INEOS GROUP HOLDINGS S.A.

Condensed consolidated interim financial statements
as of September 30, 2022

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED INCOME STATEMENT

	Three-Month Period Ended September 30,	
	2022	**2021**
	(€ in millions)	
Revenue	**4,996.3**	**5,149.3**
Cost of sales	(4,534.1)	(4,127.1)
Gross profit	**462.2**	**1,022.2**
Distribution costs	(49.0)	(52.8)
Administrative expenses	(104.1)	(98.2)
Operating profit	**309.1**	**871.2**
Share of loss of associates and joint ventures using the equity accounting method	(45.2)	(4.7)
Profit on disposal of property, plant and equipment	-	0.1
Profit before net finance costs	**263.9**	**866.6**
Finance income	24.8	13.5
Finance costs	(183.9)	(143.5)
Profit before tax	**104.8**	**736.6**
Tax charge	(13.3)	(122.7)
Profit for the period	**91.5**	**613.9**

The condensed notes presented on pages 8 to 21 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED INCOME STATEMENT

	Nine-Month Period Ended September 30,	
	2022	**2021**
	(€ in millions)	
Revenue	**16,711.2**	**13,712.4**
Cost of sales	(14,401.5)	(11,008.6)
Gross profit	**2,309.7**	**2,703.8**
Distribution costs	(153.3)	(158.4)
Administrative expenses	(307.5)	(289.8)
Operating profit	**1,848.9**	**2,255.6**
Share of profit/(loss) of associates and joint ventures using the equity accounting method	134.2	(19.6)
Profit on disposal of property, plant and equipment	-	0.3
Profit before net finance costs	**1,983.1**	**2,236.3**
Finance income	56.0	37.8
Finance costs	(381.7)	(294.8)
Profit before tax	**1,657.4**	**1,979.3**
Tax charge	(266.7)	(321.5)
Profit for the period	**1,390.7**	**1,657.8**

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INEOS GROUP HOLDINGS S.A.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three-Month Period Ended September 30,	
	2022	2021
	(€ in millions)	
Profit for the period	91.5	613.9
Other comprehensive income/(expense):		
Items that will not be recycled to profit and loss:		
Remeasurement of post employment benefit obligations net of tax	64.2	54.0
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences	(3.4)	(10.4)
Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax	396.3	123.1
Other comprehensive income for the period net of tax	**457.1**	**166.7**
Total comprehensive income for the period	**548.6**	**780.6**

	Nine-Month Period Ended September 30,	
	2022	2021
	(€ in millions)	
Profit for the period	1,390.7	1,657.8
Other comprehensive income/(expense):		
Items that will not be recycled to profit and loss:		
Remeasurement of post employment benefit obligations net of tax	367.7	152.0
Items that may subsequently be recycled to profit and loss:		
Foreign exchange translation differences	(9.1)	(17.9)
Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax	875.5	387.7
Other comprehensive income for the period net of tax	**1,234.1**	**521.8**
Total comprehensive income for the period	**2,624.8**	**2,179.6**

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INEOS GROUP HOLDINGS S.A.
CONSOLIDATED BALANCE SHEET

	September 30, 2022	December 31, 2021
	(€ in millions)	
Non-current assets		
Property, plant and equipment	9,343.8	8,274.2
Intangible assets	990.5	938.3
Investments in equity-accounted investees	181.3	47.2
Financial assets at fair value through other comprehensive income	28.3	28.3
Derivative financial instruments	116.6	26.2
Employee benefits	124.5	123.6
Trade and other receivables	998.3	826.0
Deferred tax assets	113.0	154.4
	11,896.3	10,418.2
Current assets		
Inventories	2,202.3	1,767.2
Trade and other receivables	3,086.3	2,470.2
Tax receivables	21.2	63.7
Derivative financial instruments	54.5	256.0
Cash and cash equivalents	2,731.7	2,106.1
	8,096.0	6,663.2
Total assets	**19,992.3**	**17,081.4**
Equity attributable to owners of the parent		
Share capital	0.9	0.9
Share premium	150.1	585.6
Other reserves	(813.5)	(2,047.6)
Retained earnings	6,440.3	4,814.1
Total equity	**5,777.8**	**3,353.0**
Non-current liabilities		
Interest-bearing loans and borrowings	7,639.1	7,331.5
Lease liabilities	1,026.3	830.8
Trade and other payables	114.6	113.2
Employee benefits	522.5	956.8
Provisions	31.7	32.3
Deferred tax liabilities	1,011.5	702.3
	10,345.7	9,966.9
Current liabilities		
Interest-bearing loans and borrowings	399.1	407.8
Lease liabilities	174.7	146.8
Trade and other payables	2,795.4	2,589.0
Tax payable	475.2	376.2
Derivative financial instruments	19.4	236.0
Provisions	5.0	5.7
	3,868.8	3,761.5
Total liabilities	**14,214.5**	**13,728.4**
Total equity and liabilities	**19,992.3**	**17,081.4**

The condensed notes presented on pages 8 to 21 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
			(€ in millions)		
Balance at December 31, 2021	**0.9**	**585.6**	**(2,047.6)**	**4,814.1**	**3,353.0**
Profit for the period	-	-	-	1,390.7	1,390.7
Other comprehensive expense:					
Foreign exchange translation differences	-	-	(9.1)	-	(9.1)
Net gain on translation and hedge of net investment in foreign operations	-	-	875.5	-	875.5
Remeasurement of post employment benefit obligations net of tax	-	-	367.7	-	367.7
Transactions with owners, recorded directly in equity:					
Capital reduction	-	(435.5)	-	435.5	-
Dividends	-	-	-	(200.0)	(200.0)
Balance at September 30, 2022	**0.9**	**150.1**	**(813.5)**	**6,440.3**	**5,777.8**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
			(€ in millions)		
Balance at December 31, 2020	**0.9**	**585.6**	**(2,646.7)**	**3,521.8**	**1,461.6**
Profit for the period	-	-	-	1,657.8	1,657.8
Other comprehensive income/(expense):					
Foreign exchange translation differences	-	-	(17.9)	-	(17.9)
Net gain on translation and hedge of net investment in foreign operations	-	-	387.7	-	387.7
Remeasurement of post employment benefit obligations net of tax	-	-	152.0	-	152.0
Transactions with owners, recorded directly in equity:					
Dividends	-	-	-	(300.0)	(300.0)
Balance at September 30, 2021	**0.9**	**585.6**	**(2,124.9)**	**4,879.6**	**3,341.2**

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INEOS GROUP HOLDINGS S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine-month Period Ended September 30,	
	2022	**2021***
	(€ in millions)	
Cash flows from operating activities		
Profit before tax	1,657.4	1,979.3
Adjustments for:		
Depreciation, amortisation and impairment	599.8	546.7
Net finance cost	325.7	257.0
Share of (profit)/ loss of equity-accounted investees	(134.2)	19.6
Profit on disposal of property, plant and equipment	-	(0.3)
Increase in trade and other receivables	(28.4)	(780.2)
Increase in inventories	(287.3)	(542.0)
(Decrease)/ increase in trade and other payables	(5.7)	665.1
Increase/ (decrease) in provisions and employee benefits	8.8	(29.6)
Tax paid	(112.8)	(232.5)
Net cash from operating activities	**2,023.3**	**1,883.1**
Cash flows used in investing activities		
Proceeds from sale of property, plant and equipment	-	0.4
Interest and other finance income received	11.1	0.2
Dividends received	2.1	0.2
Acquisition of businesses, net of cash acquired	-	(0.4)
Acquisition of property, plant and equipment	(674.9)	(503.7)
Acquisition of intangible assets	(1.8)	(1.8)
Acquisition of joint ventures and other investments	(449.8)	(1.6)
Net cash used in investing activities	**(1,113.3)**	**(506.7)**
Cash flows used in financing activities		
Securitisation Facility	-	(99.1)
Inventory Facility	(25.2)	122.4
Proceeds from loans	-	60.0
Issue costs paid	(1.5)	(0.4)
Interest paid and other finance items	(134.7)	(167.9)
Repayment of loans	(110.1)	(59.4)
Dividends paid	(200.0)	(300.0)
Capital element of lease payments	(109.1)	(104.9)
Net cash used in financing activities	**(580.6)**	**(549.3)**
Net increase in cash and cash equivalents	329.4	827.1
Cash and cash equivalents at January 1	2,106.1	1,342.2
Effect of exchange rate fluctuations on cash held	296.2	25.8
Cash and cash equivalents at September 30	**2,731.7**	**2,195.1**

The condensed notes presented on pages 8 to 21 are an integral part of these unaudited condensed consolidated interim financial statements.

*see note 2.

1. BASIS OF PREPARATION

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

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

These condensed consolidated interim financial statements are presented in euro, which is the functional currency of the majority of operations of the Group and is consistent with the audited financial statements for the year ended December 31, 2021.

The significant judgements and key sources of estimation uncertainty applicable to the preparation of the condensed consolidated interim financial statements are the same as those described within the Group's audited financial statements for the year ended December 31, 2021. In each case, judgements have been applied consistently and estimates made using a consistent methodology, with inputs and assumptions updated to reflect the Group's latest forecasts and prevailing market conditions at the balance sheet date as appropriate.

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

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

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

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

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

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €2,731.7 million at September 30, 2022 and interest-bearing loans and borrowings (net of debt issue costs) of €8,038.2 million at September 30, 2022. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of this report. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of this report.

On the basis of this assessment together with net assets of €5,777.8 million as at September 30, 2022 and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate

1. BASIS OF PREPARATION (Continued)

within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 "Interim financial reporting" 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, 2021, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2022. 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, 2022. The cash flows for the nine-month period ended September 30, 2021 have been re-presented so that receipts from derivative contracts of €169.1 million are now shown net of payments on derivative contracts within interest paid and other finance items in the consolidated statement of cash flows.

3. SEGMENTAL INFORMATION

Class of business

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

The revenue and EBITDA before exceptionals attributable to each different class of business as measured under IFRS is as follows:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2022	2021	2022	2021
	(€ in millions)		*(€ in millions)*	
Revenue				
O&P North America	1,464.1	1,645.0	4,529.4	4,006.8
O&P Europe	2,346.4	2,070.4	7,459.7	5,452.1
Chemical Intermediates	2,508.6	2,264.2	7,920.2	6,233.1
Eliminations	(1,322.8)	(830.3)	(3,198.1)	(1,979.6)
	4,996.3	5,149.3	16,711.2	13,712.4
EBITDA before exceptionals				
O&P North America	207.1	561.3	1,028.7	1,233.5
O&P Europe	149.2	277.7	581.7	754.5
Chemical Intermediates	154.6	222.6	838.3	814.3
	510.9	1,061.6	2,448.7	2,802.3

EBITDA before exceptionals represents profit before net finance costs or income, tax charges or credits, depreciation and amortization, impairment charges, share of profit or loss of associates and joint ventures using the equity accounting method, profit/loss on disposal of investments, profit/loss on disposal of fixed assets, and exceptional items.

3. SEGEMENTAL INFORMATION (Continued)

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.

Reconciliation of EBITDA before exceptionals to operating profit:

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2022	2021	2022	2021
	(€ in millions)		*(€ in millions)*	
EBITDA before exceptionals	510.9	1,061.6	2,448.7	2,802.3
Depreciation and amortisation	(201.8)	(190.4)	(599.8)	(546.7)
Operating profit	309.1	871.2	1,848.9	2,255.6

4. FINANCE COSTS

	Three-Month Period Ended September 30,		Nine-Month Period Ended September 30,	
	2022	2021	2022	2021
	(€ in millions)		*(€ in millions)*	
Interest payable on senior notes	11.2	26.0	33.6	77.4
Interest payable on bank loans and overdrafts	51.2	27.7	126.4	81.8
Interest payable on securitisation	1.3	1.4	3.7	4.5
Interest payable on lease liabilities	14.3	10.8	38.1	32.6
Amortisation of issue costs	2.7	2.8	8.2	8.2
Other finance charges	13.8	8.1	30.2	25.4
Net fair value (gain)/ loss on derivatives	(56.9)	40.7	(159.3)	(73.8)
Finance costs before exchange movements	37.6	117.5	80.9	156.1
Exchange movements	149.5	28.1	309.1	145.1
Borrowing costs capitalised in property, plant and equipment	(3.2)	(2.1)	(8.3)	(6.4)
Finance costs	183.9	143.5	381.7	294.8

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

5. TAXATION

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

After adjusting for the results from the share of associates and joint ventures, the effective tax rate of approximately 18% reflects the anticipated tax rate for the Group for the full year. After adjusting for the results from the share of associates and joint ventures, the underlying effective tax rate in the same period in 2021 was approximately 16%, which reflected the anticipated tax rate for the full year. The higher anticipated tax rate for the nine month period ended September 30, 2022 as compared to the same period in 2021 reflected increased profitability in countries with higher corporate tax rates.

6. PROPERTY, PLANT AND EQUIPMENT

In the nine month period ended September 30, 2022, the Group spent €674.9 million (nine month period ended September 30, 2021: €503.7 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Koln, Germany site, together with expenditure on a scheduled cracker turnaround at the Rafnes, Norway site. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl. There was further growth expenditure by the Oligomers business on the LAO and PAO platforms at Chocolate Bayou, USA. In Nitriles, there was expenditure on the new port facility at the Green Lake site. The remaining capital expenditure related primarily to sustenance expenditure.

7. INVENTORIES

	September 30, 2022	December 31, 2021
	(€ in millions)	
Raw materials and consumables	790.5	615.9
Work in progress	36.1	31.7
Finished products	1,375.7	1,119.6
	2,202.3	1,767.2

8. BORROWINGS

Borrowing obligations as of September 30, 2022 and December 31, 2021 are as follows:

	September 30, 2022	December 31, 2021
	(€ in millions)	
Non-current liabilities		
Senior Secured Term Loans	5,096.0	4,789.6
Senior Secured Notes due May 2026	765.5	764.6
Senior Secured Notes due March 2026	321.9	321.3
Senior Secured Notes due 2025	547.7	547.1
Gemini Facility	542.9	483.2
Receivables Securitisation Facility	20.3	17.8
Koln CoGen Facility	71.3	100.5
Rafnes Facility	106.3	141.5
Schuldschein Facility	140.3	139.9
Other loans	26.9	26.0
	7,639.1	7,331.5

8. BORROWINGS (Continued)

	September 30, 2022	December 31, 2021
Current liabilities		
Current portion of borrowings under Senior Secured Term Loans	45.0	40.0
Gemini Facility	23.7	19.9
Rafnes Facility	70.8	70.7
Koln CoGen Facility	39.0	31.5
Inventory Financing Facility	217.9	243.1
Other loans	2.7	2.6
	399.1	407.8

	September 30, 2022		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Senior Secured Term Loans	5,160.4	(19.4)	5,141.0
Senior Secured Notes due May 2026	770.0	(4.5)	765.5
Senior Secured Notes due March 2026	325.0	(3.1)	321.9
Senior Secured Notes due 2025	550.0	(2.3)	547.7
Receivables Securitisation Facility	20.5	(0.2)	20.3
Koln CoGen Facility	110.3	-	110.3
Rafnes Facility	178.5	(1.4)	177.1
Schuldschein Loan	141.0	(0.7)	140.3
Inventory Financing Facility	217.9	-	217.9
Other	29.6	-	29.6
	7,503.2	**(31.6)**	**7,471.6**
Gemini Facility	575.5	(8.9)	566.6
Total	**8,078.7**	**(40.5)**	**8,038.2**

The Gemini Facility is an obligation of Gemini HDPE LLC. Gemini HDPE LLC is designated as an unrestricted subsidiary as defined in accordance with the Group's Senior Secured Term Loans, Schuldschein Facility and Senior Secured Notes and the Gemini Facility does not benefit from the security or collateral of those facilities.

	December 31, 2021		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		(€ in millions)	
Senior Secured Term Loans	4,851.1	(21.5)	4,829.6
Senior Secured Notes due May 2026	770.0	(5.4)	764.6
Senior Secured Notes due March 2026	325.0	(3.7)	321.3
Senior Secured Notes due 2025	550.0	(2.9)	547.1
Receivables Securitisation Facility	18.0	(0.2)	17.8
Koln CoGen Facility	132.0	-	132.0
Rafnes Facility	214.3	(2.1)	212.2
Schuldschein Facility	141.0	(1.1)	139.9
Inventory Financing Facility	243.1	-	243.1
Other	28.6	-	28.6
	7,273.1	**(36.9)**	**7,236.2**
Gemini Facility	512.1	(9.0)	503.1
Total	**7,785.2**	**(45.9)**	**7,739.3**

8. BORROWINGS (Continued)

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity
Senior Secured Term Loans	$/€	USD LIBOR/ EURIBOR plus 2.00%-2.75%	2024-2028
Senior Secured Notes	€	2.125%-3.375%	2025-2026
Gemini Facility	$	USD LIBOR plus 3.00%	2027
Schuldschein Loan	€	EURIBOR plus 2.00%	2024
Receivables Securitisation Facility	$/€/£	Variable	2024
Koln CoGen Facility	€	2.00%-2.85%	2024-2026
Rafnes Facility	€	EURIBOR plus 2.10%	2024
Other	$/€	2.95%-3.50%	2023-2027

Senior Secured Term Loans

The Group has outstanding borrowings under a senior credit facilities agreement dated April 27, 2012 (as amended and restated) which consist of euro and US dollar denominated Term Loans (referred to as the 'Senior Secured Term Loans' or 'Term Loans').

In November 2021 the Group raised €1.1 billion of additional Senior Secured Term Loans which were used to fully redeem the outstanding Senior Notes due 2024. The additional Senior Secured Term Loans mature on November 8, 2028 and consisted of $845 million of US dollar denominated Term Loans and €350 million of euro denominated Term Loans. In October 2020 the Group issued new euro denominated Senior Secured Term Loans of €375 million which mature on October 27, 2027. In addition to these new Senior Secured Term Loans the Group has euro and US dollar denominated Term Loans maturing on March 31, 2024.

The Senior Secured Term Loans outstanding at September 30, 2022 before issue costs were €5,160.4 million (December 31, 2021: €4,851.1 million) of which €50.0 million (December 31, 2021: €44.7 million) is due within one year. The total amounts outstanding on the Euro denominated Term Loans were €2,680.5 million (December 31, 2021: €2,698.9 million) and the US dollar denominated Term Loans were €2,479.9 million (December 31, 2021: €2,152.2 million).

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans up to the final maturity date, apart from the euro denominated Term Loans maturing November 2028 which have no repayments until maturity. The $845 million US dollar denominated Term Loans and €350 million of euro denominated Term Loans issued in November 2021 mature on November 8, 2028, whilst the €375 million euro denominated Senior Secured Term Loans issued in October 2020 mature on October 27, 2027 with the remaining Term Loans maturing on March 31, 2024.

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to USD LIBOR (with the $845 million US dollar denominated Term Loans issued in November 2021 being subject to a floor of 0.50% per annum) plus the Applicable Margin. All of the Term Loans denominated in euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus the Applicable Margin.

As at September 30, 2022 the Applicable Margin for the euro denominated Term Loans and the US dollar denominated Term Loans maturing March 2024 was 2.00%, for the euro denominated Term Loans maturing October 2027 and November 2028 it was 2.75% and for the US dollar denominated Term Loans maturing November 2028 it was 2.50%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due May 2026, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Schuldschein Loan. The Term Loans are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their

8. BORROWINGS (Continued)

subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

The Term Loans have numerous customary operating and financial incurrence covenants all of which have been complied with during the period, including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

The Senior Secured Term Loans are stated net of debt issue costs of €19.4 million (December 31, 2021: €21.5 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Senior Secured Notes due 2025

In November 2017 the Group issued €550 million of Senior Secured Notes due 2025. The proceeds from the new Notes were used to partially repay the Senior Secured Term Loans. The Senior Secured Notes due 2025 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Group at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 can be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

Year	Redemption Price
2021	100.53125%
2022 and thereafter	100.000%

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

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans and Senior Secured Notes due May 2026, Senior Secured Notes due March 2026 and the Schuldschein Loan. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture 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 Senior Secured Notes due 2025 are stated net of debt issue costs of €2.3 million (December 31, 2021: €2.9 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025.

Senior Secured Notes due May 2026

In April 2019, the Group issued €770 million of Senior Secured Notes due May 2026. The Senior Secured Notes due May 2026 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior

8. BORROWINGS (Continued)

Secured Notes due May 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2019. Unless previously redeemed as noted below, the Senior Secured Notes due May 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

The Senior Secured Notes due May 2026 can be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

Year	Redemption Price
2022	101.4375%
2023	100.71875%
2024 and thereafter	100.000%

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

The Senior Secured Notes due May 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Schuldschein Loan. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture 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 Senior Secured Notes due May 2026 are stated net of debt issue costs of €4.5 million (December 31, 2021: €5.4 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due May 2026.

Senior Secured Notes due March 2026

In October 2020, the Group issued €325 million of Senior Secured Notes due March 2026. The Senior Secured Notes due March 2026 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due March 2026 bear interest at 3.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. Unless previously redeemed as noted below, the Senior Secured Notes due March 2026 will be redeemed by the Group at their principal amount on March 31, 2026.

The Senior Secured Notes due March 2026 can be subject to redemption at any time on or after November 15, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

Year	Redemption Price
2022	101.688%
2023	100.844%
2024 and thereafter	100.000%

8. BORROWINGS (Continued)

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

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due May 2026, Senior Secured Notes due 2025 and the Schuldschein Loan. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture 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 Senior Secured Notes due March 2026 are stated net of debt issue costs of €3.1 million (December 31, 2021: €3.7 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due March 2026.

Receivables Securitisation Facility

The Group has entered into a €800 million receivables securitisation facilities agreement ("Receivables Securitisation Facility") which matures on December 31, 2024. The total amount outstanding at September 30, 2022 before issue costs was €20.5 million (December 31, 2021: €18.0 million). The facility is secured by pledges over the trade receivables sold in to the programme. Interest is charged on the facility at a rate of either EURIBOR, USD LIBOR or SONIA plus a margin or short term commercial paper rates plus a margin.

The Receivables Securitisation Facility is stated net of debt issue costs of €0.2 million (December 31, 2021: €0.2 million).

Koln CoGen Facility

As part of a project at the Group's Koln site to replace part of its incineration or cogeneration unit, the Group entered into a €120 million loan facility which matures in December 2024. In May 2021 the Group entered into an additional facility of €60 million which matures in June 2026. The total amount outstanding under the loan facilities ("Koln CoGen Facility") at September 30, 2022 was €110.3 million (December 31, 2021: €132.0 million) of which €39.0 million (December 31, 2021: €31.5 million) is due within one year.

The €120 million loan facility is to be repaid in equal quarterly instalments of €6 million, starting from March 2020 and bears a fixed interest rate of 2.85% per annum.

The €60 million additional loan facility is to be repaid in equal quarterly payments of €3.75 million starting in September 2022 and bears a fixed interest rate of 2.00% per annum.

The Koln CoGen Facility is secured by pledges over the plant and equipment of INEOS Manufacturing Deutschland GmbH's new cogeneration assets.

Rafnes Facility

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a €140 million loan facility that Noretyl had in place. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount of €250.0 million. The total amount outstanding at September 30, 2022 before issue costs was €178.5 million (December 31, 2021: €214.3 million) of which €71.4 million (December 31, 2021: €71.4 million) is due within one year.

8. BORROWINGS (Continued)

The Rafnes Facility is to be repaid in equal semi-annual instalments of €35.7 million starting on December 15, 2021. The facility matures in November 2024. The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS. The outstanding Rafnes Facility bears interest a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.10%.

The Rafnes Facility is stated net of debt issue costs of €1.4 million (December 31, 2021: €2.1 million).

Schuldschein Loan
In March 2019 the Group entered into a €141.0 million floating rate loan facility ("Schuldschein Loan"). The facility matures in March 2024. The Schuldschein Loan bears interest at a rate per annum equal to EURIBOR for an interest period of six months (subject to a floor of 0.50% per annum) plus a margin of 2.00%. Interest on the Schuldschein Loan is payable semi-annually in arrears in September and March of each year.

The Schuldschein Loan ranks pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2025, Senior Secured Notes due March 2026 and the Senior Secured Notes due May 2026.

The Schuldschein Loan is stated net of debt issue costs of €0.7 million (December 31, 2021: €1.1 million).

Inventory Financing Facility
In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ('J Aron'), for an initial term of one year but extendable by mutual agreement. In June 2022, the Facility was extended to mature on June 30, 2023. Under this arrangement, the Group sells certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of J Aron, J Aron provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at September 30, 2022 before issue costs was €217.9 million (December 31, 2021: €243.1 million).

Gemini Facility
As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The amended loan facility was upsized to $600.0 million ("Gemini Facility") and the maturity was extended to October 31, 2027. The total amount outstanding at September 30, 2022 before issue costs was €575.5 million ($562.0 million) (December 31, 2021: €512.1 million ($580.3 million)) of which €25.7 million ($25.1 million) (December 31, 2021: €21.6 million ($24.5 million)) is due within one year.

The Gemini Facility is to be repaid in quarterly instalments starting on April 30, 2021 with a final payment of $420.0 million on October 31, 2027 when the facility matures. The facility is secured by pledges over the plant and equipment of Gemini HDPE LLC. The outstanding Gemini Facility bears interest at a rate per annum equal to USD LIBOR (subject to a floor of 0.50% per annum) plus a margin of 3.0%. Gemini HDPE LLC has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans, Schuldschein Facility and Senior Secured Notes.

The Gemini Facility is stated net of debt issue costs of €8.9 million (December 31, 2021: €9.0 million).

9. FINANCIAL INSTRUMENTS

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

The financial assets/liabilities categorised as Fair Value through Profit and Loss (FVTPL) presented in Level 2 contains commodity and interest rate swap derivatives. The financial assets/liabilities categorised as Fair Value through Other Comprehensive Income (FVOCI) presented in Level 3 contains equity securities.

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).

	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
	September 30, 2022				December 31, 2021			
	(€ in millions)							
Financial assets held at fair value through profit or loss:								
Derivative commodity contracts	54.5	54.5	-	-	256.0	77.7	178.3	-
Interest rate swap contracts	116.6	-	116.6	-	26.2	-	26.2	-
Financial assets held at fair value through other comprehensive income:								
Equity investments	28.3	-	-	28.3	28.3	-	-	28.3
Financial liabilities held for trading at fair value through profit and loss:								
Derivative commodity contracts	(19.4)	(19.4)	-	-	(236.0)	(42.8)	(193.2)	-
Total financial assets and (liabilities) held at fair value	**180.0**	**35.1**	**116.6**	**28.3**	**74.5**	**34.9**	**11.3**	**28.3**

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, 2022 (2021: 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 analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval.

9. FINANCIAL INSTRUMENTS (Continued)

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, medium and long-term borrowings from the Group's lenders.

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

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

Currency risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. A substantial portion of the Group's revenue is generated in, or linked to, the U.S. dollar and the euro. In the European petrochemical business, product prices, certain feedstock costs and most other costs are denominated in euro and sterling. In the U.S. petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in U.S. dollars.

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

Commodity price risk
The Group and its Refining joint venture are exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of crude oil and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

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

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. As at September 30, 2022 there was a net mark to market derivative asset in respect of commodity contracts of €35.1 million entered into by the Group to manage such risk (December 31, 2021: net derivative asset of €20.0 million).

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

10. 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.

11. RELATED PARTIES

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Group Holdings S.A. group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Group Holdings S.A.;
- Key management personnel; and
- Joint ventures.

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

INEOS Limited and INEOS AG, a subsidiary of INEOS Limited, provide operational management services to the Group through a management services agreement. Management fees of €73.8 million (September 30, 2021: €68.8 million) were charged to the income statement during the nine month period ended September 30, 2022. As at September 30, 2022 amounts owed to INEOS Limited were €25.1 million (December 31, 2021: €23.3 million) and amounts owed to INEOS AG were €2.2 million (December 31, 2021: nil). Amounts owed by INEOS AG were €23.9 million (December 31, 2021 : nil) Amounts owed by INEOS Holdings AG and INEOS Holdings Luxembourg S.A., both wholly owned subsidiaries of INEOS AG, were €98.4 million (December 31, 2021: €94.5 million) and €12.6 million (December 31, 2021: €15.6 million) respectively.

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INEOS Industries Limited (which from December 31, 2020 includes INOVYN Limited), INEOS Enterprises Holdings Limited and the Lavéra petrochemical assets and businesses together with other French and Italian assets of O&P South.

During the nine month period ended September 30, 2022 the Group has made sales to these subsidiaries of €1,652.7 million (September 30, 2021: €1,259.8 million), received net cost recoveries of €147.9 million (September 30, 2021: net costs recovered of €184.5 million) and made purchases of €1,090.0 million (September 30, 2021: €839.2 million). As at September 30, 2022, €657.5 million (December 31, 2021: €690.4 million) was owed by and €310.6 million (December 31, 2021: €288.5 million) was owed to these subsidiaries (excluding the INEOS Upstream Limited loans).

During 2015 the Group provided a loan of $623.7 million via INEOS Industries Holdings Limited to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured, matures in June 2024 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) via INEOS Industries Holdings Limited to INEOS Upstream Limited, the proceeds of which were on-lent to certain of its subsidiaries. The loan is unsecured, matures in June 2024 and bears interest at 7% per annum. As at September 30, 2022 $617.1 million (€631.9 million) was outstanding under these facilities (December 31, 2021: $617.1 million (€544.6 million)).

INEOS Limited owns interests in a number of joint ventures that are not included in the Ineos Group Holdings S.A. group, including the French joint ventures associated with the Lavera petrochemical assets and businesses which were divested by the Group on July 1, 2014 and the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party. Prior to becoming a fully owned

11. RELATED PARTIES (Continued)

subsidiary on December 31, 2020 the Group had a joint venture with Sasol Limited to build and operate an HDPE plant at Battleground site in Texas, USA which became operational at the end of 2017.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the nine month period ended September 30, 2022 the Group has made nil sales (September 30, 2021: €0.8 million), received cost recoveries of €23.1 million (September 30, 2021: received costs recovered of €19.9 million) and made purchases of €38.8 million (September 30, 2021: €76.5 million). As at September 30, 2022, €0.9 million (December 31, 2021: €1.5 million) was owed by the Refining joint ventures and €0.4 million (December 31, 2021: €1.3 million) was owed to the Refining joint ventures.

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited and INEOS Energy Trading Limited, both related parties. The net fair value loss and settlements on these derivatives during the nine month period ended September 30, 2022 was €18.6 million (September 30, 2021: loss of €101.0 million). As at September 30, 2022, the mark to market derivative liability was €4.8 million (December 31, 2021: €193.2 million) and the mark to market derivative asset was nil (December 31, 2021: €173.8 million) in respect of these related party derivative financial instruments.

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions.

As at September 30, 2022 none (December 31, 2021: none) of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at September 30, 2022 (December 31, 2021: 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 consolidated historical financial statements of INEOS 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 one of the world's largest chemical companies as measured by revenue. Our business has highly integrated, world class chemical facilities and production technologies. We have leading global market positions for a majority of our key products and a strong and stable customer base. We operate 33 manufacturing sites in six countries throughout the world. We are led by a highly experienced management team with, on a combined basis, over 100 years of experience in the chemical industry. As of December 31, 2021, our total chemical production capacity was approximately 23,100 kta, of which 55% was in Europe and 45% was in North America.

Results of Operations

Consolidated

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

	Three-Month Period Ended September 30,			
	2022		2021	
	€m	%	€m	%
Revenue	**4,996.3**	**100.0**	**5,149.3**	**100.0**
Cost of sales	(4,534.1)	(90.7)	(4,127.1)	(80.1)
Gross profit	**462.2**	**9.3**	**1,022.2**	**19.9**
Distribution costs	(49.0)	(1.0)	(52.8)	(1.0)
Administrative expenses	(104.1)	(2.1)	(98.2)	(1.9)
Operating profit	**309.1**	**6.2**	**871.2**	**16.9**
Share of loss of associates and joint ventures	(45.2)	(0.9)	(4.7)	(0.1)
Profit on disposal of property, plant and equipment	-	-	0.1	0.0
Profit before net finance costs	**263.9**	**5.3**	**866.6**	**16.8**
Finance income	24.8	0.5	13.5	0.3
Finance costs	(183.9)	(3.7)	(143.5)	(2.8)
Profit before tax	**104.8**	**2.1**	**736.6**	**14.3**
Tax charge	(13.3)	(0.3)	(122.7)	(2.4)
Profit for the period	**91.5**	**1.8**	**613.9**	**11.9**

Three-Month Period Ended September 30, 2022, Compared to Three-Month Period Ended September 30, 2021

Revenue. Revenue decreased by €153.0 million, or 3.0%, to €4.996.3 million in the three month period ended September 30, 2022 as compared to €5,149.3 million for the same period in 2021. The decrease in revenues was driven primarily by lower volumes, partially offset by an increase in selling prices in some businesses and the appreciation of the US dollar against the euro. Overall sales volumes for the Group were approximately 6% lower in the three month period ended September 30, 2022 as compared to the same period in 2021. Partially offsetting the decrease in volumes was an increase in selling prices which followed the increase in crude oil prices, which increased to an average of $101/bbl for the three month period ended September 30, 2022 as compared to $73/bbl in the same period in 2021. In addition, the appreciation of the US dollar by approximately 14% against the euro in the three month period ended September 30, 2022 as compared to the same period in 2021, has increased the reported euro results.

Cost of sales. Cost of sales increased by €407.0 million, or 9.9%, to €4,534.1 million in the three month period ended September 30, 2022 as compared to €4,127.1 million for the same period in 2021. The increase in cost of sales was largely due to the increase in crude oil prices, which has meant higher feedstock prices across the Group in the three month period ended September 30, 2022, as compared to the same period in 2021. Energy costs were also notably higher, especially in Europe, in the three month period ended September 30, 2022, as compared to the same period in 2021.

Gross profit. Gross profit decreased by €560.0 million, or 54.8%, to €462.2 million in the three month period ended September 30, 2022 as compared to €1,022.2 million for the same period in 2021. The decrease in profitability was driven by lower margins as well as volumes which were approximately 6% lower in the three month period ended September 30, 2022 as compared to the same period in 2021. In O&P North America margins decreased driven by weaker demand as a result of reduced export opportunities due to the appreciation of the US dollar, along with improved industry supply and weaker demand due to overall economic uncertainty. Olefin markets for O&P Europe saw an increase in margins due to more favourable market conditions in the three month period ended September 30, 2022 as compared to the same period in 2021, however polymer margins were under pressure from increased energy costs. Inventory holding losses within the O&P segments were approximately €125 million in the three month period ended September 30, 2022, as compared to inventory holding gains of €115 million in the same period in 2021, reflecting the decreased raw material costs during the third quarter of 2022 as compared to increased raw material costs during the same quarter in 2021. Chemical Intermediates experienced a decline in profitability in the three month period ended September 30, 2022 as compared to the same period in 2021, largely driven by the Phenol and Nitriles businesses. The Phenol business experienced lower volumes as a result of lower market demand for acetone and phenol, particularly in the European region. The Nitriles business experienced lower margins and volumes in the three month period ended September 30, 2022 as compared to the same period in 2021 due to weakened demand and cheaper Asian competition. Partly offsetting the decrease in gross profitability was the the appreciation of the US dollar by approximately 14% against the euro in the three month period ended June 30, 2022 as compared to the same period in 2021, which has increased the reported euro results.

Distribution costs. Distribution costs decreased by €3.8 million, or 7.2%, to €49.0 million in the three month period ended September 30, 2022 as compared to €52.8 million for the same period in 2021. The small decrease in distribution costs reflected the reduced costs in relation to lower sales volumes in the period.

Administrative expenses. Administrative expenses increased by €5.9 million, or 6.0%, to €104.1 million in the three month period ended September 30, 2022 as compared to €98.2 million for the same period in 2021, mainly as a result of higher research and development costs in the three month period ended September 30, 2022, as compared to the same period in 2021.

Operating profit. Operating profit decreased by €562.1 million, or 64.5%, to €309.1 million in the three month period ended September 30, 2022 as compared to €871.2 million for the same period in 2021.

Share of loss of associates and joint ventures. Share of loss of associates and joint ventures was a loss of €45.2 million in the three month period ended September 30, 2022 as compared to a loss of €4.7 million for the same period in 2021. The share of loss from associates and joint ventures primarily reflected the Group's share of the results of the Refining joint venture with PetroChina which experienced higher inventory holding losses in the three month period ended September 30, 2022 as compared to the three month period ended September 30, 2021.

Profit on disposal of property, plant and equipment. There was a profit on disposal of property, plant and equipment of €0.1 million in the three month period ended September 30, 2021.

Profit before net finance costs. Profit before net finance costs decreased by €602.7 million, or 69.5% to €263.9 million in the three month period ended September 30, 2022 as compared to €866.6 million for the same period in 2021.

Finance income. Finance income increased by €11.3 million, or 83.7%, to €24.8 million in the three month period ended September 30, 2022 as compared to €13.5 million for the same period in 2021. The income in the three month period ended September 30, 2022 primarily related to interest income from loans to related parties, including INEOS Upstream, and interest received on increased cash balances held by the Group.

Finance costs. Finance costs increased by €40.4 million, or 28.1%, to €183.9 million in the three month period ended September 30, 2022 as compared to €143.5 million for the same period in 2021. The increase in finance costs for the three month period ended September 30, 2022 reflected an increase in net foreign exchange losses partly offset by an increase in net fair value gains on derivatives. The increase in net foreign exchange losses primarily associated with short term intra group funding was a loss of €149.5 million in the three month period ended September 30, 2022 as compared to a loss of €28.1 million in the same period in 2021. In addition there was a net fair value gain on derivatives of €56.9 million in the three month period ended September 30, 2022, as compared to a loss of €40.7 million for the same period in 2021.

Profit before tax. Profit before tax decreased by €631.8 million, or 85.8% to €104.8 million in the three month period ended September 30, 2022, as compared to €736.6 million for the same period in 2021.

Tax charge. Tax charge decreased by €109.4 million, or 89.1%, to €13.3 million in the three month period ended September 30, 2022, as compared to €122.7 million for the same period in 2021 primarily due to the decreased profitability of the Group. After adjusting for the profit from the share of associates and joint ventures, the effective tax rate of approximately 18% reflects the anticipated tax rate for the Group for the full year. The underlying effective tax rate for the three month period ended September 30, 2021 was approximately 16% after adjusting for the loss from the share of associates and joint ventures, which reflected the anticipated tax rate for the full year for 2021. The higher anticipated effective tax rate for the three month period ended September 30, 2022 as compared to the same period in 2021 reflected the increased level of profitability of the Group in countries with higher corporate tax rates.

Profit for the period. Profit for the period decreased by €522.4 million, or 85.1% to €91.5 million in the three month period ended September 30, 2022, as compared to €613.9 million for the same period in 2021.

Business segments

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

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,		Nine-Month Period Ended September 30,	
	2022	2021	2022	2021
	(€ in millions)		*(€ in millions)*	
Revenue				
O&P North America	1,464.1	1,645.0	4,529.4	4,006.8
O&P Europe	2,346.4	2,070.4	7,459.7	5,452.1
Chemical Intermediates	2,508.6	2,264.2	7,920.2	6,233.1
Eliminations	(1,322.8)	(830.3)	(3,198.1)	(1,979.6)
	4,996.3	5,149.3	16,711.2	13,712.4
EBITDA before exceptionals				
O&P North America	207.1	561.3	1,028.7	1,233.5
O&P Europe	149.2	277.7	581.7	754.5
Chemical Intermediates	154.6	222.6	838.3	814.3
	510.9	1,061.6	2,448.7	2,802.3

O&P North America

Revenue. Revenue in the O&P North America segment decreased by €180.9 million, or 11.0%, to €1,464.1million in the three month period ended September 30, 2022, as compared to €1,645.0 million for the same period in 2021. The decrease was primarily driven by lower prices in the three month period ended September 30, 2022 as compared to the same period in 2021. The weighted average sales price for the whole business was approximately 18% lower in the three month period ended September 30, 2022 as compared to the same period in 2021, driven lower by weaker demand with the biggest decreases coming from olefins, polypropylene and polyethylene, partly offset by higher pipe prices. Sales volumes were approximately 7% lower in the three month period ended September 30, 2022 as compared to the same period in 2021, driven by lower volumes of olefins and polypropylene sales, partially offset by higher polyethylene and pipe sales. The lower olefin volumes were mainly due to lower ethylene and feedstock sales. Lower volumes of polypropylene were primarily due to decreased volumes at the Carson plant due to a scheduled turnaround. Partly offsetting the decrease, the appreciation of the US dollar by approximately 14% against the euro in the three month period ended September 30, 2022 as compared to the same period in 2021, has increased the reported euro results.

EBITDA before exceptionals. EBITDA before exceptionals in the O&P North America segment decreased by €354.2 million, or 63.1%, to €207.1 million in the three month period ended September 30, 2022 as compared to €561.3 million in the same period in 2021. The decrease in profitability in the three month period ended September 30, 2022 as compared to the same period in 2021 was largely due to lower margins following lower demand and higher inventory holding losses. Polyethylene and polypropylene experienced the biggest decrease in margins following lower demand and further length in domestic supplies; although this was partially offset by higher pipe margins. Sales volumes were approximately 7% lower for the three month period ended September 30, 2022 as compared to the same period in 2021, driven by lower volumes of olefins and polypropylene sales, partially offset by higher polyethylene and pipe sales. Inventory holding losses were approximately €75 million in the three month period ended September 30, 2022, as compared to inventory holding gains of approximately €61 million in the same period in 2021. The decrease in profitability was partly offset by the appreciation of the US dollar by approximately 14% against the euro in the three month period ended September 30, 2022 as compared to the same period in 2021, which has increased the reported euro results.

O&P Europe

Revenue. Revenue in the O&P Europe segment increased by €276.0 million, or 13.3%, to €2,346.4 million in the three month period ended September 30, 2021 as compared to €2,070.4 million for the same period in 2021. The increase in revenues was driven primarily by higher selling prices in the three month period ended September 30, 2022 as compared to the same period in 2021. The increase in selling prices was driven by the general price environment, which was higher in the three month period ended September 30, 2022 as compared to the same period in 2021, as crude oil prices rose to an average of $101/bbl for the three month period ended September 30, 2022 as compared to an average of $73/bbl for the three month period ended September 30, 2021. Naphtha prices increased by approximately 19%, which in turn led to a rise in prices across most product lines. In the olefins business, butadiene and benzene prices experienced the most significant price increases compared to the same period in 2021. The ethylene market experienced prices 22% higher in the three month period ended September 30, 2022 as compared to the same period in 2021. The polymers business also experienced price increases across all product lines in the three month period ended September 30, 2022 as compared to the same period in 2021. Total sales volumes were approximately 4% higher in the three month period ended September 30, 2022 as compared to the same period in 2021. The Trading and Shipping business experienced higher sales volumes in the third quarter of 2022 as compared to the same period in 2021, primarily due to higher ethane, butane and propane sales. Olefin sales volumes were lower in the three month period ended September 30, 2022 as compared to the same period in 2021, due to weakening markets with lower demand caused by inflation as a result of the current energy prices. The ethylene market remained long throughout the quarter, despite crackers being commercially trimmed throughout Europe. Demand was also weaker in the polymers markets during the three month period ended September 30, 2022. Polymer sales volumes were lower in the three month period ended September 30, 2022 as compared to the same period in 2021 due to reduced demand and increased level of imports as compared to the same period in 2021.

EBITDA before exceptionals. EBITDA before exceptionals in the O&P Europe segment decreased by €128.5 million or 46.3% to €149.2 million in the three month period ended September 30, 2022, as compared to €277.7 million in the same period in 2021. The results for the three month period ended September 30, 2022 decreased compared to the same period in 2021, primarily due to increased inventory holding losses and higher fixed costs, partly offset by higher margins. The higher margins were mainly derived from the olefins business, as ethylene margins remained relatively high as a result of continued lower feedstock prices and strong co-product sales. This was partly offset by the polymers business which experienced lower margins in the three month period ended September 30, 2022 as compared to the same period in 2021 as margins came under pressure from higher energy and supply chain costs. Fixed costs rose in the three month period ended September 30, 2022 as compared to the same period in 2021, mainly as a result of the start of the ATEX pipeline in the Trading and Shipping business, along with the entry into service of two new VLEC ships and their associated costs. Inventory holding losses were approximately €50 million in the three month period ended September 30, 2022 as compared to gains of approximately €54 million in the three month period ended September 30, 2021. The higher inventory holding losses in the third quarter of 2022 were driven by a fall in feedstock prices throughout the quarter.

Chemical Intermediates

Revenue. Revenue in the Chemical Intermediates segment increased by €244.4 million, or 10.8%, to €2,508.6 million in the three month period ended September 30, 2022 as compared to €2,264.2 million for the same period in 2021. The Oxide business revenues increased in the three month period ended September 30, 2022 as compared to the same period in 2021 driven by higher prices. The increase in pricing was driven by rising raw material and natural gas prices which were mainly passed on to customers, with ethylene oxide products seeing the largest price increases. Despite geo-political uncertainties and high gas prices in Europe, volumes remained consistent in the three month period ended September 30, 2022 as compared to the same period in 2021. The Oligomers business revenues were higher in the three month period ended September 30, 2022 as compared to the same period in 2021, as a result of higher prices. Regional prices in the quarter moved in line with the underlying raw material prices of ethylene and naphtha. Regional feedstock prices were higher in the three month period ended September 30, 2022 as compared to the same period in 2021 with higher European and US ethylene prices impacting PAO and LAO prices, whilst increased naphtha prices impacted PIB and SO pricing. Sales volumes were higher in the three month period ended September 30, 2022 as compared to the same period in 2021 as higher LAO sales volumes were only partially offset by lower PAO, PIB and SO sales volumes. The increase in LAO sales volumes was primarily seen in the North American and Asian markets and included good co-monomer demand with the business benefitting from additional production volumes from the new LAO facility in Chocolate Bayou, USA. SO sales were lower primarily due to softer demand in the European markets and PAO sales volumes decreased due to a number of issues at several customers. Nitriles revenues decreased in the three month period ended September 30, 2022 as compared to the same period in 2021, driven by lower volumes, partly offset by higher prices. The average acrylonitrile sales price increased by approximately 3% in the three month period ended September 30, 2022 as compared to the same period in 2021, driven by higher ammonia pricing as a result of higher natural gas prices. Acrylonitrile sales volumes decreased in the three month period ended September 30, 2022 as compared to the same period in 2021 due to lower demand as a result of high European and North American cost positions. The Phenol business revenues increased in the three month period ended September 30, 2022 as compared to the same period in 2021, driven primarily by higher prices, partly offset by lower sales volumes. Selling prices moved in line with the underlying raw material prices with acetone and phenol prices moving significantly higher due to increases in propylene and benzene feedstock prices. Sales volumes were lower in the three month period ended September 30, 2022 as compared to the same period in 2021 as a result of lower phenol and acetone sales, partly offset by higher cumene sales. Lower market demand for phenol and acetone led to lower volumes, predominately in the European market.

EBITDA before exceptionals. EBITDA before exceptionals in the Chemical Intermediates segment decreased by €68.0 million, or 30.5%, to €154.6 million in the three month period ended September 30, 2022 as compared to €222.6 million for the same period in 2021. The Oxide business results in the three month period ended September 30, 2022 were slightly lower compared to the same period in 2021, due to a decrease in product margins. The decrease in margins in the three month period ended September 30, 2022 as compared to the same period in 2021 was driven by high energy costs which put some pressure on margins. The Oligomers business profitability increased in the three month period ended September 30, 2022 as compared with the same period in 2021, primarily due to higher margins. Margins were higher in the three month period ended September 30, 2022 compared with the same period in 2021 due to realisations being increased above higher raw material costs. LAO margins were higher in all markets. PAO saw stronger margins in Europe and Asia, partly offset by lower margins in the North American markets. SO margins were reduced by lower margins in the North American region, partly offset by higher margins in the European and Asian markets. The Nitriles business experienced a decrease in profitability in the three month period ended September 30, 2022 as compared to the same period in 2021, driven by lower volumes and lower margins. Acrylonitrile margins were lower as a result of weakened demand and cheaper Asian competition following improved industry supply. The Phenol business profitability decreased in the three month period ended September 30, 2022 as compared to the same period in 2021, largely due to a decrease in volumes, partly offset by higher margins. Margins were higher in the three month period ended September 30, 2022 as compared to the same period in 2021, largely due to the impact of higher phenol margins in the European market as a result of higher benzene price levels, partly offset by higher energy costs. Volumes were lower due to reduced market demand for acetone and phenol, particularly in the European market.

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, and to fund growth in our working capital.

Our primary sources of liquidity are cash flows from operations of subsidiaries, cash on our balance sheet and borrowings under the Receivables Securitization Program and Inventory Financing Facility. 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 future borrowings under the Receivables Securitization Program and Inventory Financing Facility, will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case.

Financing Arrangements

The Group's capital structure includes a mixture of secured term loans and secured notes, together with unsecured notes. These various debt instruments are denominated in both Euros and US Dollars where appropriate, to approximately match the main currencies of the cash flows generated by the Group's operations.

The Group has a €800.0 million Receivables Securitization Facility in place, which matures in December 2022. The Group also has an Inventory Financing Facility in place, which matures in June 2023, although this is extendable by mutual agreement.

The Group has a €300.0 million Letter of Credit facility. Under the terms of the facility the Group undertakes to provide cash collateral to cover any letters of credit, guarantees, bonds or indemnities issued under the facility.

Following the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group in July 2015, the Group assumed the obligations of loan facility of Noretyl AS. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount of €250.0 million (the 'Rafnes Facility'). The facility matures in November 2024.

As part of a project at the Group's Koln site to replace part of its incineration or cogeneration unit, the Group entered into a €120.0 million loan facility which matures in December 2024, together with a €60.0 million additional loan facility which matures in June 2026.

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired legal entity. The amended loan facility was upsized to $600.0 million and matures on October 31, 2027.

As of September 30, 2022, the Group had a total of €5,160.4 million Senior Secured Term Loans, €550.0 million Senior Secured Notes due 2025, €325.0 million Senior Secured Notes due March 2026 and €770.0 million Senior Secured Notes due May 2026 and a €141.0 million Schuldschein Loan facility outstanding.

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

Capital Expenditures

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

Capital expenditure incurred during the nine months ended September 30, 2022 was €674.9 million (€503.7 million in the nine months ended September 30, 2021) analysed by business segment as follows:

	Nine-month period ended September 30,	
	2022	**2021**
	(€ in millions)	
O&P North America	174.0	80.2
O&P Europe	309.2	172.1
Chemical Intermediates	191.7	251.4
	674.9	503.7

In the nine month period ended September 30, 2022, the Group spent €674.9 million (nine month period ended September 30, 2021: €503.7 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Koln, Germany site, together with expenditure on a scheduled cracker turnaround at the Rafnes, Norway site. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl. There was further growth expenditure by the Oligomers business on the LAO and PAO platforms at Chocolate Bayou, USA. In Nitriles, there was expenditure on the new port facility at the Green Lake site. The remaining capital expenditure related primarily to sustenance expenditure.

The main capital expenditures in the nine month period ended September 30, 2021 related to further expenditure within the O&P North America segment on a debottleneck project at the Chocolate Bayou, USA site. The main capital expenditures in the O&P Europe segment were at the Koln, Germany site on completion of the cogeneration project and the life cycle cracker project, together with turnaround spend at the Lillo, Belgium site. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl, Germany and new Phenol terminal at Pasadena, USA. There was further growth expenditure by the Oligomers business on the LAO and PAO platforms at Chocolate Bayou, USA. There was also expenditure within the Oxide business on a planned turnaround and catalyst change at the Koln, Germany site and planned turnarounds at the Antwerp, Belgium and Hull, UK sites. The remaining capital expenditure related primarily to sustenance expenditure.

Working Capital

We anticipate that our working capital requirements will vary due to changes in raw material costs, which affect inventory and account receivables levels, and 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 our Receivables Securitisation Facility and Inventory Financing Facilities.

Cash Flows

During the nine month period ended September 30, 2022 and 2021, our cash flow was as follows:

	Nine-month period ended September 30,	
	2022	**2021**
	(€ millions)	
Cash flow from operating activities	2,023.3	1,883.1
Cash flow used in investing activities	(1,113.3)	(506.7)
Cash flow used in financing activities	(580.6)	(549.3)

Cash flows from operating activities

Net cash flow from operating activities was an inflow of €2,023.3 million for the nine month period ended September 30, 2022 (inflow of €1,883.1 million in the nine month period ended September 30, 2021). The inflow was due to the profit generated from operations, partly offset by working capital outflows of €321.4 million in the nine month period ended September 30, 2022 (outflow of €657.1 million in the nine month period ended September 30, 2021). The working capital outflows in the nine month period ended September 30, 2022 primarily reflected the higher working capital levels of the Group due to increased raw material prices, and consequently product prices, in the period.

Taxation payments of €112.8 million were made in the nine month period ended September 30, 2022 (payments of €232.5 million in the nine month period ended September 30, 2021). The payments in the nine month period ended September 30, 2022 primarily reflected tax payments in US, Switzerland, Germany, Belgium and Canada, partially offset by tax refunds in the US (including a refund under the CARES Act). The payments in the nine month period ended September 30, 2021 primarily reflected tax payments in Switzerland, Germany, Belgium, Norway, Canada and the US, some of which had been deferred from 2020 in response to the coronavirus pandemic.

Cash flows used in investing activities

In the nine month period ended September 30, 2022, the Group spent €1.8 million (€1.8 million in the nine month period ended September 30, 2021) on intangible assets primarily related to the purchase of carbon emission credits.

In the nine month period ended September 30, 2022, the Group paid an initial deposit of €449.8 million in relation to the 50% joint venture investment in Shanghai SECCO Petrochemical Company Limited which is expected to complete by the end of 2022.

There were no other significant cash flows used in investing activities in the nine month period ended September 30, 2022 and 2021 other than the acquisition of property, plant and equipment (refer to the "Capital Expenditure" section).

Cash flows used in financing activities

Interest payments of €134.7 million were made in the nine month period ended September 30, 2022 (€167.9 million in the nine month period ended September 30, 2021). The interest payments during the first nine months of 2022 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, quarterly interest payments on the Gemini Facility, semi-annual interest payments on the Senior Secured Notes due 2025 and Senior Secured Notes due 2026 and interest paid on lease liabilities of €36.5 million, partially offset by the net settlement of derivative commodity contracts of €66.4 million. The interest payments during the first nine months of 2021 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, quarterly interest payments on the Gemini Facility, semi-annual interest payments on the Senior Notes due 2024, Senior Secured Notes due 2025, Senior Secured Notes due March 2026, Senior Secured Notes due March 2026 and interest paid on lease liabilities of €31.7 million, partially offset by the net settlement of derivative commodity contracts of €47.6 million.

The Group made no repayments on the Securitization Program during the nine month period ended September 30, 2022 (repayment of €99.1 million in the nine month period ended September 30, 2021). Additional debt issue costs of €0.1 million were paid during the nine month period ended September 30, 2022.

The Group made repayments of €25.2 million on the Inventory Financing Facility during the nine month period ended September 30, 2022 (drawdown of €122.4 million in the nine month period ended September 30, 2021).

The Group made scheduled repayments of €34.0 million on the Senior Secured Term Loans during the nine month period ended September 30, 2022 (scheduled repayments of €28.6 million in the nine month period ended September 30, 2021). Additional debt issue costs were paid during the nine month period ended September 30, 2022 of €1.4 million (€0.1 million in the nine month period ended September 30, 2021).

As part of a Koln, Germany project to replace part of the site's incineration and cogeneration unit, the Group entered into a €120.0 million loan facility. The Group has made scheduled loan repayments of €18.0 million on the Koln CoGen Facility during the nine month period ended September 30, 2022 (scheduled repayments of €18.0 million during the nine month period ended September 30, 2021). As part of this project the Group also entered into an additional loan facility of €60.0 million in May 2021. The first repayments under this additional facility started in September 2022 which was a scheduled repayment of €3.8 million. The Group paid associated debt issue costs of €0.3 million in relation to the additional loan facility during the nine month period ended September 30, 2021.

In November 2019 following the repayment of the initial Rafnes Facility the term loan was amended and restated with a new amount of €250.0 million. The new Rafnes Facility is to be repaid in equal semi-annual instalments of €35.7 million starting on December 15, 2021. During the nine month period ended September 30, 2022 the Group made scheduled payments of €35.7 million on the Rafnes Facility (scheduled repayments of €35.7 million during the nine month period ended September 30, 2021).

In August 2020, the Group entered into a new €19.2 million bank loan agreement to fund capital expenditure on a freight rail car fleet covering North America for the Oligomers business. The Group has made scheduled loan repayments of €0.7 million during the nine month period ended September 30, 2022 (€0.6 million repayments in the nine month period ended September 30, 2021).

In October 2019 the Group entered into a new IKB facility to fund some specific capital expenditure within the Nitriles business. The Group made scheduled loan repayments of €0.6 million on the IKB facility during the nine month period ended September 30, 2021. As at September 30, 2021 the loan facility had been fully repaid.

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The Group has made scheduled loan repayments of €16.6 million during the nine month period ended September 30, 2022 (scheduled repayments of €11.6 million in the nine month period ended September 30, 2021).

In November 2020, the Group entered into a separate bank loan agreement to fund specific capital expenditure on a new cumene unit at Marl, Germany for the Phenol business. During the nine month period ended September 30, 2022 the Group made scheduled repayments of €1.3 million (nil in the nine month period ended September 30, 2021).

During the nine month period ended September 30, 2022 the Group made payments of €109.1 million (€104.9 million in the nine month period ended September 30, 2021) in respect of the capital element of lease liabilities.

The Group made a dividend payment of €200.0 million in the nine month period ended September 30, 2022 (€300.0 million in the nine month period ended September 30, 2021).

Net debt

Total net debt as at September 30, 2022 was €5,347.0 million (December 31, 2021: €5,679.1 million). The Group held net cash balances of €2,731.7 million as at September 30, 2022 (December 31, 2021: €2,106.1 million) which included restricted cash of €156.0 million used as collateral against bank guarantees and letters of credit. The Group had availability under the undrawn receivables securitization facility of €779.5 million as at September 30, 2022.

The Group entered into three interest rate swap contracts effective June 2020 to hedge the variable interest rate exposure on $1.2 billion of the USD denominated Senior Secured Term Loans. On a quarterly basis, the Group will receive 3-month USD LIBOR and pay a fixed rate. These derivative instruments expire in June 2025.