# INEOS Quattro Holdings Limited
# (formerly INEOS Styrolution Holding Limited)

**Condensed consolidated interim financial statements as of March 31, 2021**

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

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **Pro forma 2020** |
| | *(€ in millions)* | |
| **Revenue** | **3,107.9** | **2,882.9** |
| Cost of sales | (2,361.0) | (2,466.7) |
| **Gross profit** | **746.9** | **416.2** |
| Distribution costs | (188.2) | (212.4) |
| Administrative expenses | (109.3) | (76.5) |
| **Operating profit** | **449.4** | **127.3** |
| Share of profit of joint ventures and associated undertakings | 36.9 | 9.1 |
| Profit/(loss) on disposal of fixed assets | 4.5 | (0.2) |
| **Profit before net finance costs** | **490.8** | **136.2** |
| Finance income | 47.6 | 27.6 |
| Finance costs before exceptional items | (54.9) | (70.0) |
| Exceptional finance costs | (68.9) | (16.7) |
| Total finance costs | (123.8) | (86.7) |
| **Profit before tax** | **414.6** | **77.1** |
| Tax charge | (99.0) | (29.1) |
| **Profit for the period** | **315.6** | **48.0** |

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

The pro forma income statement for the three-month period ended March 31, 2020 has been prepared in accordance with note 1 of the condensed consolidated financial statements.

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

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| **Revenue** | **3,107.9** | **1,083.9** |
| Cost of sales | (2,361.0) | (895.5) |
| **Gross profit** | **746.9** | **188.4** |
| Distribution costs | (188.2) | (59.5) |
| Administrative expenses | (109.3) | (50.6) |
| **Operating profit** | **449.4** | **78.3** |
| Share of profit of joint ventures and associated undertakings | 36.9 | - |
| Profit on disposal of fixed assets | 4.5 | - |
| **Profit before net finance costs** | **490.8** | **78.3** |
| Finance income | 47.6 | 1.3 |
| Finance costs before exceptional items | (54.9) | (21.8) |
| Exceptional finance costs | (68.9) | - |
| Total finance costs | (123.8) | (21.8) |
| **Profit before tax** | **414.6** | **57.8** |
| Tax charge | (99.0) | (18.8) |
| **Profit for the period** | **315.6** | **39.0** |
| | | |
| **Profit/(loss) attributable to:** | | |
| - Owners of the parent | 306.5 | 39.1 |
| - Non-controlling interest | 9.1 | (0.1) |
| | **315.6** | **39.0** |

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

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

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| **Profit for the period** | **315.6** | **39.0** |
| **Other comprehensive income/(expense):** | | |
| *Items that will not be reclassified to profit or loss:* | | |
| Remeasurement of post-employment benefit obligations net of tax | 35.8 | 6.9 |
| *Items that may subsequently be recycled to profit and loss:* | | |
| Foreign exchange translation differences of subsidiaries | 107.9 | (6.1) |
| **Other comprehensive income for the period net of tax** | **143.7** | **0.8** |
| **Total comprehensive income for the period** | **459.3** | **39.8** |
| **Total comprehensive income/(expense) attributable to:** | | |
| - Owners of the parent | 447.4 | 40.5 |
| - Non-controlling interest | 11.9 | (0.7) |
| **Total comprehensive income for the period** | **459.3** | **39.8** |

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

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

| | March 31, 2021 | December 31, 2020 |
|---|---|---|
| | *(€ in millions)* | |
| **Non-current assets** | | |
| Property, plant and equipment | 4,676.5 | 4,533.2 |
| Intangible assets | 2,324.4 | 2,279.7 |
| Investments in equity-accounted investees | 1,233.0 | 1,163.3 |
| Other investments | 17.9 | 17.3 |
| Other financial assets | 2.0 | 2.0 |
| Other receivables | 50.7 | 62.0 |
| Employee benefits | 34.8 | 33.0 |
| Deferred tax assets | 171.4 | 207.4 |
| **Total non-current assets** | **8,510.7** | **8,297.9** |
| **Current assets** | | |
| Inventories | 999.4 | 908.4 |
| Trade and other receivables | 1,903.8 | 1,564.3 |
| Tax receivables for current tax | 29.1 | 35.8 |
| Other financial assets | 2.9 | - |
| Cash and cash equivalents | 695.8 | 805.6 |
| **Total current assets** | **3,631.0** | **3,314.1** |
| **Total assets** | **12,141.7** | **11,612.0** |
| **Equity** | | |
| Share capital | 0.3 | 0.3 |
| Share premium reserve | - | 6,620.4 |
| Merger reserve | (4,526.9) | (4,526.9) |
| Retained earnings | 6,655.5 | 603.5 |
| Other reserves | 115.5 | (25.4) |
| **Equity attributable to owners of the Company** | 2,244.4 | 2,671.9 |
| Non-controlling interest | 83.2 | 71.3 |
| **Total equity** | **2,327.6** | **2,743.2** |
| **Non-current liabilities** | | |
| Interest-bearing loans and borrowings | 6,453.6 | 2,829.7 |
| Lease liabilities | 222.1 | 234.4 |
| Trade and other payables | 136.0 | 130.5 |
| Employee benefits | 253.0 | 298.9 |
| Provisions | 96.7 | 94.5 |
| Deferred tax liabilities | 383.2 | 419.8 |
| **Total non-current liabilities** | **7,544.6** | **4,007.8** |
| **Current liabilities** | | |
| Interest-bearing loans and borrowings | 100.4 | 2,881.6 |
| Lease liabilities | 83.2 | 77.9 |
| Trade and other payables | 1,924.7 | 1,769.7 |
| Tax liabilities for current tax | 123.4 | 88.8 |
| Derivative financial instruments | 13.1 | 13.0 |
| Provisions | 24.7 | 30.0 |
| **Total current liabilities** | **2,269.5** | **4,861.0** |
| **Total liabilities** | **9,814.1** | **8,868.8** |
| **Total equity and liabilities** | **12,141.7** | **11,612.0** |

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

**INEOS QUATTRO HOLDINGS LIMITED (FORMERLY INEOS STYROLUTION HOLDING LIMITED)**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | Share capital | Share premium reserve | Merger reserve | Retained earnings | Other reserves | Equity attributable to owners of the Company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| | | | | | *(€ in millions)* | | | |
| **Balance at December 31, 2020** | 0.3 | 6,620.4 | (4,526.9) | 603.5 | (25.4) | 2,671.9 | 71.3 | 2,743.2 |
| Profit for the year | - | - | - | 306.5 | - | 306.5 | 9.1 | 315.6 |
| **Other comprehensive income:** | | | | | | | | |
| Remeasurement of post-employment benefit obligations, net of tax | - | - | - | - | 35.8 | 35.8 | - | 35.8 |
| Foreign exchange translation differences of subsidiaries | - | - | - | - | 105.1 | 105.1 | 2.8 | 107.9 |
| **Total other comprehensive income** | **-** | **-** | **-** | **-** | **140.9** | **140.9** | **2.8** | **143.7** |
| **Transactions with owners, recorded directly in equity:** | | | | | | | | |
| Reduction of share capital | - | **(6,620.4)** | - | 6,620.4 | - | - | - | - |
| Dividends | - | - | - | (874.9) | - | (874.9) | - | (874.9) |
| **Transactions with owners, recorded directly in equity** | **-** | **(6,620.4)** | **-** | **5,745.5** | **-** | **(874.9)** | **-** | **(874.9)** |
| **Balance at March 31, 2021** | **0.3** | **-** | **(4,526.9)** | **6,655.5** | **115.5** | **2,244.4** | **83.2** | **2,327.6** |

| | Share capital | Share premium reserve | Merger reserve | Retained earnings | Other reserves | Equity attributable to owners of the Company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| | | | | | *(€ in millions)* | | | |
| **Balance at December 31, 2019** | 0.3 | 2,389.7 | (1,281.2) | 769.3 | 95.6 | 1,973.7 | 16.1 | 1,989.8 |
| Profit for the year | - | - | - | 39.1 | - | 39.1 | (0.1) | 39.0 |
| **Other comprehensive income/(expense):** | | | | | | | | |
| Remeasurement of post-employment benefit obligations, net of tax | - | - | - | - | 6.9 | 6.9 | - | 6.9 |
| Foreign exchange translation differences of subsidiaries | - | - | - | - | (5.5) | (5.5) | (0.6) | (6.1) |
| **Total other comprehensive income/(expense)** | **-** | **-** | **-** | **-** | **1.4** | **1.4** | **(0.6)** | **0.8** |
| **Transactions with owners, recorded directly in equity:** | | | | | | | | |
| Dividends | - | - | - | (354.7) | - | (354.7) | - | (354.7) |
| **Transactions with owners, recorded directly in equity** | **-** | **-** | **-** | **(354.7)** | **-** | **(354.7)** | **-** | **(354.7)** |
| **Balance at March 31, 2020** | **0.3** | **2,389.7** | **(1,281.2)** | **453.7** | **97.0** | **1,659.5** | **15.4** | **1,674.9** |

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

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

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| **Cash flows from operating activities** | | |
| Profit for the period | 315.6 | 39.0 |
| **Adjustments for:** | | |
| Depreciation and impairment | 130.3 | 44.2 |
| Amortization | 30.1 | 15.6 |
| Net finance costs | 76.2 | 20.5 |
| Profit on disposal of property, plant and equipment | (4.5) | - |
| Share of profits of joint ventures and associated undertakings | (36.9) | - |
| Tax charge | 99.0 | 18.8 |
| Decrease in trade and other receivables | (300.3) | (49.9) |
| (Increase)/decrease in inventories | (66.9) | 12.2 |
| Increase/(decrease) in trade and other payables | 87.1 | (34.7) |
| (Decrease)/increase in provisions and employee benefits | (12.7) | 0.6 |
| Tax paid | (63.7) | (29.5) |
| **Net cash from operating activities** | **253.3** | **36.8** |
| **Cash flows from investing activities** | | |
| Interest and other finance income received | 1.1 | 0.8 |
| Proceeds from sale of investments | - | 0.1 |
| Proceeds from disposal of property, plant and equipment | 3.9 | - |
| Dividends received from joint ventures | 10.0 | - |
| Dividends received from other investments | 2.5 | - |
| Acquisition of intangible assets | (0.4) | - |
| Acquisition of property, plant and equipment | (140.3) | (61.9) |
| **Net cash used in investing activities** | **(123.2)** | **(61.0)** |
| **Cash flows from financing activities** | | |
| Proceeds from external borrowings | 4,832.5 | 619.8 |
| Repayment of external borrowings | (4,110.9) | (195.2) |
| Debt issue costs | (55.4) | (7.1) |
| Interest paid | (28.6) | (7.4) |
| Capital element of lease payments | (20.7) | (5.7) |
| Dividends paid attributable to the owners of the Company | (874.9) | (354.7) |
| **Net cash (used in)/from financing activities** | **(258.0)** | **49.7** |
| Net increase/(decrease) in cash and cash equivalents | (127.9) | 25.5 |
| Cash and cash equivalents at January 1 | 805.6 | 289.7 |
| Effect of exchange rate fluctuations on cash held | 18.1 | (2.9) |
| **Cash and cash equivalents at March 31** | **695.8** | **312.3** |

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

## 1. BASIS OF PREPARATION

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

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

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

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

These condensed consolidated financial statements are presented in euro. The functional currency of the Company and its subsidiaries is determined in line with IAS 21 and is consistent with the financial statements for the year ended December 31, 2020.

The significant judgements and key sources of estimation uncertainty applicable to the preparation of the condensed consolidated financial statements are the same as those described within the Group's audited financial statements for the year ended December 31, 2020. In each case, judgements have been applied consistently and estimates made using a consistent methodology, with inputs and assumptions updated to reflect the Group's latest forecasts and prevailing market conditions at the balance sheet date as appropriate.

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

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

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

Whilst there is uncertainty due to the COVID-19 crisis the Directors have undertaken a rigorous assessment of the potential impact of COVID-19 on demand for its products and services and the impact on margins for the next 12 months. In addition, the Directors have implemented a series of programmes to preserve cash including the review of timing of turnarounds, reductions in the levels of non-essential capital expenditure and reductions in non-essential fixed cost expenditure. On the basis of this assessment together with a strong balance sheet and access to liquidity, the Directors have concluded that it is appropriate to prepare these unaudited condensed consolidated financial statements on a going concern basis.

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

## 1. BASIS OF PREPARATION (continued)

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

The unaudited pro forma combined income statement for the three-month period ended March 31, 2020 has been prepared assuming the transactions occurred on January 1, 2020.

The following adjustments have been made in deriving the pro forma income statement for the three-month period ended March 31, 2020:

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

The pro forma combined income statement for the three month period ended March 31, 2021 is the same as the condensed combined consolidated income statements of INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) for the three-month period ended March 31, 2021.

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

## 2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective from January 1, 2021. In compliance with IAS 34, the Company has opted for a condensed scope of reporting in the condensed interim financial statements compared with the consolidated annual financial statements.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s audited consolidated annual report and accounts for the year ended December 31, 2020, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2021. The adoption of new standards, interpretations and amendments in the current year has not had a material impact. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at March 31, 2021.

## 3 SEGMENTAL INFORMATION

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

The Group divides its operations into four segments:

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

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

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| ***Revenue*** | | |
| Styrolution | 1,295.3 | 1,083.9 |
| INOVYN | 865.6 | - |
| Acetyls | 223.9 | - |
| Aromatics | 740.7 | - |
| Eliminations | (17.6) | - |
| | **3,107.9** | **1,083.9** |
| ***EBITDA before exceptionals*** | | |
| Styrolution | 316.4 | 138.1 |
| INOVYN | 206.7 | - |
| Acetyls | 57.7 | - |
| Aromatics | 65.9 | - |
| **EBITDA before exceptionals** | **646.7** | **138.1** |

EBITDA before exceptionals for the three-month period ended March 31, 2021 is stated having taken into account fair value adjustments in relation to the BP acquired businesses of €(23.6) million. Of this adjustment, €(7.9) million relates to additional depreciation and amortisation charges that arise as a result of the fair value of the assets in investments in joint ventures being uplifted. There will be similar, ongoing additional charges for subsequent quarters, but it should be noted that these additional charges do not impact the ability of the joint ventures to distribute dividends to shareholders. In addition, there are other adjustments of €(15.7) million, most of which relates to an uplift in the acquired value of finished goods inventory, that have the effect of reducing the reported EBITDA in Quarter 1, 2021. This adjustment is non-recurring in nature and will not impact future results.

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

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| EBITDA before exceptionals | 646.7 | 138.1 |
| Depreciation and amortisation | (160.4) | (59.8) |
| Share of profit of joint ventures and associated undertakings | (36.9) | - |
| | **449.4** | **78.3** |

## 3 SEGMENTAL 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.

## 4. NET FINANCE COSTS

| | Three-Month Period Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| **Finance income** | | |
| Interest on bank and other short term deposits | 0.4 | - |
| Interest receivable from associated undertakings | 0.5 | - |
| Net fair value gain on derivatives | 2.6 | - |
| Exchange movements | 43.7 | - |
| Other finance income | 0.4 | 1.3 |
| **Total finance income** | **47.6** | **1.3** |
| **Finance costs excluding exceptional items** | | |
| Interest payable on Term Loans | (24.8) | (7.9) |
| Interest payable on Bridge Facilities | (8.3) | - |
| Interest payable on Senior Secured Notes and Senior Notes | (12.6) | - |
| Interest payable on securitization facility | (0.9) | - |
| Interest payable on the revolving credit facility | (0.6) | - |
| Interest payable to related parties | (0.4) | - |
| Amortization of debt issue costs | (2.7) | (1.5) |
| Interest payable on leases | (2.7) | (1.8) |
| Net fair value loss on derivatives | - | (7.0) |
| Exchange movements | - | (3.2) |
| Other finance charges | (1.3) | - |
| Interest on employee benefits | (0.6) | (0.4) |
| **Total finance costs excluding exceptional items** | **(54.9)** | **(21.8)** |
| **Exceptional finance costs** | | |
| Debt issue costs | (52.6) | - |
| Related party finance charge | (16.3) | - |
| **Total exceptional finance income** | **(68.9)** | **-** |
| **Total finance costs** | **(123.8)** | **(21.8)** |
| **Net finance costs** | **(76.2)** | **(20.5)** |

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

***Exceptional finance costs***

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

## 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. The effective tax rate of approximately 23.9% for the three-months of 2021 (2020: 32.5%) reflects the anticipated tax rate for the Group for the full year.

## 6. PROPERTY, PLANT AND EQUIPMENT

In the three-month period ended March 31, 2021, the Group acquired €140.3 million (three-month period ended March 31, 2020: €61.9 million) of property, plant and equipment.

In the Styrolution business, investments in property, plant and equipment in the first quarter of 2021 mainly included the new ASA Specialties plant in Houston, investments in China and the conversion of a Polystyrene line to a mass ABS line in France. In INOVYN, the largest investments were the SPVC plant in Jemeppe, Belgium, the capacity of which has been increased by 200 kilo tonnes, and a brine borehole drilling programme at Northwich, U.K. Other investments included a new office complex at Runcorn, United Kingdom. In both the Aromatics and Acetyls businesses, capital expenditure was mainly on sustenance and safety compliance work.

Investments in property, plant and equipment in the first quarter of 2020 mainly related to the new ASA Specialties plant in Houston.

## 7. INVENTORIES

| | **March 31, 2021** | **December 31, 2020** |
|---|---|---|
| | *(€ in millions)* | |
| Raw materials and consumables | 446.0 | 380.6 |
| Work in progress | 115.4 | 124.5 |
| Finished products | 438.0 | 403.3 |
| | **999.4** | **908.4** |

## 8. INTEREST BEARING LOANS AND BORROWINGS

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

| | March 31, 2021 | December 31, 2020 |
|---|---|---|
| | *(€ in millions)* | |
| **Non-current liabilities** | | |
| Senior Secured Notes | 1,226.4 | - |
| Senior Notes | 500.0 | - |
| Term Loan B Facilities | 3,192.7 | - |
| Three-Year Term Loan A Facilities | 149.6 | 175.3 |
| Five-Year Term Loan A Facilities | 179.1 | 350.7 |
| Styrolution Term Loan B facilities | 619.0 | 611.6 |
| Styrolution Senior Secured Notes | 600.0 | 600.0 |
| INOVYN Senior Secured Term Loan B Facility | - | 1,064.3 |
| Securitisation facilities | - | - |
| Loan from related party | 38.5 | 38.0 |
| Other loans | 4.6 | 8.7 |
| **Gross borrowings** | **6,509.9** | **2,848.6** |
| Less: unamortised finance costs | (56.3) | (18.9) |
| **Net borrowings** | **6,453.6** | **2,829.7** |
| **Current liabilities** | | |
| Bridge Facilities | - | 2,861.9 |
| Styrolution Dollar Term Loan B facilities | 1.7 | 1.6 |
| Three-Year Term Loan A Facilities | 89.8 | 58.5 |
| Term Loan B Facilities | 12.8 | - |
| External bank loan | 8.7 | 8.4 |
| Securitisation facilities | - | - |
| **Gross borrowings** | **113.0** | **2,930.4** |
| Less: unamortised finance costs | (12.6) | (48.8) |
| **Net borrowings** | **100.4** | **2,881.6** |

| **Gross debt and issue costs** | March 31, 2021 | | |
|---|---|---|---|
| | Gross loans and borrowings | Issue costs | Net loans and borrowings |
| | | *(€ in millions)* | |
| Senior Secured Notes | 1,226.4 | (14.0) | 1,212.4 |
| Senior Notes | 500.0 | (5.8) | 494.2 |
| Term Loan B Facilities | 3,205.5 | (34.5) | 3,171.0 |
| Three-Year Term Loan A Facilities | 239.4 | (4.0) | 235.4 |
| Five-Year Term Loan A Facilities | 179.1 | (2.0) | 177.1 |
| Styrolution Term Loan B facilities | 620.7 | (4.4) | 616.3 |
| Styrolution Senior Secured Notes | 600.0 | (4.2) | 595.8 |
| Securitisation facilities | - | - | - |
| Loan from related party | 38.5 | - | 38.5 |
| Other loans | 13.3 | - | 13.3 |
| | **6,622.9** | **(68.9)** | **6,554.0** |

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

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

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

***Summary***

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

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

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

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

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

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

***Summary (continued)***

The Group also received \$1,000.0 million contribution by the Company's immediate parent undertaking (the "Equity Bridge Contribution"). The proceeds of the Bridge Facility, the Term Loan A Facilities and the Equity Bridge Contribution were used to (i) pay the purchase price consideration for the BP Acquisition and certain fees and expenses and (ii) repay the amounts outstanding under the Deposit Facility. The Revolving Credit Facility of \$300.0 million remained undrawn as at March 31, 2021.

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

***Senior Secured Notes***

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

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

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

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

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

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

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

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

***Senior Secured Notes (continued)***

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

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

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

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

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

***Senior Notes***

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

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

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

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

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

***Senior Notes (continued)***

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

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

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

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

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

***Bridge Facility***

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

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

The Bridge Facility bore interest on drawn amounts and was calculated as follows: EURIBOR (for the Euro portion) and LIBOR (for the US dollar portion) plus a margin of 3.25% for the period 1 to 90 days after closing of the Bridge

Credit Agreement, margin of 3.50% for the period 91 to 180 days after closing and 3.75% for 181 to 270 days after closing.

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

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

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

The Term Loan and Revolving Credit Facility Agreement provides:

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

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

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

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

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

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

As at March 31, 2021, $140.0 million was drawn under the Three-Year Dollar Term Loan A Facility (€119.4 million equivalent); $210.0 million was drawn under the Five Year Dollar Term Loan A Facility (€179.1 million equivalent); €120.0 million was drawn under the Three-Year Euro Term Loan A Facility; $2,000.0 million was drawn under the Dollar Term Loan B Facility (€1,705.5 million equivalent); and €1,500.0 million was drawn under the Euro Term Loan B Facility. As at March 31, 2020, the Revolving Credit Facility was undrawn. The €180.0 million outstanding principal amount of the Five-Year Euro Term Loan A Facility was repaid on January 29, 2021.

*Interest*

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

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

There is also a commitment fee payable on the daily unused amount of the commitments under the Revolving Credit Facility.

*Security and Guarantees*

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

*Covenants*

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

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

*Repayment*

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

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

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

Any drawings under the Revolving Credit Facility are payable, subject to certain exceptions, on July 31, 2023.

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

***Styrolution Term Loan B facilities***

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

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

The new Term Loan B Facilities Agreement provides terms loans to INEOS Styrolution US Holding LLC denominated in dollars (the "Styrolution Dollar Term Loan B") and to INEOS Styrolution Group GmbH denominated in euros (the "Styrolution Euro Term Loan B") in aggregate principal amount of $202.3 million and €450.0 million, respectively. The Term Loans were made in a single drawing on January 31, 2020. As at March 31, 2021, €450.0 million remained drawn under the new Styrolution Euro Term Loan B and $200.3 million (€170.7 million equivalent) remained drawn under the new Styrolution Dollar Term Loan B.

*Interest*

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

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

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

*Security and guarantees*

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

*Covenants*

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

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

*Repayment*

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

***Styrolution Senior Secured Notes***

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

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

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

***Styrolution Senior Secured Notes (continued)***

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

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

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

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

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

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

***INOVYN Senior Secured Term Loan B facility***

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

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

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

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

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

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

## 8. INTEREST BEARING LOANS AND BORROWINGS (continued)

***Securitisation facilities***

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

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

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

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

***Other facilities***

The Group acquired an external bank loan with the acquisition of the Aromatics business of €17.2 million. This is a loan between INEOS Zhuhai Chemical Company Ltd (formerly BP Zhuhai Chemical Company Ltd) and the Bank of China Zhuhai branch. Repayments are made every six months, with the final repayment due on August 27, 2022. The loan bears interest at Chinese LPR +0.25%. The loan is secured by the minority shareholders, Zhuhai Port Co. Ltd. As at March 31, 2021, this external bank loan was €13.0 million.

The Group has several short-term credit facilities with different local banks to fund working capital requirements up to a total aggregate amount of €407.9 million equivalent as of 31 March 2021, in China, India, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of 31 March 2021, the drawn amount under working capital facilities amounted to €12.6 million equivalent, and there was €395.3 million equivalent available under such facilities.

The Group also has letter of credit facilities in China, India, Mexico, Singapore, South Korea, Thailand, and United Kingdom. As of 31 March 2021, the drawn amount under all letter of credit facilities was €11.2 million equivalent. The letters of credit are generally secured by current assets. The facilities also provide for a limited number of other financial services, such as bank guarantees and FX hedging lines. The facilities, which are at an agreed margin or the state bank advance rate, contain customary covenants and representations as well as termination events.

## 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 and Level 3 contains foreign currency derivatives and commodity derivatives.

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

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

| | | Level | | | | Level | | |
|---|---|---|---|---|---|---|---|---|
| | **Fair value** | **1** | **2** | **3** | **Fair value** | **1** | **2** | **3** |
| | **March 31, 2021** | | | | **December 31, 2020** | | | |
| | *(€ in millions)* | | | | | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | | | |
| Derivative commodity contracts . | 2.9 | - | 2.9 | - | - | - | - | - |
| **Financial liabilities held for trading at fair value through profit and loss:** | | | | | | | | |
| Derivative commodity contracts . | (13.1) | - | (13.1) | - | (13.0) | - | (11.5) | (1.5) |
| **Total financial assets and liabilities held at fair value .......** | **(10.2)** | **-** | **(10.2)** | **-** | **(13.0** | **-** | **(11.5)** | **(1.5)** |

The commodity derivatives are fair valued using rates in a quoted market. There have been no transfers between levels during the three-month period ended March 31, 2021 (2020: no transfers between levels).

### *Credit risk*

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

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

### *Liquidity risk*

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

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

## 9. FINANCIAL INSTRUMENTS (continued)

***Liquidity risk (continued)***

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

***Currency risk***

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

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

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

## 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 Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited);
- Key management personnel;
- Jointly controlled entities and associated undertakings held by INEOS Limited (and their subsidiaries); and
- Jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) group.

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

## 11. RELATED PARTIES (continued)

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

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

| | Three-month period ended March 31, 2021 | | Three-month period ended March 31, 2020 | |
|---|---|---|---|---|
| | Transaction value | Balance outstanding | Transaction value | Balance outstanding |
| | (€ in millions) | | | |
| Sale of products | 46.8 | - | 19.3 | - |
| Purchase of raw materials | 246.9 | - | 82.4 | - |
| Cost recoveries | 34.7 | - | 19.3 | - |
| Services received | 21.8 | - | 12.1 | - |
| Trade and other receivables | - | 57.7 | - | 13.2 |
| Trade and other payables | - | (156.1) | - | (50.9) |
| Interest-bearing loans and borrowings | - | (38.5) | - | - |

Included within services above is a management fee paid to INEOS Limited of €13.9 million (March 31, 2020: €2.8 million). No amounts remained outstanding at the period-end (March 31, 2020: €nil).

In general, all outstanding balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to INEOS companies as at March 31, 2021 (March 31, 2020: €nil).

*Entities controlled by the shareholders of INEOS Limited*

The shareholders of INEOS Limited own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the three-month period ended March 31, 2021, the Group made no sales or purchases with these companies (March 31, 2020: €nil). As at March 31, 2021, amounts owed by Screencondor Limited were €1.2 million (March 31, 2020: €nil).

*Jointly controlled entities and associated undertakings held within the INEOS Limited group and jointly controlled entities and associated undertakings held within the INEOS Quattro Holdings Limited (formerly INEOS Styrolution Holding Limited) group.*

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

| | Three-month period ended March 31, 2021 | | Three-month period ended March 31, 2020 | |
|---|---|---|---|---|
| | Transaction value | Balance outstanding | Transaction value | Balance outstanding |
| | (€ in millions) | | | |
| Sale of products | 18.5 | - | - | - |
| Purchase of raw materials | 24.4 | - | - | - |
| Services received | 30.8 | - | - | - |
| Trade and other receivables | - | 20.3 | - | - |
| Loans receivable | - | 20.0 | - | - |
| Trade and other payables | - | (62.3) | - | - |

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to INEOS companies as at March 31, 2021 (March 31, 2020: €nil).

## 12. SUBSEQUENT EVENTS

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

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

## 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:

- Our high degree of leverage and significant debt service obligations as well as future cash flow and earnings;
- 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;
- 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;
- Our ability to retain existing customers and obtain new customers;
- Our ability to develop new products and technologies successfully;
- The cyclical and highly competitive nature of our businesses;
- Risks related to environmental costs, liabilities or claims; and
- Currency fluctuations.

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

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

## Overview

### *Combined Business*

We are a leading global petrochemicals producer, marketer and merchant. Our business operates approximately 49 manufacturing sites in 19 countries in the Americas, Europe and Asia. We have a strong global footprint and leading market positions with respect to our key products. Our business benefits from cost advantages as a result of operating large scale, highly integrated facilities strategically located near major transportation routes and customer locations.

## Results of Operations

### *Consolidated*

The following table sets forth, for the periods indicated, our revenue and expenses and such amounts as a percentage of revenue on a pro forma combined basis as described in the Basis of Preparation.

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| | **Three-Month Period Ended March 31,** | | | |
|---|---|---|---|---|
| | **2021** | | **Pro forma 2020** | |
| | *(€ in millions)* | *%* | *(€ in millions)* | *%* |
| **Revenue** | **3,107.9** | **100.0** | **2,882.9** | **100.0** |
| Cost of sales | (2,361.0) | 76.0 | (2,466.7) | (85.6) |
| **Gross profit** | **746.9** | **24.0** | **416.2** | **14.4** |
| Distribution costs | (188.2) | (6.0) | (212.4) | (7.4) |
| Administrative expenses | (109.3) | (3.5) | (76.5) | (2.6) |
| **Operating profit** | **449.4** | **14.5** | **127.3** | **4.4** |
| Share of profit of joint ventures and associated undertakings | 36.9 | 1.2 | 9.1 | 0.3 |
| Profit/(loss) on disposal of fixed assets | 4.5 | 0.1 | (0.2) | - |
| **Profit before net finance costs** | **490.8** | **15.8** | **136.2** | **4.7** |
| Net finance costs | (7.3) | (0.2) | (42.4) | (1.5) |
| Exceptional finance costs | (68.9) | (2.2) | (16.7) | (0.6) |
| **Profit before tax** | **414.6** | **13.4** | **77.1** | **2.7** |
| Tax charge | (99.0) | (3.2) | (29.1) | (1.0) |
| **Profit for the period** | **315.6** | **10.2** | **48.0** | **1.7** |

***Three-month period ended March 31, 2021, compared with three-month period ended March 31, 2020***

***Consolidated***

*Revenue.* Revenue increased by €225.0 million, or 7.8%, to €3,107.9 million in the three month period ended March 31, 2021 from €2,882.9 million in the three month period ended March 31, 2020. Revenue increased, generally due to high demand and also higher raw material price across the businesses, reflected in higher sales prices.

In the Styrolution business, revenue increased due to higher volumes and higher feedstock input prices, particularly benzene and styrene monomer, partly reflected in higher sale prices. Polymer sales volumes were higher in the three month period ended March 31, 2021 as a result of high demand for durable products, mainly in the Household, Construction and Electronic industries with greater consumer demand for household appliances in this time. This strong downstream demand created top of cycle trading conditions in several elements of the business. Automotive industry demand also recovered to pre-COVID levels in this time. Styrene sales volumes declined however, as a result of Storm Uri in Texas which led to outages at both the Bayport and Texas City plants that lasted several weeks. The resultant lack of styrene lead to prices rising in this period.

The INOVYN business also saw higher revenue in the three-month period ended March 31, 2021 as compared with the three month period ended March 31, 2020. In this period, whilst general PVC sales volumes remained at comparable levels, a short market led to significantly higher contract prices globally, with prices in some export markets reaching record highs. Global demand for specialty PVC remained very strong with higher volumes and prices achieved compared to the comparative period. In contrast, caustic soda markets continued to be long with prices in the three month period ended March 31, 2021 reaching their lowest levels since the formation of INOVYN, although volumes sold were at similar levels to the comparative period.

Acetyls revenues were higher in the three-month period ended March 31, 2021. This was mainly due to sales price increases in Europe and the USA driven by strong demand and tight supply due to unplanned outages. Derivative off-take was strong globally, especially into VAM in all regions and the USA peracetic acid market, whilst PTA was steady. This was offset by lower acetic acid sales volume due to a planned 10-day outage in the Hull plant and on-going carbon monoxide supply issues in the USA, caused by Storm Uri in Texas.

The Aromatics business saw reduced revenues in the three-month period ended March 31, 2021. This period saw a rising pricing environment as oil price rose throughout the period, compared to the three month period ended March 31, 2020 where prices fell sharply in March due to the COVID outbreak. However, overall revenue per ton of sales was lower in Aromatics reflecting an overall lower price environment for Aromatics products in the period. Volumes were impacted by Storm Uri which resulted in a plant shutdown at the Texas City PX production facility as well as an unplanned shutdown at the Geel PTA production facilities.

*Cost of sales..* Cost of sales decreased by €105.7 million, or 4.3%, to €2,361.0 million in the three month period ended March 31, 2021 from €2,466.7 million in the three month period ended March 31, 2020. Cost of sales decreased partly due to lower volumes in the Aromatics business which experienced several unplanned shutdowns in the period. Additionally, there have been some presentational changes with some expenses in the acquired Aromatics and Acetyls businesses now being classified differently for the three-month period ended March 31, 2021, as compared with how they were classified for the three-month period ended March 31, 2020 under the previous ownership. These reclassifications have led to fewer expenses being presented in cost of sales.

*Gross profit.* Gross profit increased by €330.7 million, or 79.5%, to €746.9 million in the three month period ended March 31, 2021, from €416.2 million in the three month period ended March 31, 2020. This was mainly driven by a surge in demand as countries emerged from COVID lockdowns.

In the Styrolution business there were increases in gross profit across both Polymer and Styrene products. The gross profit increase in Polymers was mainly due to higher sales volumes and top of cycle trading conditions for durable products in all regions, especially in Asia. Strong demand in Asia reduced the export of polymer products into the Americas and EMEA, which allowed these regions to improve margins due to lower arbitrage. The Styrene margins in the three month period ended March 31, 2021 were soft due to competitor capacity increases in China in early 2020. Gross profit improved because of an inventory holding gain of €67.5 million in the three month period ended March 31, 2021 as compared to an inventory holding loss of €25.0 million in the comparative period in 2020. Feedstock prices sharply increased due to availability issues caused by Storm Uri. Market margins improved during the quarter due to these availability issues. These positive effects were partly offset by lower sales volumes because of outages of the Bayport and Texas City sites.

In INOVYN, gross profit also rose in the three month period ended March 31, 2021 compared with the three month period ended March 31, 2020. The increase was mainly the result of an extremely tight global market for general purpose PVC which pushed margins to new record levels. Global demand for specialty PVC was also very strong with healthy margins and volumes achieved.

The Acetyls business saw higher gross profit in the three month period ended March 31, 2021 due to strong pricing and margin performance as a result of high demand and low supply across all regions and product lines. This was largely as a result of the outages caused by Storm Uri in Texas which led to almost all USA acetic acid production shutting down, and also several unplanned plant outages in the industry in China. The resultant global lack of supply led to higher margins, with Europe seeing margin increases due to fewer imports from Asia and the USA. This was partly offset by lower acetic acid sales as a result of a planned outage at the Hull plant.

The Aromatics business also experienced higher gross profit in the three month period ended March 31, 2021 when compared with the three month period ended March 31, 2020. However, this was caused by an inventory holding gain of €53.8 million in the three month period ended March 31, 2021 as compared with an inventory holding loss of €87.2 million in the comparative period, as a result of rapidly rising raw material input prices, driven by the oil price movement. The underlying business performance saw a reduction in gross profit as a result of lower margins, especially in China where an oversupply of PTA and high input prices have led to bottom of cycle margins. Additionally the outages caused by Storm Uri in Texas and an unplanned outage in Geel also negatively affected performance in the period.

*Distribution costs.* Distribution costs decreased by €24.2 million, or 11.4%, to €188.2 million in the three month period ended March 31, 2021, from €212.4 million in the three month period ended March 31, 2020. This was due to lower volumes in the Aromatics business and, whilst the other businesses saw a rise in volumes, they also saw reduced distribution costs due to a product and destination mix effect.

*Administrative expenses.* Administrative expenses increased by €32.8 million, or 42.9%, to €109.3 million in the three month period ended March 31, 2021 from €76.5 million in the three month period ended March 31, 2020. This is generally because, as noted above, there have been some presentational changes with some expenses in the acquired Aromatics and Acetyls businesses now being classified differently for the three month period ended March 31, 2021, as compared with how these were classified for the three month period ended March 31, 2020 under the previous ownership. These reclassifications have led to more expenses being presented in administrative expenses before exceptional items.

*Operating profit.* Operating profit increased by €322.1 million, or 253.0% to €449.4 million in the three month period ended March 31, 2021 from €127.3 million in the three month period ended March 31, 2020.

*Share of profit of joint ventures and associated undertakings.* Share of profit of joint ventures and associated undertakings increased by €27.8 million, or 305.5% to €36.9 million in the three month period ended March 31, 2021 from €9.1 million in the three month period ended March 31, 2020. This was driven mainly by higher earnings at the Acetyls Asia joint ventures with exceptionally high acetic acid margins as demand was strong and supply was tight due to unplanned shutdowns by our competitors in the region. This was partly offset by lower sales volume from Acetyls Asia joint ventures due to unplanned shutdowns and constrained natural gas supply to joint venture plants. The Atlas Methanol Company Limited joint venture had strong volume growth and margin in the same period, as methanol pricing was stable and the joint venture plant was run at full rates with full gas allocation.

*Profit/(loss) on disposal of property, plant and equipment.* Profit on the disposal of property, plant and equipment was €4.5 million for the three month period ended March 31, 2021, as compared to a loss of €0.2 million for the same period in 2020.

*Profit before net finance costs.* Profit before net finance costs increased by €354.6 million, or 260.4%, to €490.8 million for the three month period ended March 31, 2021, as compared to €136.2 million for the same period in 2020.

*Net finance costs before exceptionals.* Net finance costs before exceptionals decreased by €35.1 million, or 82.8%, to €7.3 million in the three month period ended March 31, 2021 from €42.4 million in the three month period ended March 31, 2020. The main reason for this decrease was the higher levels of net foreign exchange gains of €43.7 million in the three month period ended March 31, 2021, predominantly due to translation effects from intercompany loans, including financing between consolidated subsidiaries. This was partly offset by the additional notes and term loans taken on in January 2021 as financing for the BP acquisition as well as the repricing and €250.0 million upsizing of the INOVYN Senior Secured Term Loan B in March 2020 which resulted in higher interest charges in the three month period ended March 31, 2021 compared to the three month period ended March 31, 2020.

*Exceptional finance costs.* Exceptional finance costs were €68.9 million in the three month period ended March 31, 2021 as compared to €16.7 million in the three month period ended March 31, 2020. Following the refinancing on January 29, 2021 unamortized debt issue costs of €52.6 million were written-off following the repayment of the Euro Bridge Facility, the Dollar Bridge facility, the Five-Year Euro Term Loan A Facility and the INOVYN Senior Secured Term Loan B Facility. In addition, there was a finance charge of €16.3 million from a related party in respect of funding provided for the BP acquisition. In the three month period ended March 31, 2020, the exceptional costs occurred following the repricing and upsizing of the INOVYN Senior Secured Term Loan B on March 9, 2020, which resulted in unamortized debt issue costs totalling €16.7 million being written-off.

*Profit before tax.* Profit before income tax increased by € 337.5 million, or 437.7%, to €414.6 million in the three month period ended March 31, 2021 from €77.1 million in the three month period ended March 31, 2020.

*Tax charge.* Tax charge increased by €69.9 million, or 240.2%, to a charge of €99.0 million in the three month period ended March 31, 2021 from a charge of €29.1 million in the three month period ended March 31, 2020. The higher tax charge was primarily due to the increased profitability of the Group for the three month period ended March 31, 2021 as compared to the same period in 2020.

*Profit for the period.* Profit for the period increased by €267.6 million, or 557.5%, to €315.6 million in the three month period ended March 31, 2021 from €48.0 million in the three month period ended March 31, 2020.

***Business segments***

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

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

| | Three-month Period Ended March 31, | |
|---|---|---|
| | **2021** | **Pro forma 2020** |
| | *(€ in millions)* | |
| *Revenue* | | |
| Styrolution | 1,295.3 | 1,083.9 |
| INOVYN | 865.6 | 770.4 |
| Acetyls | 223.9 | 217.1 |
| Aromatics | 740.7 | 817.1 |
| Eliminations | (17.6) | (5.6) |
| | **3,107.9** | **2,882.9** |
| *EBITDA before exceptionals* | | |
| Styrolution | 316.4 | 138.1 |
| INOVYN | 206.7 | 146.7 |
| Acetyls | 57.7 | 31.7 |
| Aromatics | 65.9 | (33.0) |
| | **646.7** | **283.5** |

***Styrolution***

***Revenue.*** Revenue in the Styrolution segment increased by €211.4 million, or 19.5%, to €1,295.3 million in the three month period ended March 31, 2021, as compared to €1,083.9 million for the same period in 2020. Revenue increased due to higher volumes and higher feedstock input prices, particularly benzene and styrene monomer, partly reflected in higher sale prices. Polymer sales volumes were higher in the three month period ended March 31, 2021 as a result of high demand for durable products, mainly in the Household, Construction and Electronic industries with greater consumer demand for household appliances in this time. This strong downstream demand created top of cycle trading conditions in several elements of the business. Automotive industry demand also recovered to pre-COVID levels in this time. Styrene sales volumes declined however, as a result of Storm Uri in Texas which led to outages at both the Bayport and Texas City plants that lasted several weeks. The resultant lack of styrene lead to prices rising in this period.

***EBITDA before exceptionals.*** EBITDA before exceptionals in the Styrolution segment increased by €178.3 million, or 129.1%, to €316.4 million in the three month period ended March 31, 2021 as compared to €138.1 million in the same period in 2020. Business profitability in the three month period ended March 31, 2021 was a record quarterly result. The increase was mainly due to top of cycle trading conditions in durable goods, the Asian region and the Electronics and Household industry. This increase was supported by a strong inventory holding gain of €67.5 million in the three month period ended March 31, 2021 due to feedstock availability issues in the petrochemical industry as compared to inventory holding losses of €25.0 million in the same period in 2020. The positive effects were offset by Storm Uri that curtailed production output and sales out of the Texas plants.

***INOVYN***

***Revenue.*** Revenue in the INOVYN segment increased by €95.2 million, or 12.4%, to €865.6 million in the three month period ended March 31, 2021, as compared to €770.4 million for the same period in 2020. In this period, whilst general PVC sales volumes remained at comparable levels, a short market led to significantly higher contract prices globally, with prices in some export markets reaching record highs. Global demand for specialty PVC remained very strong with higher volumes and prices achieved compared to the comparative period. In contrast, caustic soda markets continued to be long with prices in the three month period ended March 31, 2021 reaching their lowest levels since the formation of INOVYN, although volumes sold were at similar levels to the comparative period.

***EBITDA before exceptionals.*** EBITDA before exceptionals in the INOVYN segment increased by €60.0 million, or 40.9%, to €206.7 million in the three month period ended March 31, 2021 as compared to €146.7 million in the same period in 2020. Business profitability in the three month period ended March 31, 2021, was the highest quarterly performance since the formation of INOVYN on 1 July 2015 as a consequence of the extremely tight global market for general purpose PVC which pushed spreads over ethylene to record levels. Global demand for specialty PVC was also strong with heathy margins and volumes achieved. The business also benefitted from inventory holding gains as product made with cheaper ethylene in the fourth quarter of 2020 was sold in the first quarter of 2021. These positive factors were partially offset by lower pricing of caustic soda and higher energy costs.

### *Acetyls*

***Revenue***. Revenue in the Acetyls segment increased by €6.8 million, or 3.1%, to €223.9 million in the three month period ended March 31, 2021, as compared to €217.1 million for the same period in 2020. Revenue was higher in the three month period ended March 31, 2021 mainly due to sales price increase in Europe and the USA driven by strong demand and tight supply due to unplanned outages. Derivative off-take was strong globally, especially into VAM in all regions and the USA peracetic acid market, whilst PTA was steady. This was offset by lower acetic acid sales volume due to a planned 10-day outage in the Hull plant and on-going carbon monoxide supply issues in the USA, caused by Storm Uri in Texas.

***EBITDA before exceptionals.*** EBITDA before exceptionals in the Acetyls segment increased by €26.0 million, or 82.0%, to €57.7 million in the three month period ended March 31, 2021 as compared to €31.7 million in the same period in 2020. Business profitability in the three month period ended March 31, 2021 was mainly driven by robust demand in all regions and tight supply in the market. The almost total shutdown of industry production in the USA as a result of Storm Uri was a significant factor in the lack of supply. Derivative off-take was strong globally and especially into VAM. Acetic acid pricing and margins trended up in all regions and were particularly strong in Asia, which was driving the strong business performance, as a result of several unplanned plant outages in the industry in China .

### *Aromatics*

***Revenue***. Revenue in the Aromatics segment decreased by €76.4 million, or 9.4%, to €740.7 million in the three month period ended March 31, 2021, as compared to €817.1 million for the same period in 2020. The three month period ended March 31, 2021 saw a rising pricing environment as oil price rose throughout the period, compared to the three month period ended March 31, 2020 where prices fell sharply in March due to the COVID outbreak. However, overall revenue per ton of sales was lower in Aromatics reflecting an overall lower price environment for Aromatics products in the period. Volumes were impacted by Storm Uri which resulted in a plant shutdown at the Texas City PX production facility as well as an unplanned shutdown at the Geel PTA production facilities.

***EBITDA before exceptionals.*** EBITDA before exceptionals in the Aromatics segment increased by €98.9 million, to a profit of €65.9 million in the three month period ended March 31, 2021 as compared to a loss of €(33.0) million in the same period in 2020. EBITDA before exceptionals benefitted from a large inventory holding gain of €53.8 million in the three month period ending March 31, 2021 as prices rose sharply driven by the rising oil price as compared to inventory holding losses of €87.2 million in three month period ending March 31, 2020 as prices fell in response to the COVID outbreak. Underlying business profitability fell, as a result of a lower margin environment, especially in Asian markets where an oversupply of PTA and high input prices in China have led to bottom of cycle margins. The impact of Storm Uri in Texas and an unplanned outage in Geel also negatively affected the business in the quarter.

## Liquidity and Capital Resources

### *Capital Resources*

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

Our primary sources of liquidity are cash flows from operations of subsidiaries; borrowings under our Credit Facility, the Securitization Programs and issuances of debt securities, including the 2027 Senior Secured Notes and a $300.0 million Revolving Credit Facility. As of March 31, 2021, our Securitizations Programs and Revolving Credit Facility remained undrawn. Our ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

We believe that our operating cash flows, together with the cash resources and borrowings program under the Securitization Programs and other facilities that we are able to sufficiently fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case. Management estimates that, even in a downturn in the business cycle and weaker market conditions, we would have sufficient liquidity to meet our anticipated liabilities when due without incurring unacceptable losses or risking damage to our reputation.

Our working capital requirements depend on market price developments of our key feedstock, market demand and planned maintenance. We anticipate that our working capital requirements will vary due to changes in raw material, which affect inventory, accounts receivable and accounts payable levels as well as sales volumes. Working capital levels typically develop in line with raw material prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under the Securitization Programs.

### *Financing Arrangements*

As of March 31, 2021, the Group’s financing arrangements included €800.0 million and $500.0 million Senior Secured Notes due 2026, €500.0 million Senior Notes, €1,500.0 million and $2,000.0 million Term Loan B facilities, $140.0 million Three-Year Term Loan A Facility, $210.0 million and €120.0 million Five-Year Term Loan A Facilities. There was also €600.0 million Senior Secured Notes due 2027 and Term Loan B Facilities of €450.0 million and $200.3 million within the Styrolution business. Our financing arrangements also include Securitization Programs, which as at March 31, 2021 had a total capacity of €690.0 million, none of which was drawn. The programmes are subject to certain borrowing limits that are adjusted periodically based on the amount of eligible trade receivables available at the time of adjustment. In addition, there are lease liabilities of €305.3 million.

The Group also has a $300.0 million Revolving Credit Facility which remained undrawn as at March 31, 2021 along with various short-term credit facilities with different local banks to fund our working capital requirements in China, India, Mexico, Singapore, South Korea and Thailand.

### *Capital Expenditures*

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

During the three month periods ended March 31, 2021 and 2020, capital expenditures analysed by business segment were as follows:

| | For the three month period ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| Styrolution | 88.4 | 61.9 |
| INOVYN | 41.3 | - |
| Acetyls | 2.9 | - |
| Aromatics | 7.7 | - |
| **Total** | 140.3 | 61.9 |

In the Styrolution business, investments in property, plant and equipment in the first quarter of 2021 mainly include the new ASA Specialties plant in Houston, investments in China and the conversion of a Polystyrene line to a mass ABS line in France. In INOVYN, the largest investments were the SPVC plant in Jemeppe, Belgium, the capacity of which has been increased by 200 kilotons, and a brine borehole drilling programme at Northwich, United Kingdom. Other investments include a new office complex at Runcorn, United Kingdom. In both the Aromatics and Acetyls businesses, capital expenditure was mainly on sustenance and safety compliance work.

Investments in property, plant and equipment in the first quarter of 2020 mainly related to the new ASA Specialities plant in Houston.

***Working Capital***

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

***Cash Flows***

During the three month periods ended March 31, 2021 and 2020, the Group's net cash flows were as follows:

| | For the three month period ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| | *(€ in millions)* | |
| Net cash flows from operating activities | 253.3 | 36.8 |
| Net cash flows used in investing activities | (123.2) | (61.0) |
| Net cash flows (used in)/from financing activities | (258.0) | 49.7 |

**Net cash flows from operating activities**

Net cash flows from operating activities in the three month period ended March 31, 2021 was €253.3 million compared to €36.8 million in the same period in 2020. Positive cash flow was generated because of the strong underlying business performance. Working capital requirements increased in 2021 compared to 2020 due to higher feedstock price levels due to availability issues in the petrochemical industry because of winter storm Uri.

The Styrolution and INOVYN Business made several taxation payments in the period ended March 31, 2021. These payments primarily reflected payments made in the tax jurisdictions where the businesses have most of their trading activities. The largest payments were made in Germany, Switzerland and the United States.

**Net cash flows used in investing activities**

The total cash outflow for investing activities in the in the three month period ended March 31, 2021 was €123.2 million compared to €61.0 million in the same period in 2020.

During the three month period ended March 31, 2021 the Group received dividends from joint ventures of €10.0 million.

There were no other significant cash flows from investing activities in the three month period ended March 31, 2021 and 2020 other than the acquisition of property, plant and equipment (refer to the "Capital Expenditure" section).

**Net cash flows (used in)/from financing activities**

The total cash outflow for financing activities in the in the three month period ended March 31, 2021 was €258.0 million compared to an inflow of €49.7 million in the same period in 2020.

In January 2021, the Group issued €800.0 million Senior Secured Notes due 2026, $500.0 million (€406.5 million equivalent) Senior Secured Notes due 2026 and €500.0 million Senior Notes due 2026. In addition, the Group entered into a new Dollar Term Loan B Facility of $2,000.0 million (€1,626.0 million equivalent) and a new Euro Term Loan B Facility of €1,500.0 million. The gross proceeds received under these borrowings were used to repay the amounts outstanding under the Bridge Facility of €2,861.9 million, the €180.0 million Five-Year Euro Term Loan A Facility, the Senior Secured Term Loan B Facility that was acquired with the INOVYN business of €1,064.3 million, repay the Equity Bridge Contribution in the form of a dividend to the Group's parent and to pay debt issue costs of €55.4 million in respect of this refinancing.

The Group made scheduled repayments of €0.4 million on the Styrolution Secured Term Loan B Facilities during the three month period ended March 31, 2021.

During the three month period ended March 31, 2021 the Group made a scheduled repayment of €4.3 million to the Bank of China Zhuhai branch in respect of loan acquired as part of the BP acquisition in December 2020.

In January 2020, the Group successfully completed an amend-and-extend transaction of the Term Loan B Facilities Agreement increasing the principal amount of the Euro tranche by €11.7 million to €450 million while keeping the USD tranche at $202 million. Debt issue costs of €3.6 million were paid in relation to this transaction in the three month period ended March 31, 2021. In addition, the Group issued Senior Secured Notes due 2027 in an aggregate principal amount of €600 million. Debt issue costs of €3.5 million were paid in relation to this transaction in the three month period ended March 31, 2020.

During the three month period ended March 31, 2020 the Group made net repayments of €190.0 million under the Group's Securitization Program and made a €2.9 million drawdown against the Group's other working capital facilities.

Interest payments of €28.6 million were made for the three month period ended March 31, 2021 compared to €7.4 million for the period ended March 31, 2020. The interest payments during the three month period ended March 31, 2021 related primarily to cash payments in respect of the Styrolution Senior Secured Notes due 2027, the Term Loan B Facilities, including a final interest payment on the Term Loan B Facility that was acquired with the INOVYN business and subsequently repaid, and interest paid on lease liabilities of €2.8 million. The interest payments during the three month period ended March 31, 2020 mainly related to cash payments in respect of the Term Loan B facilities.

During the three month period ended March 31, 2021 the Group made payments of €20.7 million (March 31, 2020: €5.7 million) in respect of the capital element of lease liabilities.

The Group paid dividends of €874.9 million in the three month period ended March 31 ,2021 as compared to €354.7 million in the three month period ended March 31, 2020. The dividends paid in the three month period ended March 31, 2021 included repayment of the Equity Bridge Contribution received as part of the BP acquisition.

**Net debt**

Total net debt as at March 31, 2021 was €5,927.1 million (December 31, 2020: €4,973.4 million), excluding lease liabilities of €305.3 million (December 31, 2020: €312.3 million). The Group held net cash balances of €695.8 million as at March 31, 2021 (December 31, 2020: €805.6 million) which included restricted cash of €11.4 million used as collateral against bank guarantees and letters of credit. As at March 31, 2021 the Group had availability under the undrawn securitization facilities of €690.0 million, the Revolving Credit Facility of $300.0 million and other working capital facilities of €395.3 million.