INEOS Quattro Holdings Limited
(formerly INEOS Styrolution Holding Limited)

Condensed consolidated interim financial statements as of September 30, 2021

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
PRO FORMA CONSOLIDATED INCOME STATEMENT

	Three-Month Period Ended September 30,	
	2021	**Pro forma 2020**
	(€ in millions)	
Revenue	**3,967.8**	**2,475.0**
Cost of sales	(3,137.5)	(1,955.9)
Gross profit	**830.3**	**519.1**
Distribution costs	(210.0)	(200.1)
Administrative expenses	(123.9)	(88.4)
Exceptional administrative expenses	(14.1)	-
Total administrative expenses	(138.0)	(88.4)
Operating profit	**482.3**	**230.6**
Share of profit of joint ventures and associated undertakings	125.5	10.4
Loss on disposal of fixed assets	(2.0)	(0.8)
Profit before net finance costs	**605.8**	**240.2**
Finance income	30.4	14.5
Finance costs	(74.2)	(60.1)
Profit before tax	**562.0**	**194.6**
Tax charge	(104.3)	(41.2)
Profit for the period	**457.7**	**153.4**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

The pro forma income statement for the three-month period ended September 30, 2020 has been prepared in accordance with note 1 of the condensed consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
PRO FORMA CONSOLIDATED INCOME STATEMENT

	Nine-Month Period Ended September 30,	
	2021	**Pro forma 2020**
	(€ in millions)	
Revenue	**10,790.3**	**7,602.7**
Cost of sales	(8,253.7)	(6,243.4)
Gross profit	**2,536.6**	**1,359.3**
Distribution costs	(594.5)	(601.5)
Administrative expenses	(353.1)	(246.4)
Exceptional administrative expenses	(14.1)	-
Total administrative expenses	(367.2)	(246.4)
Operating profit	**1,574.9**	**511.4**
Share of profit of joint ventures and associated undertakings	292.2	27.6
Profit/(loss) on disposal of fixed assets	2.5	(1.4)
Profit before net finance costs	**1,869.6**	**537.6**
Finance income	69.0	48.3
Finance costs before exceptional items	(192.5)	(203.4)
Exceptional finance costs	(68.9)	(16.7)
Total finance costs	(261.4)	(220.1)
Profit before tax	**1,677.2**	**365.8**
Tax charge	(326.0)	(95.7)
Profit for the period	**1,351.2**	**270.1**

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The pro forma income statement for the nine-month period ended September 30, 2020 has been prepared in accordance with note 1 of the condensed consolidated financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
CONSOLIDATED INCOME STATEMENT

	Three-Month Period Ended September 30,	
	2021	**2020**
	(€ in millions)	
Revenue	**3,967.8**	**924.9**
Cost of sales	(3,137.5)	(704.4)
Gross profit	**830.3**	**220.5**
Distribution costs	(210.0)	(55.3)
Administrative expenses	(123.9)	(45.2)
Exceptional administrative expenses	(14.1)	-
Total administrative expenses	(138.0)	(45.2)
Operating profit	**482.3**	**120.0**
Share of profit of joint ventures and associated undertakings	125.5	-
Loss on disposal of fixed assets	(2.0)	-
Profit before net finance costs	**605.8**	**120.0**
Finance income	30.4	5.4
Finance costs	(74.2)	(18.6)
Profit before tax	**562.0**	**106.8**
Tax charge	(104.3)	(32.0)
Profit for the period	**457.7**	**74.8**
Profit attributable to:		
- Owners of the parent	444.2	73.7
- Non-controlling interest	13.5	1.1
	457.7	**74.8**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
CONSOLIDATED INCOME STATEMENT

	Nine-Month Period Ended September 30,	
	2021	**2020**
	(€ in millions)	
Revenue	**10,790.3**	**2,834.2**
Cost of sales	(8,253.7)	(2,297.1)
Gross profit	**2,536.6**	**537.1**
Distribution costs	(594.5)	(164.6)
Administrative expenses	(353.1)	(141.2)
Exceptional administrative expenses	(14.1)	-
Total administrative expenses	(367.2)	(141.2)
Operating profit	**1,574.9**	**231.3**
Share of profit of joint ventures and associated undertakings	292.2	-
Profit on disposal of fixed assets	2.5	-
Profit before net finance costs	**1,869.6**	**231.3**
Finance income	69.0	5.6
Finance costs before exceptional items	(192.5)	(49.9)
Exceptional finance costs	(68.9)	-
Total finance costs	(261.4)	(49.9)
Profit before tax	**1,677.2**	**187.0**
Tax charge	(326.0)	(59.5)
Profit for the period	**1,351.2**	**127.5**
Profit attributable to:		
- Owners of the parent	1,318.8	127.0
- Non-controlling interest	32.4	0.5
	1,351.2	**127.5**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three-Month Period Ended September 30,	
	2021	2020
	(€ in millions)	
Profit for the period	**457.7**	**74.8**
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations net of tax	22.7	-
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences of subsidiaries	15.9	(50.1)
Other comprehensive income/(expense) for the period net of tax	**38.6**	**(50.1)**
Total comprehensive income for the period	**496.3**	**24.7**
Total comprehensive income attributable to:		
- Owners of the parent	481.1	23.9
- Non-controlling interest	15.2	0.8
Total comprehensive income for the period	**496.3**	**24.7**

	Nine-Month Period Ended September 30,	
	2021	2020
	(€ in millions)	
Profit for the period	**1,351.2**	**127.5**
Other comprehensive income/(expense):		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligations net of tax	59.4	-
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences of subsidiaries	106.2	(78.0)
Other comprehensive income/(expense) for the period net of tax	**165.6**	**(78.0)**
Total comprehensive income for the period	**1,516.8**	**49.5**
Total comprehensive income/(expense) attributable to:		
- Owners of the parent	1,480.1	50.2
- Non-controlling interest	36.7	(0.7)
Total comprehensive income for the period	**1,516.8**	**49.5**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
CONSOLIDATED BALANCE SHEET

	September 30, 2021	December 31, 2020
	(€ in millions)	
Non-current assets		
Property, plant and equipment	4,832.8	4,533.2
Intangible assets	2,223.9	2,279.7
Investments in equity-accounted investees	1,421.2	1,163.3
Other investments	18.8	17.3
Other financial assets	2.1	2.0
Other receivables	53.4	62.0
Employee benefits	40.8	33.0
Deferred tax assets	174.4	207.4
Total non-current assets	**8,767.4**	**8,297.9**
Current assets		
Inventories	1,329.9	908.4
Trade and other receivables	2,227.4	1,564.3
Tax receivables for current tax	27.4	35.8
Other financial assets	0.2	-
Cash and cash equivalents	1,384.8	805.6
Total current assets	**4,969.7**	**3,314.1**
Total assets	**13,737.1**	**11,612.0**
Equity		
Share capital	0.3	0.3
Share premium reserve	-	6,620.4
Merger reserve	(4,526.9)	(4,526.9)
Retained earnings	7,648.3	603.5
Other reserves	135.9	(25.4)
Equity attributable to owners of the Company	**3,257.6**	**2,671.9**
Non-controlling interest	107.5	71.3
Total equity	**3,365.1**	**2,743.2**
Non-current liabilities		
Interest-bearing loans and borrowings	6,413.2	2,829.7
Lease liabilities	232.4	234.4
Trade and other payables	141.0	130.5
Employee benefits	208.6	298.9
Provisions	95.0	94.5
Deferred tax liabilities	376.7	419.8
Total non-current liabilities	**7,466.9**	**4,007.8**
Current liabilities		
Interest-bearing loans and borrowings	123.2	2,881.6
Lease liabilities	73.8	77.9
Trade and other payables	2,441.7	1,769.7
Tax liabilities for current tax	218.7	88.8
Derivative financial instruments	33.2	13.0
Provisions	14.5	30.0
Total current liabilities	**2,905.1**	**4,861.0**
Total liabilities	**10,372.0**	**8,868.8**
Total equity and liabilities	**13,737.1**	**11,612.0**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING 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
					(€ in millions)			
Balance at December 31, 2020	0.3	6,620.4	(4,526.9)	603.5	(25.4)	2,671.9	71.3	2,743.2
Profit for the period	-	-	-	1,318.8	-	1,318.8	32.4	1,351.2
Other comprehensive income:								
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	59.4	59.4	-	59.4
Foreign exchange translation differences of subsidiaries	-	-	-	-	101.9	101.9	4.3	106.2
Total other comprehensive income	**-**	**-**	**-**	**-**	**161.3**	**161.3**	**4.3**	**165.6**
Transactions with owners, recorded directly in equity:								
Reduction of share premium	-	(6,620.4)	-	6,620.4	-	-	-	-
Dividends	-	-	-	(894.4)	-	(894.4)	(0.5)	(894.9)
Transactions with owners, recorded directly in equity	**-**	**(6,620.4)**	**-**	**5,726.0**	**-**	**(894.4)**	**(0.5)**	**(894.9)**
Balance at September 30, 2021	**0.3**	**-**	**(4,526.9)**	**7,648.3**	**135.9**	**3,257.6**	**107.5**	**3,365.1**

	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Equity attributable to owners of the Company	Non-controlling interest	Total equity
					(€ in millions)			
Balance at December 31, 2019	0.3	2,389.7	(1,281.2)	769.3	95.6	1,973.7	16.1	1,989.8
Profit for the period	-	-	-	127.0	-	127.0	0.5	127.5
Other comprehensive expense:								
Foreign exchange translation differences of subsidiaries	-	-	-	-	(76.8)	(76.8)	(1.2)	(78.0)
Total other comprehensive expense	**-**	**-**	**-**	**-**	**(76.8)**	**(76.8)**	**(1.2)**	**(78.0)**
Transactions with owners, recorded directly in equity:								
Dividends	-	-	-	(364.5)	-	(364.5)	-	(364.5)
Transactions with owners, recorded directly in equity	**-**	**-**	**-**	**(364.5)**	**-**	**(364.5)**	**-**	**(364.5)**
Balance at September 30, 2020	**0.3**	**2,389.7**	**(1,281.2)**	**531.8**	**18.8**	**1,659.4**	**15.4**	**1,674.8**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine-Month Period Ended September 30,	
	2021	**2020**
	(€ in millions)	
Cash flows from operating activities		
Profit for the period	1,351.2	127.5
Adjustments for:		
Depreciation and impairment	395.9	130.3
Amortization	90.7	46.7
Net finance costs	192.4	44.3
Share of profit of joint ventures and associated undertakings	(292.2)	-
Profit on disposal of property, plant and equipment	(2.5)	-
Tax charge	326.0	59.5
(Increase)/decrease in trade and other receivables	(688.9)	19.4
(Increase)/decrease in inventories	(387.5)	141.0
Increase/(decrease) in trade and other payables	629.2	(114.1)
(Decrease)/increase in provisions and employee benefits	(51.4)	2.0
Tax paid	(218.3)	(79.2)
Net cash from operating activities	**1,344.6**	**377.4**
Cash flows from investing activities		
Interest and other finance income received	3.3	1.9
Repayment of loans made to related parties	3.9	-
Dividends received from joint ventures	84.7	-
Dividends received from other investments	2.5	-
Proceeds from sale of investments	-	0.6
Proceeds from disposal of property, plant and equipment	4.4	-
Acquisition of businesses, net of cash acquired	87.5	(361.8)
Acquisition of other investments	(0.7)	-
Acquisition of intangible assets	(2.4)	(0.3)
Acquisition of property, plant and equipment	(484.7)	(256.3)
Net cash used in investing activities	**(301.5)**	**(615.9)**
Cash flows from financing activities		
Proceeds from external borrowings	4,832.5	973.6
Repayment of external borrowings	(4,150.0)	(197.6)
Debt issue costs	(62.7)	(13.1)
Interest paid	(148.9)	(29.3)
Capital element of lease payments	(67.9)	(16.9)
Dividends paid attributable to the owners of the Company	(894.4)	(364.5)
Dividends paid attributable to non-controlling interest	(0.5)	-
Net cash (used in)/from financing activities	**(491.9)**	**352.2**
Net increase in cash and cash equivalents	551.2	113.7
Cash and cash equivalents at January 1	805.6	289.7
Effect of exchange rate fluctuations on cash held	28.0	(8.3)
Cash and cash equivalents at September 30	**1,384.8**	**395.1**

The condensed notes on pages 9 to 27 are an integral part of these unaudited condensed consolidated interim financial statements.

1. BASIS OF PREPARATION

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

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

The condensed consolidated financial statements include INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding 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 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 financial statements are presented in euro. The functional currency of the Company and its subsidiaries is determined in line with IAS 21 and is consistent with the financial statements for the year ended December 31, 2020.

The significant judgements and key sources of estimation uncertainty applicable to the preparation of the condensed consolidated financial statements are the same as those described within the Group's audited financial statements for the year ended December 31, 2020. 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.

In early March 2020, the Group developed contingency plans for the COVID-19 pandemic, with the primary objectives of maintaining the safety of personnel and the reliable operation of the Group's plants. This resulted in a number of changes to standard working practices and shift patterns to reduce personnel on site to those defined as operationally critical in order to adhere to social distancing rules in line with local government advice. Any safety critical activity was formally risk assessed to take cognizance of additional controls necessary to protect core personnel from COVID-19, hence safeguarding safety critical work at all times.

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

On December 31, 2020, pursuant to an acquisition agreement dated June 29, 2020 between INEOS Holdings AG and BP, certain subsidiaries of the Group agreed to purchase the Aromatics and Acetyls businesses from certain subsidiaries of BP. On the same date, the Group acquired 94.9% of the shares of INOVYN Limited, pursuant to a contribution agreement dated July 24, 2020. The INEOS Quattro group of companies was formed from this date, headed by the Company and including the Styrolution business.

The only trading and other activity within the Group prior December 31, 2020 related solely to the Styrolution business, and did not include the INOVYN, Acetyls and Aromatics businesses prior to this date. Accordingly, the pro forma information for the three- and nine-month periods ended September 30, 2020 has been prepared using a combination of the INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) condensed consolidated income statement for the three- and nine-month periods ended September 30, 2020 included elsewhere in this document, and the condensed consolidated income statement for INOVYN Limited for the three- and nine-month periods ended September 30, 2020, and the condensed consolidated income statement information for the Acetyls business and the Aromatics business for the three-and nine-month periods ended September 30, 2020 as prepared by BP.

1. BASIS OF PREPARATION (continued)

The unaudited pro forma combined income statement for the three- and nine-month periods ended September 30, 2020 has been prepared assuming the transactions occurred on January 1, 2020.

The following adjustments have been made in deriving the pro forma income statement for the three- and nine-month periods ended September 30, 2020:

- Elimination of inter-company transactions between the Styrolution business, the INOVYN business, the Aromatics business and the Acetyls business.
- The accounting policies adopted by the INEOS Quattro group and BP differ in relation to the accounting for turnaround costs. Adjustments have been made to make the Aromatics and Acetyls businesses consistent with the accounting policies of INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) which are described in the Group’s audited financial statements for the year ended December 31, 2020.
- A pro forma adjustment has been made to reflect an increase in finance costs as a result of the financing transactions that occurred in 2020 and on January 29, 2021.
- Pro forma adjustment to recognize the tax effect on the above adjustments, based on a blended tax rate of INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited), INEOS Limited and the Acetyls and Aromatics businesses.

The pro forma combined income statement for the three- and nine-month periods ended September 30, 2021 is the same as the condensed combined consolidated income statements of INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) for the three- and nine-month periods ended September 30, 2021.

The pro forma financial information does not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies or other savings or expenses that may be associated with the integration of the INEOS Quattro group.

2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective from January 1, 2021. 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, 2020, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2021. 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 September 30, 2021.

3. SEGMENTAL INFORMATION

Revenue and EBITDA before exceptionals 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 EBITDA before exceptionals attributable to each business segment is as follows:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(€ in millions)			
Revenue				
Styrolution	1,516.0	924.9	4,401.6	2,834.2
INOVYN	1,105.8	-	2,999.7	-
Acetyls	300.0	-	809.6	-
Aromatics	1,065.6	-	2,635.7	-
Eliminations	(19.6)	-	(56.3)	-
	3,967.8	**924.9**	**10,790.3**	**2,834.2**

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(€ in millions)			
EBITDA before exceptionals				
Styrolution	255.1	177.2	963.8	408.3
INOVYN	264.7	-	771.4	-
Acetyls	168.8	-	411.5	-
Aromatics	95.4	-	221.1	-
	784.0	**177.2**	**2,367.8**	**408.3**

EBITDA before exceptionals for the three- and nine-month period ended September 30, 2021 is stated having taken into account fair value adjustments in relation to the BP acquired businesses of €(10.6) million and €(39.1) million respectively. Of this adjustment, €(6.8) million and €(22.5) million relates to additional depreciation and amortization charges for the three- and nine-month period ended September 30, 2021 respectively that arise as a result of the fair value of the assets in investments in joint ventures being uplifted. There will be similar, ongoing additional charges for subsequent quarters, but it should be noted that these additional charges do not impact the ability of the joint ventures to distribute dividends to shareholders. In addition, there are other adjustments of €(3.8) million and €(16.6) million for the three- and nine-month period ended September 30, 2021 respectively most of which relates to an uplift in the acquired value of finished goods inventory, that have the effect of reducing the reported EBITDA. This adjustment is non-recurring in nature and will not impact future results.

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

3. SEGMENTAL INFORMATION (continued)

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(€ in millions)			
EBITDA before exceptionals	784.0	177.2	2,367.8	408.3
Depreciation and amortization	(162.1)	(57.2)	(486.6)	(177.0)
Share of profit of joint ventures and associated undertakings	(125.5)	-	(292.2)	-
Exceptional administrative expenses	(14.1)	-	(14.1)	-
	482.3	**120.0**	**1,574.9**	**231.3**

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

4. EXCEPTIONAL ITEMS

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(€ in millions)			
Total exceptional administrative expenses	**14.1**	**-**	**14.1**	**-**
Total exceptional finance costs	**-**	**-**	**68.9**	**-**

Exceptional administrative expenses:

Exceptional costs in the nine-month period ending September 30, 2021 primarily consists of information technology and manpower reorganization costs associated with the newly acquired Aromatics and Acetyls businesses.

Exceptional finance costs:

For details of exceptional finance costs see Note 5.

5. NET FINANCE COSTS

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2021	2020	2021	2020
	(€ in millions)			
Finance income				
Interest on bank and other short term deposit	0.5	-	1.4	-
Interest receivable from associated undertakings	0.5	-	1.6	-
Net fair gain on derivatives	-	4.8	-	3.2
Exchange movements	28.9	-	63.7	-
Other finance income	0.5	0.6	2.3	2.4
Total finance income	**30.4**	**5.4**	**69.0**	**5.6**
Finance costs excluding exceptional items				
Interest payable on Term Loans	(31.9)	(6.5)	(88.3)	(15.6)
Interest payable on Bridge Facilities	-	-	(8.3)	-
Interest payable on Senior Secured Notes and Senior Notes	(15.9)	(3.5)	(45.9)	(9.2)
Interest payable on securitization facility	(0.9)	(0.7)	(2.6)	(1.9)
Interest payable on revolving credit facility	(0.4)	-	(1.5)	-
Interest payable to related parties	(0.4)	-	(1.3)	-
Amortization of debt issue costs	(5.2)	(0.2)	(11.5)	(2.2)
Interest payable on leases	(3.0)	(1.7)	(8.9)	(5.2)
Net fair value loss on derivatives	(15.3)	-	(20.1)	-
Exchange movements	-	(5.6)	-	(13.6)
Other finance charges	(0.6)	-	(2.4)	(0.9)
Interest on employee benefits	(0.6)	(0.4)	(1.7)	(1.3)
Total finance costs excluding exceptional items	**(74.2)**	**(18.6)**	**(192.5)**	**(49.9)**
Exceptional finance costs				
Debt issue costs	-	-	(52.6)	-
Related party finance charge	-	-	(16.3)	-
Total exceptional finance costs	**-**	**-**	**(68.9)**	**-**
Net finance costs	**(43.8)**	**(13.2)**	**(192.4)**	**(44.3)**

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

Exceptional finance costs

Exceptional finance costs of €52.6 million relate to the write off of unamortized debt issue costs associated with the Five-Year Euro Term Loan A Facility, the Euro Bridge Facility, the Dollar Bridge Facility and the INOVYN Senior Secured Term Loan B Facility that were repaid on January 29, 2021. In addition, there was a finance charge of €16.3 million from a related party in respect of funding provided for the BP acquisition.

6. TAXATION

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss. The effective tax rate of approximately 19.4% for the nine-months of 2021 (2020: 31.8%) reflects the anticipated tax rate for the Group for the full year.

7. PROPERTY, PLANT AND EQUIPMENT

In the nine-month period ended September 30, 2021, the Group acquired €484.7 million (nine-month period ended September 30, 2020: €256.3 million) of property, plant and equipment.

In the Styrolution business, the most significant expenditures in 2021 related to a new 100 kilo ton ASA plant at Bayport, Texas (completion expected late 2022), a new 600 kilo ton ABS facility at Ningbo, China (completion expected late 2023) and the conversion of a polystyrene line to a mass ABS line at Wingles, France. There were also turnaround events at the Ningbo and Foshan sites in China.

In the INOVYN business, expenditures include a 200 kilo ton SPVC capacity expansion project at Jemeppe, Belgium, a brine borehole drilling program at Northwich, UK, initial spend on a new mechanical vapor recompression salt plant at Tavaux, France, turnarounds at Tavaux, Jemeppe, Belgium and Runcorn, UK and a new office complex at Runcorn.

In the Acetyls business, the most significant capital expenditure project related to the turnaround of the A4 acetic acid plant at Hull, UK. The turnaround, which also consisted of reformer tube, boiler and turbine replacements commenced in mid-June and was completed in mid-September.

In the Aromatics business, the largest expenditures related to the turnaround event at the Merak facility in Indonesia, and compressor repairs at the Texas City site following the extreme freeze in February. The Geel, Belgium turnaround has been deferred to the following year following the unplanned outage in the second quarter of 2021.

Investments in property, plant and equipment in the first nine months of 2020 mainly related to the new ASA Specialties plant at Houston, US and the conversion of a Polystyrene line to mass ABS line at Wingles, France.

8. INVENTORIES

	September 30, 2021	**December 31, 2020**
	(€ in millions)	
Raw materials and consumables	525.3	380.6
Work in progress	160.9	124.5
Finished products	643.7	403.3
	1,329.9	**908.4**

9. INTEREST BEARING LOANS AND BORROWINGS

Borrowing obligations as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
	(€ in millions)	
Non-current liabilities		
Senior Secured Notes	1,230.5	-
Senior Notes	500.0	-
Term Loan B Facilities	3,200.4	-
Three-Year Term Loan A Facilities	105.1	175.3
Five-Year Term Loan A Facilities	180.8	350.7
Styrolution Term Loan B Facilities	619.8	611.6
Styrolution Senior Secured Notes	600.0	600.0
INOVYN Senior Secured Term Loan B Facility	-	1,064.3
Loan from related party	39.4	38.0
Other loans	0.2	8.7
Gross borrowings	**6,476.2**	**2,848.6**
Less: unamortized finance costs	(63.0)	(18.9)
Net borrowings	**6,413.2**	**2,829.7**
Current liabilities		
Bridge Facilities	-	2,861.9
Styrolution Term Loan B Facilities	1.7	1.6
Three-Year Term Loan A Facilities	105.4	58.5
Term Loan B Facilities	17.2	-
External bank loan	8.9	8.4
Gross borrowings	**133.2**	**2,930.4**
Less: unamortized finance costs	(10.0)	(48.8)
Net borrowings	**123.2**	**2,881.6**

Gross debt and issue costs	**September 30, 2021**		
	Gross loans and borrowings	**Issue costs**	**Net loans and borrowings**
		(€ in millions)	
Senior Secured Notes	1,230.5	(18.5)	1,212.0
Senior Notes	500.0	-	500.0
Term Loan B Facilities	3,217.6	(41.4)	3,176.2
Three-Year Term Loan A Facilities	210.5	(3.3)	207.2
Five-Year Term Loan A Facilities	180.8	(1.9)	178.9
Styrolution Term Loan B Facilities	621.5	(4.0)	617.5
Styrolution Senior Secured Notes	600.0	(3.9)	596.1
Loan from related party	39.4	-	39.4
Other loans	9.1	-	9.1
	6,609.4	**(73.0)**	**6,536.4**

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Gross debt and issue costs	December 31, 2020		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Bridge Facilities	2,861.9	(45.0)	2,816.9
Three-Year Term Loan A Facilities	233.8	(4.2)	229.6
Five-Year Term Loan A Facilities	350.7	(3.9)	346.8
Styrolution Term Loan B facilities	613.2	(4.5)	608.7
Styrolution Senior Secured Notes	600.0	(4.4)	595.6
INOVYN Senior Secured Term Loan B Facility	1,064.3	(5.6)	1,058.7
Securitization facilities	-	(0.1)	(0.1)
Loan from related party	38.0	-	38.0
Other loans	17.1	-	17.1
	5,779.0	**(67.7)**	**5,711.3**

Terms and debt repayment schedule	Currency	Nominal interest rate	Year of maturity
Euro Senior Secured Notes	€	2.50%	2026
Dollar Senior Secured Notes	$	3.375%	2026
Euro Senior Notes	€	3.75%	2026
Dollar Term Loan B Facility	$	LIBOR (floor of 0.5%) + 1.75%	2026
Euro Term Loan B Facility	€	EURIBOR (floor of 0.0%) + 2.75%	2026
Three-Year Dollar Term Loan A Facility	$	LIBOR (floor of 0.0%) + 2.00%	2023
Five-Year Dollar Term Loan A Facility	$	LIBOR (floor of 0.0%) + 2.50%	2025
Three-Year Euro Term Loan A Facility	€	EURIBOR (floor of 0.0%) + 3.00%	2023
Styrolution Euro Term Loan B Facilities	€	EURIBOR (floor of 0.5%) + 2.00%	2027
Styrolution Dollar Term Loan B Facilities	$	LIBOR (floor 0.0%) + 2.00%	2027
Styrolution Senior Secured Notes	€	2.25%	2027
Securitization facilities	$/€/£	Variable	2024

Summary

To facilitate the financing of the BP Acquisition, the Group entered into a $400.0 million Deposit Facility made available to INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited) pursuant to a credit agreement dated June 29, 2020. The full $400.0 million (€361.8 million equivalent) available under the Deposit Facility was drawn on the same date, which was used to pay the purchase price deposit payable upon the signing of the BP Acquisition Agreement.

On July 31, 2020, the Group's subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS US Petrochem LLC, entered into a $2,450.0 million and €870.0 million Bridge Credit Agreement with a number of lenders (the "Bridge Facility").

On July 31, 2020, the Group's subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) entered into a Term Loan A Agreement and INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited) entered into a Revolving Credit Agreement.

On December 31, 2020, $2,450.0 million (€2,050.6 million equivalent) and €870.0 million was drawn under the Bridge Facility. In addition, the following was drawn under the Term Loan A Facilities on the same day:

- $140.0 million under a dollar Term Loan A facility (the "Three-Year Dollar Term Loan A Facility") (€117.2 million equivalent);
- $210.0 million under a dollar Term Loan A facility (the "Five Year Dollar Term Loan A Facility") (€175.8 million equivalent);
- €120.0 million under the euro Term Loan A facility (the "Three-Year Euro Term Loan A Facility"); and
- €180.0 million under the euro Term Loan A facility (the "Five Year Euro Term Loan A Facility").

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Summary (continued)

The Group also received $1,000.0 million contribution by the Company's immediate parent undertaking (the "Equity Bridge Contribution"). The proceeds of the Bridge Facility, the Term Loan A Facilities and the Equity Bridge Contribution were used to (i) pay the purchase price consideration for the BP Acquisition and certain fees and expenses and (ii) repay the amounts outstanding under the Deposit Facility. The Revolving Credit Facility of $300.0 million remained undrawn during 2021, until the Facility was terminated on September 13, 2021.

On January 29, 2021, the Group issued €800.0 million 2½% Euro Senior Secured Notes due 2026, $500.0 million (€406.5 million equivalent) 3⅜% Dollar Senior Secured Notes due 2026 and €500.0 million 3¾% Euro Senior Notes due 2026. In addition, the Group entered into a new Dollar Term Loan B Facility of $2,000.0 million (€1,626.0 million equivalent) and a new Euro Term Loan B Facility of €1,500.0 million. The gross proceeds received under these borrowings were used to (i) repay the amounts outstanding under the Bridge Facility, the Five-Year Euro Term Loan A Facility, the Senior Secured Term Loan B Facility that was acquired with the INOVYN business and repay the Equity Bridge Contribution in the form of a dividend to the Company's shareholder and (ii) to pay certain fees and expenses related to these transactions.

Senior Secured Notes

On January 29, 2021, INEOS Quattro Finance 2 Plc, a subsidiary undertaking, issued €800.0 million aggregate principal amount 2½% Senior Secured Notes due 2026 (the "Euro Senior Secured Notes") and $500.0 million aggregate principal amount 3⅜% Senior Secured Notes due 2026 (the "Dollar Senior Secured Notes") under an indenture dated January 29, 2021, among INEOS Quattro Finance 2 Plc as the issuer, various guarantors named therein and HSBC Corporate Trustee Company (UK) limited, as trustee and Barclays Bank PLC, as security agent. On April 29, 2021, HSBC Corporate Trust Company (UK) Limited succeeded Barclays Bank PLC as security agent.

The Senior Secured Notes are listed on the Euro MTF - Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The Dollar Senior Secured Notes bear interest at a rate of 3⅜% per annum. Interest on the Euro Senior Secured Notes and the Dollar Senior Secured Notes is payable semi-annually in arrears on January 15 and July 15 pf each year, beginning July 15, 2021. The Euro Senior Secured Notes and the Dollar Senior Secured Notes will mature on January 15, 2026.

The Euro Senior Secured Notes and the USD 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 Styrolution Senior Secured Notes, and certain hedging obligations and cash management arrangements.

At any time prior to January 15, 2023, INEOS Quattro Finance 2 Plc may redeem all or part of the Euro Senior Secured Notes at a redemption price equal to 100% of the principal amounts of the Euro Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Euro Senior Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Euro Senior Secured Notes at January 15, 2023, plus all required interest payments that would otherwise be due to be paid on such Euro Senior Secured Notes during the period between the redemption date an January 15, 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate at such redemption date plus 50 basis points, over (b) the principal amount of such Euro Senior Secured Notes.

The Euro Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of INEOS Quattro Finance 2 Plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

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

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Secured Notes (continued)

At any time prior to January 15, 2023, INEOS Quattro Finance 2 Plc may redeem all or part of the Dollar Senior Secured Notes at a redemption price equal to 100% of the principal amounts of the Dollar Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Dollar Senior Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Dollar Senior Secured Notes at January 15, 2023, plus all required interest payments that would otherwise be due to be paid on such Dollar Senior Secured Notes during the period between the redemption date an January 15, 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury rate at such redemption date plus 50 basis points, over (b) the principal amount of such Dollar Senior Secured Notes.

The Dollar Senior Secured Notes are subject to redemption at any time on or after January 15, 2023, at the option of INEOS Quattro Finance 2 Plc, 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
2023	101.6875%
2024	100.84375%
2025 and thereafter	100.000%

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

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

Senior Notes

On January 29, 2021, INEOS Quattro Finance 1 Plc issued €500.0 million aggregate principal amount 3¾% Senior Notes due 2026 (the "Euro Senior Notes") under an indenture data January 29, 2021, among INEOS Quattro Finance 1 Plc , as the issuer, HSBC Corporate Trustee Company (UK) Limited, as trustee, and Barclays Bank PLC as security agent. On April 29, 2021, HSBC Corporate Trustee Company (UK) Limited succeeded Barclays Banks PLC as security agent.

The Senior Notes are listed on the Euro MTF - Luxembourg stock exchange. The Euro Senior notes bear interest at a rate of 3¾% per annum. Interest on the Senior Notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning July 15, 2021. The Euro Senior Notes will mature on July 15, 2026.

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

At any time prior to January 15, 2023, INEOS Quattro Finance 1 Plc may redeem all or part of the Euro Senior Secured Notes at a redemption price equal to 100% of the principal amounts of the Euro Senior Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Euro Senior Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Euro Senior Notes at January 15, 2023, plus all required interest payments that would otherwise be due to be paid on such Euro Senior Notes during the period between the redemption date an January 15, 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate at such redemption date plus 50 basis points, over (b) the principal amount of such Euro Senior Notes.

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Senior Notes (continued)

The Euro Senior Notes are subject to redemption at any time on or after January 15, 2023, at the option of INEOS Quattro Finance 1 Plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the twelve-month period beginning on January 15 of the year indicated below:

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

together with certain additional amounts, if applicable, and 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).

At any time prior to January 15, 2023, INEOS Quattro Finance 1 Plc, at its option, may redeem up to 40% of the initial aggregate principal amount of the sum of the initial aggregate principal amount of the Euro Senior Notes originally issued on January 29, 2021 with the net cash proceeds of certain public equity offerings at 103.750% of the aggregate principal amount of the Euro Senior Notes plus certain additional amounts, if applicable, and accrued and unpaid interest, if any, to, but not including, the redemption date, if at least 50% of the sum of the originally issued aggregate principal amount of the Euro Senior Notes remains outstanding.

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

Bridge Facility

On July 31, 2020, the Group's subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS US Petrochem LLC, entered into a $2,450.0 million and €870.0 million bridge credit facility (the "Bridge Facility") and all amounts were drawn on December 31, 2020.

The Bridge Facility and the existing capital market debt shared the same security package. The newly acquired businesses of INOVYN, Acetyls and Aromatics were subsequently brought into this security package. In addition, per the Bridge Credit Agreement, the Group had to adhere to certain affirmative and negative covenants.

The Bridge Facility bore interest on drawn amounts and was calculated as follows: EURIBOR (for the Euro portion) and LIBOR (for the US dollar portion) plus a margin of 3.25% for the period 1 to 90 days after closing of the Bridge Credit Agreement, margin of 3.50% for the period 91 to 180 days after closing and 3.75% for 181 to 270 days after closing.

The Bridge Facility was repaid and terminated on January 29, 2021.

Term Loan A Facilities, Term Loan B Facilities and Revolving Credit facility

On July 31, 2020, the Group' subsidiaries, INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and INEOS Quattro Financing Limited (formerly INEOS Styrolution Financing Limited), entered into a Term Loan and Revolving Credit Agreement with Barclays Bank plc, Citigroup Global Markets Limited and J.P. Morgan Securities plc, as joint global coordinators, joint bookrunners and joint lead arrangers along with a consortium of other banks.

The Term Loan and Revolving Credit Facility Agreement provided:

(i) Term loans maturing in 2023 to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in dollars and denominated in euro, in aggregate principal amount of $140.0 million (the "Three-Year Dollar Term Loan A Facility") and €120.0 million (the "Three-Year Euro Term Loan A Facility"), respectively ;

(ii) Term loans maturing in 2025 to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in dollars and denominated in euro, in an aggregate principal amount of $210.0 million (the "Five Year Dollar Term Loan A Facility") and €180.0 million (the "Five Year Euro Term Loan A Facility"), respectively;

(iii) A revolving credit facility maturing in 2023 to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) and any other borrowers as may be designated from time to time under the Term Loan and Revolving Credit Agreement, available in dollars and euro, in an aggregate amount of $300.0 million. This revolving credit facility was terminated on September 13, 2021; and

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Term Loan A facilities, Term Loan B facilities and Revolving Credit facility (continued)

(iv) Term loans maturing in 2026 to INEOS US Petrochem LLC and INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in dollars (the "Dollar Term Loan B Facility") and to INEOS Quattro Holdings UK Limited (formerly INEOS 226 Limited) denominated in euro (the "Euro Term loan B Facility"), in an aggregate principal amount of $2,000.0 million and €1,500.0 million, respectively.

As at September 30, 2021, $122.5 million was drawn under the Three-Year Dollar Term Loan A Facility (€105.5 million equivalent); $210.0 million was drawn under the Five Year Dollar Term Loan A Facility (€180.8 million equivalent); €105.0 million was drawn under the Three-Year Euro Term Loan A Facility; $1,995.0 million was drawn under the Dollar Term Loan B Facility (€1,717.6 million equivalent); and €1,500.0 million was drawn under the Euro Term Loan B Facility. The €180.0 million outstanding principal amount of the Five-Year Euro Term Loan A Facility was repaid on January 29, 2021. The Revolving Credit Facility was terminated on September 13, 2021.

Interest

The Term Loans that are denominated in dollars and any revolving credit facility drawings denominated in dollars bear interest at a rate per annum equal to LIBOR divided by 100% minus the LIBOR Reserve percentage (as defined in the Term Loan and Revolving Credit Facility Agreement) (subject to a floor of 0% per annum or in the case of the Dollar Term Loan B Facility, a floor of 0.50% per annum) plus 2.00% for the Three-year Dollar Term Loan A Facility and the revolving credit facility drawings denominated in dollars, 2.50% for the Five-Year Dollar Term Loan A Facility, and 1.75% for the Dollar Term Loan B Facility.

The Term Loans that are denominated in euros and any revolving credit facility drawings denominated in euro bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus 3.00% for the Three-Year Euro Term Loan A Facility, 3.5% for the Five-Year Term Loan A Facility and 2.75% for the Euro Term Loan B Facility.

There was also a commitment fee payable on the daily unused amount of the commitments under the Revolving Credit Facility, which was terminated on September 13, 2021.

Security and Guarantees

The obligations under the Term Loans and the Revolving Credit Facility are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

Covenants

The Term Loan and Revolving Credit Agreement contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Term Loan and Revolving Credit Facility Agreement contains a financial covenant based on a maximum Consolidated Total Net Leverage Ratio (as defined in the Term Loan and Revolving Credit Facility Agreement).

Repayment

The Five-Year Dollar Term Loan A Facility are to be repaid in quarterly instalments beginning on 30 September 2023, in aggregate principal amounts equal to certain fixed percentages of the original aggregate principal amount. The balance of the Five-Year Term Loan A Facilities are payable, subject to certain exceptions, on July 31, 2025.

The Three-Year Term Loan A Facilities are to be repaid in quarterly instalments beginning on June 30, 2021, in aggregate principal amounts equal to certain fixed percentages of the original aggregate principal amount. The balance of the Three-Year Term Loan A Facilities are payable, subject to certain exceptions, on July 31, 2023.

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

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Styrolution Term Loan B facilities

On November 7, 2014, INEOS Styrolution Group GmbH and INEOS Styrolution US Holding LLC entered into a Credit Agreement with Barclays Bank PLC as Administrative Agent and Security Agent (the "Term Loan B Facilities Agreement"). Subsequently, the Credit Agreement was extended and amended multiple times, the last extension was executed on November 22, 2017.

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

The new Term Loan B Facilities Agreement provides terms loans to INEOS Styrolution US Holding LLC denominated in dollars (the "Styrolution Dollar Term Loan B") and to INEOS Styrolution Group GmbH denominated in euros (the "Styrolution Euro Term Loan B") in aggregate principal amount of $202.3 million and €450.0 million, respectively. The Term Loans were made in a single drawing on January 31, 2020. As at September 30, 2021, €450.0 million remained drawn under the new Styrolution Euro Term Loan B and $199.2 million (€171.5 million equivalent) remained drawn under the new Styrolution Dollar Term Loan B.

Interest

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

- in the case of new Dollar Term Loans bearing interest at a rate determined by reference to LIBOR, 2.00%;
- in the case of new Dollar Term Loans bearing interest at a rate determined by reference to Alternate Base Rate, 1.00%; and

From January 31, 2020, the new Euro Term Loans bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus 2.00%.

Security and guarantees

The obligations under the Term Loans and the Revolving Credit Facility are jointly and severally guaranteed on a senior basis by the certain of the Group's subsidiaries.

Covenants

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

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

Repayment

Up until January 31, 2020, the maturity date for both the Dollar Term Loans and the Euro Term Loans was March 30, 2024. From January 31, 2020, the new Dollar Term Loans are to be repaid in equal instalments, in aggregate annual amounts equal to 1% of the original principal amount of the new Dollar Term Loans. The new Euro Term Loans and the balance of the new Dollar Term Loans are payable on January 31, 2027.

Styrolution Senior Secured Notes

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

At any time prior to January 15, 2023, INEOS Styrolution Group GmbH may redeem all or part of the Styrolution Senior Secured Notes at a redemption price equal to 100% of the principal amount of the Styrolution Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such Styrolution Senior Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such Styrolution Senior Secured Notes at January 15, 2023, plus all required interest payments that would otherwise be due to be paid on such Styrolution Senior Secured Notes during the period between the redemption date and January 15, 2023, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate at such redemption date plus 50 basis points, over (b) the principal amount of such Styrolution Senior Secured Notes.

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Styrolution Senior Secured Notes (continued)

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

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

together with certain additional amounts, if applicable, and 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).

At any time prior to January 15, 2023, INEOS Styrolution Group GmbH may redeem up to 40% of the initial aggregate principal amount of the sum of the initial aggregate principal amount of the Styrolution Senior Secured Notes originally issued on January 31, 2020 with the net cash proceeds of certain public equity offerings at 102.250% of the aggregate principal amount of the Styrolution Senior Secured Notes, and accrued and unpaid interest, if any, to, but not including, the redemption date, if at least 60% of the issued aggregate principal amount of the Styrolution Senior Secured Notes remains outstanding.

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

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

INOVYN Senior Secured Term Loan B facility

On May 13, 2016, INOVYN Finance plc entered into a Credit Agreement with, inter alia, J.P. Morgan Europe Limited as Administrative Agent, The Bank of New York Mellon, London Branch as Security Agent and J.P. Morgan Limited as Global Coordinator.

Under the terms of this Credit Agreement, INOVYN Finance plc fully drew down on May 13, 2016 the Initial Tranche B Euro Term Commitment of €535.0 million in the form of Senior Secured Term Loans (the “Senior Secured Term Loans”).

The interest rate payable on the INOVYN Senior Secured Term Loan B facility is EUIBOR (with a floor of 0.50%) plus a margin of 2.00%, payable in arrears on the last day of each interest period, or every three months for interest periods greater than three months.

The maturity date was March 9, 2027 and a single payment of the full amount was due on this date.

The obligations under the INOVYN Senior Secured Term Loan B facility are guaranteed by INOVYN Limited and certain of its subsidiaries on a senior secured basis. The Credit Agreement contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments. The INOVYN Senior Secured Term Loan B facility was maintenance covenant free.

On January 29, 2021, the aggregate principal amount of Term Loan B outstanding of €1,064.3 million plus accrued interest was repaid in full using the proceeds from the refinancing on January 29, 2021.

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

Securitization facilities

INEOS Styrolution Group GmbH and certain other Styrolution business' companies are party to a trade receivables securitization program (the "Styrolution Securitization Program") with HSBC Bank PLC and Landesbank Hessen-Thüringen (Helaba) who act as lenders, liquidity providers and program agents. The maximum amount available under the Styrolution Securitization Program is €450.0 million, subject to a borrowing limit that is adjusted periodically based on the amount of eligible trade receivables at that time. The Styrolution Securitization Program matures on July 10, 2021. For drawn amounts, the Styrolution Securitization Program bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.89% except that if any lending is funded other than by issuing Commercial Paper then the applicable interest rate is EURIBOR / LIBOR plus 0.89%. For undrawn amounts, the Styrolution Securitization Program bears interest of 0.5%. The facility is secured on certain of the Styrolution business' trade receivables.

INOVYN Group Treasury Limited and certain other INOVYN business' companies are party to a trade receivables securitization program (the "INOVYN Securitization Program") with Barclays Bank PLC, ING Belgium N.V. and HSBC Bank PLC who act as lenders, liquidity providers and program agents. The maximum amount available under the INOVYN Securitization Program is €240.0 million subject to a borrowing limit that is adjusted periodically based on the amount of eligible trade receivables at that time. The INOVYN Securitization Program matured on June 30, 2021. For drawn amounts, the INOVYN Securitization Program facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 1.1%, except that if any lending is funded other than by issuing Commercial Paper then the applicable interest rate is EURIBOR / LIBOR plus 1.1%. For undrawn amounts, the facility bears interest of 0.5%. The facility is secured on certain of the INOVYN business' trade receivables.

On June 28, 2021, the Group renegotiated its historic trade receivables securitization program that was in the Styrolution business. A further three banks have joined the program, with the total number of lending banks now at 5. The maximum amount available under the securitization program will increase from €450.0 million to €600.0 million as soon as three new selling entities from the Aromatics and Acetyls business join the program. The facility now matures on June 28, 2024. For drawn amounts, the revised facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.95% (previously the margin was between 0.80% and 0.95%). For undrawn amounts, the facility bears interest of 0.5%.

On June 28, 2021, the Group renegotiated its INOVYN Securitization Program. The maximum amount available under the securitization program remained the same at €240.0 million. The facility now matures on June 30, 2024. The interest rates were also reduced and, for drawn amounts, the revised facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.95% (previously the margin was 1.1%), except that if any lending is funded other than by issuing Commercial Paper then the applicable interest rate is SONIA/SOFR plus 0.95% (previously the margin was 1.1%). For undrawn amounts, the facility bears interest of 0.5%.

Other facilities

The Group acquired an external bank loan with the acquisition of the Aromatics business of €17.2 million. This is a loan between INEOS Zhuhai Chemical Company Ltd (formerly BP Zhuhai Chemical Company Ltd) and the Bank of China Zhuhai branch. Repayments are made every six months, with the final repayment due on August 27, 2022. The loan bears interest at Chinese LPR +0.25%. The loan is secured by the minority shareholders, Zhuhai Port Co. Ltd. As at September 30, 2021, this external bank loan was €8.9 million.

The Group has several short term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €262.8 million equivalent as of September 30, 2021,in China, India, Singapore, South Korea, Thailand, and United Kingdom. The available amount under the working capital facilities at September 30, 2021 amounted to €234.4 million equivalent, with €28.4 million of certain trade finance facilities being utilized in China.

The Group also has letter of credit facilities in China, India, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of September 30, 2021, the drawn amount under all letter of credit facilities was €29.0 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. The facilities, which are at an agreed margin or the state bank advance rate, contain customary covenants and representations as well as termination events.

10. FINANCIAL INSTRUMENTS

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

The financial assets/liabilities categorized as Fair Value through Profit and Loss (FVTPL) presented in Level 2 and Level 3 contains foreign currency derivatives and commodity derivatives.

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

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

	September 30, 2021				December 31, 2020			
		Level				Level		
	Fair value	1	2	3	Fair value	1	2	3
	(€ in millions)							
Financial assets held at fair value through profit or loss:								
Derivative commodity contracts .	0.2	-	0.2	-	-	-	-	-
Financial liabilities held for trading at fair value through profit and loss:								
Derivative commodity contracts .	(33.2)	-	(33.2)	-	(13.0)	-	(11.5)	(1.5)
Total financial assets and liabilities held at fair value	**(33.0)**	**-**	**(33.0)**	**-**	**(13.0)**	**-**	**(11.5)**	**(1.5)**

The commodity derivatives are fair valued using rates in a quoted market. There have been no transfers between levels during the nine-month period ended September 30, 2021 (2020: no transfers between levels).

Credit risk

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

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Liquidity risk

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

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

10. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

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

Currency risk

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

A substantial portion of the Group's revenue is generated in, or linked to, Sterling, US dollars and the Euro. Product prices, certain feedstock costs and most other operating costs are denominated in US dollar, Sterling, Euro, Norwegian krone and Swedish krona. In the US petrochemical and specialty 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.

11. CONTINGENCIES

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

12. RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding 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 (formerly INEOS Styrolution Holding Limited) group.

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

12. RELATED PARTIES (continued)

Parent entities and their subsidiaries not included within the INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) group

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

	Nine-month period ended September 30, 2021		Nine-month period ended September 30, 2020	
	Transaction value	**Balance outstanding**	**Transaction value**	**Balance outstanding**
		(€ in millions)		
Sale of products	222.9		36.3	-
Purchase of raw materials	893.6		165.1	-
Cost recoveries	60.0		5.2	-
Services received	97.0		28.2	-
Trade and other receivables	-	55.7	-	3.7
Trade and other payables	-	(162.4)	-	(48.2)
Interest-bearing loans and borrowings	-	(39.4)	-	-

Included within services above is a management fee paid to INEOS Limited of €42.0 million (September 30, 2020: €8.4 million). No amounts remained outstanding at the period-end (September 30, 2020: €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 September 30, 2021 (September 30, 2020: €nil).

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 nine-month period ended September 30, 2021, the Group made no sales or purchases with these companies (September 30, 2020: €nil). As at September 30, 2021, amounts owed by Screencondor Limited were €1.2 million (September 30, 2020: €nil).

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 (formerly INEOS Styrolution Holding Limited) group.

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

	Nine-month period ended September 30, 2021		Nine-month period ended September 30, 2020	
	Transaction value	**Balance outstanding**	**Transaction value**	**Balance outstanding**
		(€ in millions)		
Sale of products	56.9	-	-	-
Purchase of raw materials	340.5	-	-	-
Cost recoveries	106.5	-	-	-
Services received	3.4	-	-	-
Trade and other receivables	-	34.1	-	-
Loans receivable	-	55.2	-	-
Trade and other payables	-	(125.9)	-	-

12. RELATED PARTIES (continued)

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to jointly controlled entities and associated undertakings as at September 30, 2021 (September 30, 2020: €nil).

FORWARD-LOOKING STATEMENTS

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

- the cyclical and highly competitive nature of our businesses;
- our significant debt service obligations, as well as our ability to generate sufficient cash flow to service our debt;
- our sales growth across our principal businesses and our strategy for controlling costs, growing margins, increasing manufacturing capacity and production levels, and making capital expenditures;
- our ability to deleverage through strategic disposals of certain assets and non-core businesses;
- raw material costs or supply arrangements;
- our technological and manufacturing assets and our ability to utilize them to further increase sales and the profitability of our businesses;
- impacts of climate change, including regulatory requirements on greenhouse gas emissions, the costs to purchase emissions allowances and the physical risks to our facilities of severe weather conditions;
- current or future health, safety and environmental requirements and the related costs of maintaining compliance with, and addressing liabilities under, those requirements;
- operational hazards, including the risk of accidents that result in injury to persons and environmental contamination;
- our ability to retain existing customers and obtain new customers;
- our ability to develop new products and technologies successfully;
- our ability to successfully integrate acquired businesses with our historical business and realize anticipated synergies and cost savings, including with respect to businesses acquired;
- currency fluctuations;
- our ability to attract and retain members of management and key employees; and
- our relationship with our shareholders.

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

The following discussion is based upon the unaudited pro forma consolidated historical financial statements of Quattro prepared in accordance with 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 49 manufacturing sites in 19 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 on a pro forma combined basis as described in the Basis of Preparation.

	Three-Month Period Ended September 30,			
	2021		**Pro forma 2020**	
	(€ in millions)	*%*	*(€ in millions)*	*%*
Revenue	**3,967.8**	**100.0**	**2,475.0**	**100.0**
Cost of sales	(3,137.5)	(79.1)	(1,955.9)	(79.0)
Gross profit	**830.3**	**20.9**	**519.1**	**21.0**
Distribution costs	(210.0)	(5.3)	(200.1)	(8.1)
Administrative expenses	(123.9)	(3.1)	(88.4)	(3.6)
Exceptional administrative expenses	(14.1)	(0.4)	-	-
Total administrative expenses	(138.0)	(3.5)	(88.4)	(3.6)
Operating profit	**482.3**	**12.1**	**230.6**	**9.3**
Share of profit of joint ventures and associated undertakings	125.5	3.2	10.4	0.4
Loss on disposal of fixed assets	(2.0)	-	(0.8)	-
Profit before net finance costs	**605.8**	**15.3**	**240.2**	**9.7**
Net finance costs	(43.8)	(1.1)	(45.6)	(1.8)
Profit before tax	**562.0**	**14.2**	**194.6**	**7.9**
Tax charge	(104.3)	(2.7)	(41.2)	(1.7)
Profit for the period	**457.7**	**11.5**	**153.4**	**6.2**

Three-month period ended September 30, 2021, compared with three-month period ended September 30, 2020

Consolidated

Revenue. Revenue increased by €1,492.8 million, or 60.3%, to €3,967.8 million in the three-month period ended September 30, 2021, as compared to €2,475.0 million in the three-month period ended September 30, 2020.

In the Styrolution business, average selling prices of styrene monomer, polystyrene, ABS and styrenic specialties was significantly higher than the comparative quarter due to tighter polymer markets and higher feedstock costs. Volumes of styrene monomer sold externally was lower than the third quarter of 2020 due to an increase in volumes used for internal consumption. Polymer volumes were higher on the back of the strong demand environment.

The INOVYN business also saw significantly higher revenues, mainly due to worldwide tightness in PVC markets. Sales prices of general purpose PVC in domestic markets reached another record high in the third quarter of 2021 due to extremely high demand and global supply shortages. Export prices of general purpose PVC were significantly higher than the third quarter of 2020. Domestic and export prices of specialty PVC reached further record highs in September 2021, again due to the ongoing supply side issues and robust demand. Caustic soda demand in the third quarter of 2021 had largely recovered to pre-covid levels but volumes sold were 10% lower than the third quarter of 2020 (due to planned turnaround events at the Group's Rafnes and Lillo cell rooms in August and September 2021), whilst achieved selling prices in domestic markets were lower than the comparative quarter.

Acetyls revenues were higher in the three-month period ended September 30, 2021. Total sales volumes were lower than the prior year quarter due to the planned turnaround of the Group's A4 Acetic acid unit at Hull, UK but average selling prices across all regions were significantly higher on the back of strong demand and rising methanol and natural gas prices. Moreover, markets in Asia, Europe and US markets suffered from severe supply constraints, with several producers in China facing unplanned shutdowns and further production restrictions imposed as part of a 'dual control' energy reduction plan.

In the Aromatics business, sales volumes for the third quarter of 2021 was higher than all previous quarters in 2020 and 2021, underpinned by good plant operating rates and strong downstream demand for polyester and other products across all regions as economies continued to recover following the COVID-19 pandemic. Moreover, sales prices of paraxylene and PTA in the third quarter of 2021 benefitted from a materially higher pricing environment with crude oil averaging $73 per bbl compared to $43 per bbl in the comparative quarter.

Cost of sales. Cost of sales increased by €1,181.6 million, or 60.4%, to €3,137.5 million in the three-month period ended September 30, 2021, as compared to €1,955.9 million in the three-month period ended September 30, 2020. The increase in cost of sales was largely due to the increase in the price of the Group's key inputs including benzene, ethylene, methanol, electricity and natural gas in the three month period ended September 30, 2021, as compared to the same period in 2020. Cost of sales increases have been driven by an improvement in volumes sold in certain products. Fixed production costs have also increased as certain maintenance events previously put on hold due to the COVID-19 pandemic have taken place. Additionally, there have been some presentational changes with some expenses in the acquired Aromatics and Acetyls businesses now being classified differently for the three-month period ended September 30, 2021, as compared with how they were classified for the three-month period ended September 30, 2020 under the previous ownership. These reclassifications have led to fewer expenses being presented in cost of sales.

Gross profit. Gross profit increased by €311.2 million, or 59.9%, to €830.3 million in the three-month period ended September 30, 2021, as compared to €519.1 million in the three-month period ended September 30, 2020. This was mainly driven by a surge in demand as countries emerged from covid-19 lockdowns.

In the Styrolution business, gross margin was significantly higher than the comparative quarter as a result of better performance across all polymer product ranges, which more than compensated for weaker styrene monomer margins. Polystyrene markets in the third quarter of 2021 were generally strong, particularly in EMEA and North America on the back of good demand for durables and packaging, but margins fell slightly from the top-of-cycle conditions observed in the second quarter of 2021. Margins for ABS and styrenic specialties were also strong as markets remained tight and at top-of-cycle conditions due to supply limitations and strong demand across durables sectors, although some decline was observed in the automotive sector due to chip shortages. Styrene monomer volumes and margins were at bottom-of-cycle levels and lower than the third quarter of 2020 due to an oversupplied and long market caused by additional capacity coming on stream in China in 2020 and 2021. The third quarter of 2021 was negatively impacted by non-cash inventory holding losses of €17.7 million mainly as a result of lower benzene prices, compared to a gain of €10.3 million in the third quarter of 2020.

Within the INOVYN business, gross profit increased on the back of record achieved selling prices for general purpose and specialty PVC due to extremely tight global PVC markets. Spreads over ethylene for general purpose PVC in domestic markets reached new record highs in the third quarter of 2021 whilst export spreads remained close to the record spread levels achieved in the previous quarter. Similarly, specialty PVC spreads over ethylene reached another record high in domestic and export markets in the third quarter of 2021. Caustic soda margins were impacted by significantly higher energy costs but this was not enough to negate the positive impacts of higher PVC prices.

Gross profit increased in the Acetyls business in the three-month period ended September 30, 2021, compared to the three-month period ended September 30, 2020. Acetic acid spreads over methanol remained at very levels in all regions on the back of high demand and continued supply interruptions. European margin performance in the current quarter was impacted by the extended turnaround of the A4 acetic acid unit at Hull.

The Aromatics business also experienced higher gross profit versus the prior year quarter underpinned by high plant operating rates, healthy demand for PTA in the US and Europe and continued international supply constraints affecting trade flows. In addition, the business benefitted from inventory holding gains of €21.7 million in the three-month period ending September 30, 2021, on the back of rising feedstock prices, compared to a gain of €1.1 million in the same period in 2020.

Distribution costs. Distribution costs increased by €9.9 million, or 4.9%, to €210.0 million in the three month period ended September 30, 2021, as compared to €200.1 million in the three month period ended September 30, 2020. The increase can be attributed to some sales volumes increases and higher variable distribution rates. The variance is also impacted by changes in product and destination mix effects. For example, distribution cost increases in the Styrolution business were partly explained by lower styrene monomer sales (where transport costs are paid by customers) and higher polymer sales (where transport costs are mostly paid by the Group).

Administrative expenses. Administrative expenses increased by €35.5 million, or 40.2%, to €123.9 million in the three-month period ended September 30, 2021, as compared to €88.4 million in the three-month period ended September 30, 2020. Cost control measures that were introduced to reduce discretionary spend in response to the COVID crisis were partly relieved in 2021 resulting in an increase in administrative expenses. In addition, movement in exchange rates has had a negative impact in the third quarter of 2021. There have also been some presentational changes with some expenses in the acquired Aromatics and Acetyls businesses now being classified differently for the three-month period ended September 30, 2021, as compared with how these were classified for the three-month period ended September 30, 2020 under the previous ownership. These reclassifications have led to more expenses being presented in administrative expenses before exceptional items.

Exceptional administrative expenses. Exceptional administrative expenses was €14.1 million for the three-month period ended September 30, 2021, as compared to €nil for the same period in 2020. Exceptional costs in the three-month period ending September 30, 2021 relates to information technology and manpower reorganization costs associated with the newly acquired Aromatics and Acetyls businesses.

Operating profit. Operating profit increased by €251.7 million, or 109.2% to €482.3 million in the three month period ended September 30, 2021, as compared to €230.6 million in the three month period ended September 30, 2020.

Share of profit of joint ventures and associated undertakings. Share of profit of joint ventures and associated undertakings increased by €115.1 million, or 1,106.7% to €125.5 million in the three month period ended September 30, 2021, as compared to €10.4 million in the three month period ended September 30, 2020. In Asia, the joint venture operations in the Acetyls business were running to plan and were able to take advantage of the strong demand and record margins. The Atlas Methanol Company Limited joint venture in Trinidad continued to perform well with solid margins.

Loss on disposal of property, plant and equipment. Loss on the disposal of property, plant and equipment was €2.0 million for the three-month period ended September 30, 2021, as compared to €0.8 million for the same period in 2020.

Profit before net finance costs. Profit before net finance costs increased by €365.6 million, or 152.2%, to €605.8 million for the three-month period ended September 30, 2021, as compared to €240.2 million for the same period in 2020.

Net finance. Net finance costs decreased by €1.8 million, or 3.9%, to €43.8 million in the three-month period ended September 30, 2021, as compared to €45.6 million in the three month period ended September 30, 2020. Net exchange gains in the third quarter of 2021 were higher than the prior year quarter. This was partially offset by higher charges in the current year quarter on derivative fair value movements, interest on related party loans within the INOVYN Business and amortization of debt issue costs.

Profit before tax. Profit before income tax increased by €367.4 million, or 188.8%, to €562.0 million in the three-month period ended September 30, 2021, as compared to €194.6 million in the three-month period ended September 30, 2020.

Tax charge. Tax charge increased by €63.1 million, or 153.2%, to a charge of €104.3 million in the three-month period ended September 30, 2021, as compared to a charge of €41.2 million in the three-month period ended September 30, 2020. The higher tax charge was primarily due to the increased profitability of the Group for the three-month period ended September 30, 2021 as compared to the same period in 2020.

Profit for the period. Profit for the period increased by €304.3 million, or 198.4%, to €457.7 million in the three-month period ended September 30, 2021 from €153.4 million in the three-month period ended September 30, 2020.

Business segments

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

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

	Three-month Period Ended September 30,	
	2021	**Pro forma 2020**
	(€ in millions)	
Revenue		
Styrolution	1,516.0	924.9
INOVYN	1,105.8	697.0
Acetyls	300.0	183.6
Aromatics	1,065.6	669.5
Eliminations	(19.6)	-
	3,967.8	**2,475.0**
EBITDA before exceptionals		
Styrolution	255.1	177.2
INOVYN	264.7	141.3
Acetyls	168.8	19.2
Aromatics	95.4	46.6
	784.0	**384.3**

Styrolution

Revenue. Revenue in the Styrolution segment increased by €591.1 million, or 63.9%, to €1,516.0 million in the three month period ended September 30, 2021, as compared to €924.9 million for the same period in 2020. Average selling prices of styrene monomer, polystyrene, ABS and styrenic specialties was significantly higher than the comparative quarter due to tighter polymer markets and higher feedstock costs. Volumes of styrene monomer sold externally was lower than the third quarter of 2020 due to an increase in volumes used for internal consumption. Polymer volumes were higher on the back of the strong demand environment.

EBITDA before exceptionals. EBITDA before exceptionals in the Styrolution segment increased by €77.9 million, or 44.0%, to €255.1 million in the three month period ended September 30, 2021 as compared to €177.2 million in the same period in 2020. Polystyrene markets in the third quarter of 2021 were generally strong, particularly in EMEA and North America on the back of good demand for durables and packaging, but margins fell slightly from the top-of-cycle conditions observed in the second quarter of 2021. ABS and styrenic specialties margins were also strong as markets remained tight and at top-of-cycle conditions due to supply limitations and strong demand across durables sectors, although some decline was observed in the automotive sector due to chip shortages. Styrene monomer volumes and margins were at bottom-of-cycle levels and lower than the third quarter of 2020 due to an oversupplied and long market with additional capacity coming on stream in China in 2020 and 2021. The third quarter of 2021 was negatively impacted by non-cash inventory holding losses of €17.7 million mainly as a result of lower benzene prices, compared to a gain of €10.3 million in the third quarter of 2020.

INOVYN

Revenue. Revenue in the INOVYN segment increased by €408.8 million, or 58.7%, to €1,105.8 million in the three month period ended September 30, 2021, as compared to €697.0 million for the same period in 2020. Total sales volumes of general purpose PVC was at similar levels to the prior year quarter. However, sales prices in domestic markets reached another record high in the third quarter of 2021 due to extremely high demand and global supply shortages. Export prices of general purpose PVC were significantly higher than the third quarter of 2020. Domestic and export prices of specialty PVC reached further record highs in September 2021, again due to the ongoing supply side issues and robust demand. Caustic soda demand in the third quarter of 2021 had largely recovered to pre-covid levels but volumes sold were 10% lower than the third quarter of 2020 (due to planned turnaround events at the Group's Rafnes and Lillo cell rooms in August and September 2021), whilst achieved selling prices in domestic markets were on average €38 per tonne lower than the comparative quarter.

EBITDA before exceptionals. EBITDA before exceptionals in the INOVYN segment increased by €123.4 million, or 87.3%, to €264.7 million in the three month period ended September 30, 2021 as compared to €141.3 million in the same period in 2020. The performance in the third quarter of 2021 was the second highest quarterly performance since the formation of INOVYN with worldwide tightness in PVC markets continuing on the back of strong demand, shortage of supply, low stock levels and reduced imports into Europe. Record general purpose PVC margins over ethylene were achieved in the third quarter of 2021 in domestic markets whilst export spreads were significantly higher than the comparative quarter. Spreads over ethylene for specialty PVC reached record levels in both domestic and export markets. Partially offsetting these positive factors were lower caustic soda volumes and prices and a significant increase in gas and electricity costs versus the third quarter of 2020. Energy costs are expected to impact results for the rest of the year.

Acetyls

Revenue. Revenue in the Acetyls segment increased by €116.4 million, or 63.4%, to €300.0 million in the three month period ended September 30, 2021, as compared to €183.6 million for the same period in 2020. Acetic acid prices in all regions were significantly higher than the third quarter of 2020 on the back of higher methanol and natural gas prices, healthy demand and production supply issues. Overall sales volumes of acetic acid achieved in the third quarter of 2021 was lower due to the A4 acetic acid unit turnaround at Hull, United Kingdom. In Europe, the market was heavily supply constrained with several regional producers (including the Group's A4 plant at Hull) undergoing plant turnaround events. In China, markets tightened due to lower output as competitors faced unplanned shutdowns and an energy policy in some provinces was introduced restricting production further. Conditions elsewhere in Asia were similarly tight as a lack of imports from China restricted supply. In the US, markets remained very tight with continuing production and logistics issues and low inventory levels. The Group's Asian and US plants generally ran to plan in the quarter, however the full ramp-up of the A4 unit at Hull following a planned two-month turnaround starting in mid-June was delayed and the plant was offline or running at reduced rates for most of September as a result.

EBITDA before exceptionals. EBITDA before exceptionals in the Acetyls segment increased by €149.6 million, or 779.2%, to €168.8 million in the three-month period ended September 30, 2021 as compared to €19.2 million in the same period in 2020. Strong trading conditions continued into the third quarter of 2021, particularly in Asia and the US with EBITDA performance only slightly lower than the record set in the previous quarter. Global demand was strong but our European performance was impacted by the extended turnaround in Hull, United Kingdom. Supply in Asia remained tight, which was exacerbated in September by the introduction of an energy policy in some provinces in China which restricted energy availability, leading to reduced production rates or shutdowns. This tight supply has led to a strengthening global price environment with margins remaining above mid-cycle despite rising feedstock costs.

Aromatics

Revenue. Revenue in the Aromatics segment increased by €396.1 million, or 59.2%, to €1,065.6 million in the three month period ended September 30, 2021, as compared to €669.5 million for the same period in 2020. Sales volumes for the quarter were higher than all previous quarters in 2020 and 2021, underpinned by good plant operating rates and strong downstream demand for polyester and other products across all regions as economies continued to recover following the COVID-19 pandemic. The US and Europe saw significant volume demand for locally produced PTA due to international shipping constraints. Despite the continued volatility of Chinese markets, the Group's Zhuhai plant operated at high operating rates due to its cost competitive position. Sales prices of paraxylene and PTA in the third quarter of 2021 benefitted from a materially higher pricing environment with crude oil averaging $73 per bbl compared to $43 per bbl in the comparative quarter.

EBITDA before exceptionals. EBITDA before exceptionals in the Aromatics segment increased by €48.8 million, or 104.7%, to €95.4 million in the three month period ended September 30, 2021 as compared to €46.6 million in the same period in 2020. The EBITDA performance in the third quarter of 2021 was the highest of the current and previous year. High demand for PET in the US, combined with a challenging container freight environment, resulted in high PTA margins. This was supported by strong PX margins in the first part of the quarter, although they subsequently softened globally towards the end of the quarter. Europe benefited from strong local demand for PTA. Ongoing international shipping restrictions and widespread flooding in North West Europe during July further supported market sentiment. China margins remained low and volatile with PTA markets impacted by energy shortages and government imposed restrictions on industrial output. The Group's Zhuhai facility in China continued to operate at high production rates due to the relative cost efficiency of the plant in the region. The segment also benefitted from inventory holding gains of €21.7 million in the three-month period ending September 30, 2021, on the back of rising feedstock prices, compared to a gain of €1.1 million in the same period in 2020.

Liquidity and Capital Resources

Capital Resources

Our historical liquidity requirements have arisen primarily from the need for us to meet our debt service requirements, to fund capital expenditures for the general maintenance and expansion of our production facilities and for new facilities, to fund movements in our working capital and to pay taxes.

Our primary sources of liquidity are cash flows from operations of subsidiaries, cash on balance sheet and borrowings under our Receivables Securitization Programs. As of September 30, 2021, 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.

Our working capital requirements depend on market price developments of our key feedstock, market demand and planned maintenance. We anticipate that our working capital requirements will vary due to changes in raw material, which affect inventory, accounts receivable and accounts payable levels as well as sales volumes. Working capital levels typically develop in line with raw material 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 Programs.

Financing Arrangements

As of September 30, 2021, the Group's financing arrangements included €800.0 million and $500.0 million of Senior Secured Notes due 2026, €500.0 million Senior Notes due 2026, €1,500.0 million and $1,995.0 million Term Loan B facilities, $122.5 million and €105.0 million Three-Year Term Loan A Facilities and $210.0 million Five-Year Term Loan A Facility. Within the Styrolution business there was also €600.0 million Senior Secured Notes due 2027 and Term Loan B Facilities of €450.0 million and $199.2 million. Our financing arrangements also include Securitization Programs, which as at September 30, 2021 had a total capacity of €690.0 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. In addition, there are lease liabilities of €306.2 million.

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

Capital Expenditures

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

During the nine-month periods ended September 30, 2021 and 2020, capital expenditures analysed by business segment were as follows:

	For the nine-month period ended September 30,	
	2021	**2020**
	(€ in millions)	
Styrolution	286.2	256.3
INOVYN	121.1	-
Acetyls	43.1	-
Aromatics	34.3	-
Total	484.7	256.3

In the Styrolution business, the most significant expenditures in 2021 related to a new 100 kilo ton ASA plant at Bayport, Texas (completion expected late 2022), a new 600 kilo ton ABS facility at Ningbo, China (completion expected late 2023) and the conversion of a polystyrene line to a mass ABS line at Wingles, France. There were also turnaround events at the Ningbo and Foshan sites in China.

In the INOVYN business, expenditures include a 200 kilo ton SPVC capacity expansion project at Jemeppe, Belgium, a brine borehole drilling program at Northwich, UK, initial spend on a new mechanical vapor recompression salt plant at Tavaux, France, turnarounds at Tavaux, Jemeppe, Belgium and Runcorn, UK and a new office complex at Runcorn.

In the Acetyls business, the most significant capital expenditure project related to the turnaround of the A4 acetic acid plant at Hull, UK. The turnaround, which also consisted of reformer tube, boiler and turbine replacements commenced in mid-June and was completed in mid-September.

In the Aromatics business, the largest expenditures related to the turnaround event at the Merak facility in Indonesia, and compressor repairs at the Texas City site following the extreme freeze in February. The Geel, Belgium turnaround has been deferred to the following year following the unplanned outage in the second quarter of 2021.

Investments in property, plant and equipment in the first nine months of 2020 mainly related to the new ASA Specialties plant at Houston, US and the conversion of a Polystyrene line to mass ABS line at Wingles, France.

Working Capital

We anticipate that our working capital requirements will vary due to changes in raw material and energy costs, 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 nine month periods ended September 30, 2021 and 2020, the Group's net cash flows were as follows:

	For the nine-month period ended September 30,	
	2021	**2020**
	(€ in millions)	
Net cash flows from operating activities	1,344.6	377.4
Net cash flows used in investing activities	(301.5)	(615.9)
Net cash flows (used in)/from financing activities	(491.9)	352.2

Net cash flows from operating activities

Net cash flows from operating activities in the nine-month period ended September 30, 2021 were €1,344.6 million, compared to €377.4 million in the same period in 2020. Positive cash flow was generated because of the strong underlying business performance. Working capital outflows were €447.2 million in 2021, compared to inflows of €46.3 million in 2020. The outflows in 2021 primarily reflected the higher working capital levels of the Group due to higher feedstock price levels, and consequently higher product prices.

There were outflows of €51.4 million on provisions and employee benefits in the nine-month period ended September 30, 2021 (nine-month period ended September 30, 2020: €2.0 million inflow), mainly for UK pension schemes in the INOVYN business.

The Styrolution and INOVYN Business made several taxation payments in the nine month period ended September 30, 2021. These payments primarily reflected payments made in the tax jurisdictions where the businesses have most of their trading activities. The largest payments were made in Germany, UK, Belgium, Mexico, Korea, China and India.

Net cash flows used in investing activities

The total cash outflow for investing activities in the nine-month period ended September 30, 2021 was €301.5 million compared to €615.9 million in the same period in 2020.

During the nine-month period ended September 30, 2021 the Group received dividends from joint ventures and other investments of €84.7 million and €2.5 million respectively. Payments totalling €87.5 million was received from BP, being the completion accounts settlement associated with the acquisition of the Aromatics and Acetyls business on December 31, 2020. In addition, proceeds of €4.4 million were received in relation to the sale of land at Merak, Indonesia and €3.9 million was received from the Group's associated undertaking, INEOS Runcorn (TPS) Limited for partial repayment of a shareholder loan.

In June 2020, the Group raised a Deposit Facility of $400 million (€361.8 million equivalent), which was used as a deposit for the acquisition of the BP Aromatics and Acetyls businesses.

Spend on intangible assets in the nine-month period ended September 30, 2021 primarily consisted of product development costs, software licenses, engineering development and EU emission allowances. There were no other significant cash flows from investing activities in the nine-month period ended September 30, 2021 and 2020 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 in the nine month period ended September 30, 2021 was €491.9 million compared to an inflow of €352.2 million in the same period in 2020.

In January 2021, the Group issued €800.0 million Senior Secured Notes due 2026, $500.0 million (€406.5 million equivalent) Senior Secured Notes due 2026 and €500.0 million Senior Notes due 2026. In addition, the Group entered into a new Dollar Term Loan B Facility of $2,000.0 million (€1,626.0 million equivalent) and a new Euro Term Loan B Facility of €1,500.0 million. The gross proceeds received under these borrowings were used to repay the amounts outstanding under the Bridge Facility of €2,861.9 million, the €180.0 million Five-Year Euro Term Loan A Facility, the Senior Secured Term Loan B Facility that was acquired with the INOVYN business of €1,064.3 million, repay the Equity Bridge Contribution in the form of a dividend to the Group's parent and to pay debt issue costs of €62.7 million in respect of this refinancing.

During the nine-month period ended September 30, 2021, the Group made scheduled repayments of €15.0 million on the Three-Year Euro Term Loan A Facility, $17.5 million (€14.6 million equivalent) on the Three-Year Dollar Term Loan A Facility, $5.0 million (€4.2 million equivalent) on the Dollar Term Loan B Facility and $1.5 million (€1.3 million equivalent) on the Styrolution Dollar Term Loan B Facility. The Group also made total scheduled repayments of €8.7 million to the Bank of China Zhuhai branch in respect of a loan acquired as part of the BP acquisition in December 2020.

In January 2020, the Group successfully completed an 'amend and extend' transaction of the Styrolution Term Loan B Facilities Agreement increasing the principal amount of the Euro tranche by €11.8 million to €450.0 million while keeping the USD tranche at $202.3 million. Debt issue costs of €5.3 million were paid in relation to this transaction in the nine-month period ended September 30, 2020. In addition, the Group issued Senior Secured Notes due 2027 in an aggregate principal amount of €600.0 million. Debt issue costs of €5.1 million were paid in relation to this transaction in the nine-month period ended September 30, 2020. Debt issue costs of €2.7 million were also paid in relation to the raising of the Deposit Facility of $400 million (see above).

During the nine-month period ended September 30, 2020 the Group made net repayments of €190.0 million under the Group's Securitization Program, repayments of €0.9 million on the Styrolution Term Loan B Facilities and repayments of €6.7 million against the Group's other working capital facilities.

Interest payments of €148.9 million were made for the nine-month period ended September 30, 2021 compared to €29.3 million for the period ended September 30, 2020. The interest payments during the nine-month period ended September 30, 2021 primarily relate to the Term Loan B and Term Loan A Facilities of €87.0 million (including a final interest payment on the INOVYN Term Loan B Facilities of €2.1 million), the Senior Secured Notes and Senior Notes of €38.0 million, the Bridge Facilities of €8.4 million. Interest was also paid on the Revolving Credit Facility of €1.5 million, the two securitization facilities of €2.6 million and lease liabilities of €8.9 million.

The interest payments of €29.3 million during the nine-month period ended September 30, 2020 mainly related to cash payments in respect of the Styrolution Euro and Dollar Term Loan B Facilities and the Styrolution Senior Secured Notes.

During the nine-month period ended September 30, 2021 the Group made payments of €67.9 million (September 30, 2020: €16.9 million) in respect of the capital element of lease liabilities.

The Group paid dividends of €894.4 million in the nine-month period ended September 30, 2021 to the shareholder, INEOS Industries Holdings Limited as compared to €364.5 million in the nine-month period ended September 30, 2020. The dividends paid in the nine-month period ended September 30, 2021 included repayment of the Equity Bridge Contribution received as part of the BP acquisition. A dividend of €0.5 million was also paid in the third quarter of 2021 by the Group's Indian subsidiary to a non-controlling interest.

Net debt

Total net debt as at September 30, 2021 was €5,224.6 million (December 31, 2020: €4,973.4 million), excluding lease liabilities of €306.2 million (December 31, 2020: €312.3 million). The Group held net cash balances of €1,384.8 million as at September 30, 2021 (December 31, 2020: €805.6 million) which included restricted cash of €29.0 million used as collateral against bank guarantees and letters of credit. As at September 30, 2021 the Group had availability under the undrawn securitization facilities of €690.0 million and other working capital facilities of €234.4 million.