract price in the second quarter of 2024 settled at a similar level to the previous quarter but saw a 17% reduction compared to the second quarter of 2023 due to low demand and ample supply. Lower margins were also achieved on general purpose PVC due to weak market conditions in Europe and a higher volume of export sales characterized by lower margins. PTA margins remained low in all regions as sales volumes recovered however this is expected to reverse in the second half of the year as markets stabilized at a higher level of demand. Acetyls margins were positively impacted in the American market by the acquisition of the Eastman plant in December 2023 allowing 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 increased by €68.6 million, or 53.4%, to €197.1 million in the three-month period ended June 30, 2024, from €128.5 million in the three-month period ended June 30, 2023. This was mainly due to higher sales volumes and stronger US dollar versus the euro in the three-month period ended June 30, 2024, as compared to the same period in 2023.

Administrative expenses before exceptional items. Administrative expenses before exceptional items decreased by €6.0 million, or 3.9%, to €148.7 million in the three-month period ended June 30, 2024, from to €154.7 million in the three-month period ended June 30, 2023 mainly as a result of the cost optimisation implemented by the businesses in response to the weak economical environment. The reduction in administrative expenses was partially offset by an increase in administrative expenses related to the new Texas City site acquired by the Acetyls business in December 2023 and negative foreign exchange impact driven by a stronger US dollar versus euro in the three-month period ended June 30, 2024, as compared to the same period in 2023.

Exceptional administrative expenses. Exceptional administrative expenses were €83.1 million for the three-month period ended June 30, 2024, as compared to €nil for the same period in 2023. In June 2024, the Styrolution business announced its decision to permanently close its styrene monomer production site in Sarnia, Canada by June 2026. While the implications of the closure are being further reviewed, a restructuring provision of €72.7 million has been recognized. In December 2023, the Acetyls business acquired Eastman Texas City Chemicals Inc. A provision of €10.4 million was recognized in relation to the reorganization costs expected to be incurred in 2024.

Operating (loss)/profit. Operating (loss)/profit decreased by €107.5 million, or 529.6% to a loss of €87.2 million in the three-month period ended June 30, 2024, from a profit of €20.3 million in the three-month period ended June 30, 2023.

INEOS QUATTRO HOLDINGS LIMITED OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Share of (loss)/profit of joint ventures and associated undertakings. Share of (loss)/profit of joint ventures and associated undertakings decreased by €14.3 million, or 172.3% to a loss of €6.0 million in the three-month period ended June 30, 2024, from a profit of €8.3 million in the three-month period ended June 30, 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 below the prior year quarter due to lower VAM margins in Korea caused by demand erosion and an unplanned shutdown in Nanjing, China partially offset by increased profit in Malaysia due to new customers contracts.

(Loss)/profit on disposal of property, plant and equipment. Loss on the disposal of property, plant and equipment was €0.4 million for the three-month period ended June 30, 2024, as compared to a profit of €1.7 million for the same period in 2023.

(Loss)/profit before net finance costs. (Loss)/profit before net finance costs decreased by €123.9 million, or 408.9%, to a loss of €93.6 million for the three-month period ended June 30, 2024, from a profit of €30.3 million for the three-month period ended June 30, 2023.

Finance income. Finance income decreased by €9.0 million, or 26.3%, to €25.2 million for the three-month period ended June 30, 2024, from €34.2 million for the three-month period ended June 30, 2023. The decrease was primarily the result of €12.3 million of lower exchange gains compared to the same period in 2023.

Finance costs before exceptionals. Finance costs before exceptionals increased by €43.1 million, or 38.5%, to €155.1 million for the three-month period ended June 30, 2024, from €112.0 million for the three-month period ended June 30, 2023. The increase was primarily the result of €21.9 million of higher interest charges on Term Loans B due to the restructuring of the term of the debt and €17.9 million of higher interest charges on Senior Secured Notes due to the new instruments issued in November 2023 and April 2024.

Exceptional finance costs. Exceptional finance costs were €1.5 million for the three-month period ended June 30, 2024, as compared to €nil for the same period in 2023. Exceptional finance costs of €1.5 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 April 5, 2024.

Total finance costs. Total finance costs increased by €44.6 million, or 39.8%, to €156.6 million in the three-month period ended June 30, 2024 from €112.0 million in the three-month period ended June 30, 2023.

Loss before tax. Loss before tax increased by €177.5 million, or 373.7%, to €225.0 million in the three-month period ended June 30, 2024, from €47.5 million in the three-month period ended June 30, 2023.

Tax credit. Tax credit increased by €31.4 million, or 216.6%, to €45.9 million in the three-month period ended June 30, 2024, from €14.5 million in the three-month period ended June 30, 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 June 30, 2024 was 21.0% compared to 26.0% in the comparative quarter. The lower anticipated effective tax rate for the three-month period ended June 30, 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 and the release of €55.0 million of deferred tax liability associated with the production site in Sarnia, Canada following the decision taken in June 2024 to close the site.

Loss for the period. Loss for the period increased by €146.1 million, or 442.7%, to €179.1 million in the three-month period ended June 30, 2024 from €33.0 million in the three-month period ended June 30, 2023.

INEOS QUATTRO HOLDINGS LIMITED OPERATING AND FINANCIAL REVIEW AND PROSPECTS

INOVYN

Revenue. Revenue in the INOVYN segment decreased by €97.8 million, or 10.8%, to €807.7 million in the three-month period ended June 30, 2024, as compared to €905.5 million for the same period in 2023. Total sales volumes increased compared to the comparative quarter, although absolute revenues decreased due to a reduction in average unitary prices across the product portfolio. General purpose PVC demand in Europe improved compared to prior year levels but average sales prices were lower due to an increase in industry operating rates. Prices of general purpose PVC in export markets was at similar levels to the comparative quarter. Total specialty PVC sales volumes were higher than in the second quarter of 2023, although all the increase was seen in export markets due to weak European demand. Caustic soda demand in Europe remained weak, but industry operating rates in Europe pushed higher in 2024 due to stronger downstream chlorine usage, resulting in further downward pressure on caustic soda pricing. Revenues of other products such as caustic potash, epichlorohydrin, chloromethanes and salt were all lower than the prior year comparative period.

Adjusted EBITDA. Adjusted EBITDA in the INOVYN segment decreased by €63.8 million, or 38.9%, to €100.0 million in the three-month period ended June 30, 2024, as compared to €163.8 million in the same period in 2023. The decrease in adjusted EBITDA was mainly the result of general purpose and specialty PVC margin reductions and lower caustic soda sales prices, partially offset by lower energy costs and higher general purpose PVC sales volumes. Demand for general purpose PVC in Europe in 2024 improved compared to the same quarter in the prior year but the market remained fundamentally weak. This weak market environment combined with higher producer operating rates resulted in reductions in spreads over ethylene compared to 2023. Margins achieved for general purpose PVC in export markets remained low and at similar levels compared to the same quarter in the prior year. Specialty PVC markets remained subdued with margins achieved lower than in the comparative quarter, although they remained above general purpose PVC levels. The caustic soda European contract price in the second quarter of 2024 settled at a similar level to the previous quarter but saw a 17% reduction compared to the comparative quarter due to low demand and ample supply. 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 27% and 11% respectively, lower than the comparative quarter, although prices are almost double versus pre-pandemic levels. Lower margins were achieved in the second quarter of 2024 for other products such as Cereclor, epichlorohydrin and chloromethanes.

Acetyls

Revenue. Revenue in the Acetyls segment increased by €24.3 million, or 11.7%, to €232.0 million in the three-month period ended June 30, 2024, as compared to €207.7 million for the same period in 2023. The increase in revenues compared to the prior year quarter was driven by higher sales volume partially offset by lower average sales prices. Sales volumes were 22% higher compared to the same period in the prior year mainly due to increased sales in the US as a key customer had an outage in the second quarter of 2023 and in Asia driven by an increase in Indian exports. European acetic acid sales prices were largely flat compared to the second quarter of 2023 despite the decline in raw material prices, mainly natural gas. However, anhydride sales prices saw a price reduction of 12% from €1,187/te to €1,046/te to maintain the business market position in light of competition from the US, the Middle East and Indian importers. US acetic acid prices decreased by 42% to €603/te, driven by lower methanol and natural gas prices. Acid prices in Asia remained subdued in a well-supplied Chinese market with incremental supply from new plants only partially offset by growth in acid demand

Adjusted EBITDA. Adjusted EBITDA in the Acetyls segment increased by €12.4 million, or 53.9%, to €35.4 million in the three-month period ended June 30, 2024, as compared to €23.0 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 above prior year period due to reduction of import volume from the US market 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 in December 2023 and the loss of a low margin customer. Share of profit of joint ventures and associated undertakings were below the prior year quarter due to lower VAM margins in Korea caused by demand erosion and an unplanned shutdown in Nanjing, China partially offset by increased profit in Malaysia due to new customers contracts.

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Aromatics

Revenue. Revenue in the Aromatics segment increased by €231.3 million, or 26.6%, to €1,101.7 million in the three-month period ended June 30, 2024, as compared to €870.4 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 and a change in the product mix between PX and PTA sales. PTA sales volumes were up by 21% in the second quarter of 2024 compared to the same quarter in 2023. The increase in sales volume was primarily driven by Europe where an improved market environment and a rebalancing of regional pricing improved competitiveness versus Asian low margin imports. 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 privileged access to the export market of India following the enactment of an embargo of Chinese PTA into India. Volumes also increased in the US market due to market demand recovery and also as volumes in the prior year period were low for Cooper River due to planned maintenance. PTA pricing reduced year on year in all regions due to the lower price environment. In Geel, the increase in external sales of PX and mixed xylene as feedstock rather than being used for own PTA production resulted in a positive price variance versus the comparative period.

Adjusted EBITDA. Adjusted EBITDA in the Aromatics segment increased by €12.8 million or 175.3%, to €5.5 million in the three-month period ended June 30, 2024, as compared to a loss of (€7.3) million in the same period in 2023. The adjusted EBITDA increase was mainly driven by an increase in volume and reduction in fixed costs partially offset by lower margins. Overall PTA margins were lower than in the comparative quarter. The recovery in volumes in all markets was driven by improved demand and improved cost competitiveness in the West. However the recovery in sales volumes resulted in a drop in margins, which is expected to reverse during the second half of 2024 as markets stabilize at a higher level of demand. Asia margins remain subdued due to the regional over supply of PTA which continued to prevail. Inventory holdings losses of €10.0 million were realised in the three-month period ended June 30, 2024 compared to inventory holdings losses of €12.9 million in the comparative period in both cases driven by a falling price environment putting downward pressure on feedstock pricing.

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 June 30, 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.

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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. On April 5, 2024, the Group executed a fungible tap-on to the existing 8¹/₂% Euro Senior Secured Notes maturing in March 2029 for an amount of €250 million. As of June 30, 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, €775.0 million and \$400.0 million of Senior Secured Notes due 2029, €206.0 million and \$333.8 million Term Loan B facilities due 2026, €450.0 million and \$193.7 million Term Loan B Facilities due 2027, €1,408.5 million and \$1,571.0 million Term Loan B Facilities due 2029 and €375.0 million and \$495.0 million Term Loan B Facilities due 2030. Our financing arrangements also include Securitization Programs, which as at June 30, 2024 had a total capacity of €840.0 million and an available drawdown amount of €630.5 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 six-month period ended June 30, 2024 and 2023, capital expenditures analysed by business segment were as follows:

| | Six-Month Period | |
|-------------------|-------------------------|--------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Styrolution..... | 28.8 | 72.3 |
| INOVYN..... | 74.5 | 106.9 |
| Acetyls..... | 20.2 | 27.6 |
| Aromatics..... | 7.8 | 2.2 |
| Total..... | 131.3 | 209.0 |

In the six-month period ended June 30, 2024, the Group spent €131.3 million (six-month period ended June 30, 2023: €209.0 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 the replacement of the mains power supply in Rafnes, Norway. 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 six-month period ended June 30, 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 the INOVYN business, the most significant expenditures consisted of a new mechanical vapor recompression salt plant at Tavaux, France, a brine borehole drilling program at Northwich, UK and general safety and sustenance expenditure. 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.

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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 six-month period ended June 30, 2024 and 2023, the Group's net cash flows were as follows:

| | Six-Month Period Ended June 30, | |
|--|--|-------------|
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Net cash flows from operating activities | 268.1 | 642.8 |
| Net cash flows used in investing activities | (17.1) | (105.2) |
| Net cash flows (used in)/from financing activities | (358.0) | 86.4 |

Net cash flows from operating activities

Net cash inflows from operating activities in the six-month period ended June 30, 2024 were €268.1 million, compared to €642.8 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 €155.0 million in 2024, compared to inflows of €164.8 million in 2023. The outflows in 2024 were caused by an increase in sales volumes and sales prices compared to the closing position on 31 December 2023. Higher average inventory prices and higher volumes led to an increase in inventory. Higher raw material prices and inventory volumes led to an offsetting increase in trade creditors. The inflows in 2023 were caused by lower closing stocks as the businesses actively managed stocks levels in the soft demand environment. Lower raw material prices led to an offsetting reduction in both trade debtors and trade creditors.

There were inflows of €46.4 million on provisions and employee benefits in the six-month period ended June 30, 2024 (six-month period ended June 30, 2023: €22.6 million outflows), mainly related to the constitution of a restructuring provision in the Styrolution business in relation to the announced closure of the Sarnia site in Canada partially offset by cash payment on remediation work in the INOVYN business and restructuring for the Styrolution and Aromatics businesses. The outflows in 2023 were mainly related to UK pension schemes in the INOVYN business.

The Group made taxation payments of €53.0 million in six-month period ended June 30, 2024 (six-month period ended June 30, 2023: €75.8 million). The largest payments were in Germany, Switzerland and Canada (six-month period ended June 30, 2023: Germany, Switzerland and Mexico).

Net cash flows used in investing activities

The total cash outflow for investing activities in the six-month period ended June 30, 2024 was €17.1 million compared to outflow of €105.2 million in the same period in 2023.

During the six-month period ended June 30, 2024, the Group received €9.9 million of interest payment related to external cash investments and €3.0 million of interest payment in relation to shareholder loans to related parties (three-month period ended June 30, 2023: €10.9 million and €3.3 million respectively).

During the six-month period ended June 30, 2024, the Group received €3.2 million from the Group's associated undertaking, INEOS Runcorn (TPS) Limited as a partial repayment of a shareholder loan (six-month period ended June 30, 2023: €4.6 million). Additionally, the Group received €16.4 million from the Group's associated undertaking, Atlas Methanol Company Unlimited as a partial repayment of a shareholder loan (six-month period ended June 30, 2023: €nil).

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During the six-month period ended June 30, 2024, the Group received dividends from joint ventures of €84.4 million (six-month period ended June 30, 2023: €91.7 million). The Group received €2.0 million in proceeds for the disposal of property, plant and equipment mainly related to the sale of redundant laboratory equipment and cogenerator assets in the US and the sale of precious metal catalyst in Geel, Belgium (six-month period ended June 30, 2023: €1.8 million in relation to the sale of real estate in France and the sale of redundant equipment in the US).

On April 1, 2024, the Group increased its share of the Feyzin to Tavaux ethylene pipeline network, owned in association with TOTALEnergies from 25.9% to 50.0% for a total consideration of €3.3 million.

Spend on intangible assets of €1.7 million in the six-month period ended June 30, 2024 primarily consisted of purchase of software and capitalised research and development in the INOVYN business (six-month period ended June 30, 2023: €8.5 million).

There were no other significant cash flows from investing activities in the six-month period ended June 30, 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 six-month period ended June 30, 2024 was outflows of €358.0 million compared to inflows of €86.4 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 €21.8 million were paid in relation with this transaction.

On April 5, 2024, the Group executed a fungible tap-on of €250 million to the existing 8¹/₂% Euro Senior Secured Notes maturing in March 2029. The gross proceeds from this transaction equaled to €260.6 million with the inclusion of a premium of €10.6 million treated as debt issued costs and allocated to the profit and loss account over the term of the Notes. The gross proceeds from this transaction were used to redeem outstanding borrowings under the 2026 Tranche B Euro Term Loan facility by €86.5 million and to redeem outstanding borrowings under the 2026 Tranche B USD Term Loan facility by \$187.2 million (€173.0 million equivalent). Debt issue costs of €5.4 million were paid in relation with this transaction.

During the six-month period ended June 30, 2024, the Group paid debt issue costs of €0.4 million in respect of the renewal of the Securitization Program and made repayment on other loans of €0.1 million.

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 €16.5 million were paid in relation with this transaction.

In the six-month period ended June 30, 2024, the Group made scheduled repayments of \$10.0 million (€9.2 million equivalent) on the Dollar Term Loan B Facility due 2026 (six-month period ended June 30, 2023: €9.5 million), \$1.0 million (€1.0 million equivalent) on the Dollar Term Loan B Facility due 2027 (six-month period ended June 30, 2024: €0.9 million), \$3.9 million (€3.6 million equivalent) on the Dollar Term Loan B Facility due 2029 (six-month period ended June 30, 2023: €nil) and \$2.5 million (€2.3 million equivalent) on the Dollar Term Loan B Facility due 2030 (six-month period ended June 30, 2023: €nil).

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Interest payments of €288.9 million were made for the six-month period ended June 30, 2024 compared to €194.6 million for the period ended June 30, 2023. The interest payments during the first six 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 €3.4 million and lease liabilities of €6.2 million partially offset by a cash settlement of €2.9 million on interest rate swap contract. The interest payments during the first six 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 €2.1 million, lease liabilities of €6.8 million and payments to settle losses on commodity derivative contracts of €2.0 million.

During the six-month period ended June 30, 2024, the Group made payments of €43.0 million (six-month period ended June 30, 2023: €38.7 million) in respect of the capital element of lease liabilities.

The Group made dividend payments to its parent in the six-month period ended June 30, 2023 of €500.0 million.

Net debt

Total net debt as at June 30, 2024 was €5,698.8 million (December 31, 2023: €5,500.4 million), excluding lease liabilities of €292.4 million (December 31, 2023: €306.6 million). The Group held net cash balances of €1,837.5 million as at June 30, 2024 (December 31, 2023: €1,935.1 million) which included restricted cash of €18.7 million used as collateral against bank guarantees and letters of credit (December 31, 2023: €14.4 million). As at June 30, 2024 the Group had availability under the undrawn securitization facilities of €630.5 million (December 31, 2023: €456.2).