



INEOS GROUP HOLDINGS S.A.

**Condensed consolidated interim financial statements
as of June 30, 2024**

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED INCOME STATEMENT

| | Three-Month Period Ended June 30, | |
|--|--|----------------|
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Revenue | 4,353.8 | 3,722.0 |
| Cost of sales | (3,818.7) | (3,420.7) |
| Gross profit | 535.1 | 301.3 |
| Distribution costs | (74.7) | (57.1) |
| Administrative expenses before exceptional items | (134.5) | (153.6) |
| Exceptional administrative costs | (16.4) | - |
| Exceptional administrative gain | 126.1 | - |
| Total administrative expenses | (24.8) | (153.6) |
| Operating profit | 435.6 | 90.6 |
| Share of loss of associates and joint ventures using the equity accounting method | (21.9) | (79.0) |
| Profit on disposal of investments | 30.8 | - |
| Profit before net finance costs | 444.5 | 11.6 |
| Total finance income | 66.1 | 62.6 |
| Finance costs before exceptional items | (185.2) | (72.7) |
| Exceptional finance costs | (33.6) | - |
| Total finance costs | (218.8) | (72.7) |
| Profit before tax | 291.8 | 1.5 |
| Tax charge | (36.9) | (20.0) |
| Profit/(loss) for the period | 254.9 | (18.5) |

The condensed notes presented on pages 8 to 28 are an integral part of these unaudited condensed consolidated interim financial statements.

**INEOS GROUP HOLDINGS S.A.
CONSOLIDATED INCOME STATEMENT**

| | Six-Month Period Ended June 30, | |
|--|--|----------------|
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Revenue | 8,125.2 | 7,842.0 |
| Cost of sales | (7,124.8) | (7,125.3) |
| Gross profit | 1,000.4 | 716.7 |
| Distribution costs | (124.6) | (111.4) |
| Administrative expenses before exceptional items | (261.5) | (271.3) |
| Exceptional administrative costs | (16.4) | - |
| Exceptional administrative gain | 126.1 | - |
| Total administrative expenses | (151.8) | (271.3) |
| Operating profit | 724.0 | 334.0 |
| Share of loss of associates and joint ventures using the equity accounting method | (53.2) | (103.4) |
| Profit/(loss) on disposal of investments..... | 30.8 | (0.4) |
| Profit before net finance costs | 701.6 | 230.2 |
| Finance income before exceptional items | 134.5 | 111.8 |
| Exceptional finance income | 16.7 | - |
| Total finance income | 151.2 | 111.8 |
| Finance costs before exceptional items | (734.0) | (192.6) |
| Exceptional finance costs | (37.6) | - |
| Total finance costs..... | (771.6) | (192.6) |
| Profit before tax | 81.2 | 149.4 |
| Tax charge | (16.1) | (67.0) |
| Profit for the period | 65.1 | 82.4 |

The condensed notes presented on pages 8 to 28 are an integral part of these unaudited condensed consolidated interim financial statements.

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

| | Three-Month Period | |
|---|---------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Profit/(loss) for the period..... | 254.9 | (18.5) |
| Other comprehensive income/(expense): | | |
| Items that will not be recycled to profit and loss: | | |
| Remeasurement of post employment benefit obligations net of tax..... | 35.9 | (15.4) |
| Items that may subsequently be recycled to profit and loss: | | |
| Foreign exchange translation differences..... | (33.5) | (39.5) |
| Gain on common control transaction | 241.5 | - |
| Net gain/(loss) on translation of foreign operations and hedge of net investment in foreign operations net of tax | 35.7 | (85.5) |
| Other comprehensive income/(expense) for the period net of tax.. | 279.6 | (140.4) |
| Total comprehensive income/(expense) for the period..... | 534.5 | (158.9) |

| | Six-Month Period | |
|---|-------------------------|----------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Profit for the period | 65.1 | 82.4 |
| Other comprehensive income/(expense): | | |
| Items that will not be recycled to profit and loss: | | |
| Remeasurement of post employment benefit obligations net of tax..... | 79.8 | (9.4) |
| Items that may subsequently be recycled to profit and loss: | | |
| Foreign exchange translation differences..... | (44.5) | (62.2) |
| Gain on common control transaction | 241.5 | - |
| Net gain/(loss) on translation of foreign operations and hedge of net investment in foreign operations net of tax | 417.0 | (229.0) |
| Other comprehensive income/(expense) for the period net of tax.. | 693.8 | (300.6) |
| Total comprehensive income/(expense) for the period..... | 758.9 | (218.2) |

The condensed notes presented on pages 8 to 28 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS GROUP HOLDINGS S.A.
CONSOLIDATED BALANCE SHEET

| | June 30, 2024 | December 31, 2023 |
|---|--------------------------|------------------------------|
| | <i>(€ in millions)</i> | |
| Non-current assets | | |
| Property, plant and equipment..... | 11,315.8 | 9,739.5 |
| Intangible assets | 1,516.1 | 1,065.9 |
| Investments in equity-accounted investees..... | 1,805.4 | 1,832.9 |
| Financial assets at fair value through other comprehensive income | 25.9 | 27.1 |
| Derivative financial instruments..... | 22.2 | 25.4 |
| Employee benefits | 121.0 | 38.1 |
| Trade and other receivables..... | 2,289.7 | 2,173.2 |
| Deferred tax assets..... | 165.1 | 137.6 |
| | <u>17,261.2</u> | <u>15,039.7</u> |
| Current assets | | |
| Inventories..... | 1,905.4 | 1,588.6 |
| Trade and other receivables..... | 2,449.4 | 1,833.3 |
| Tax receivables..... | 37.3 | 68.1 |
| Derivative financial instruments..... | 79.1 | 67.4 |
| Cash and cash equivalents | 2,203.0 | 1,774.1 |
| | <u>6,674.2</u> | <u>5,331.5</u> |
| Total assets | <u>23,935.4</u> | <u>20,371.2</u> |
| Equity attributable to owners of the parent | | |
| Share capital | 0.9 | 0.9 |
| Share premium | 150.1 | 150.1 |
| Other reserves..... | (1,636.4) | (2,330.2) |
| Retained earnings | 6,726.9 | 6,661.8 |
| Total equity | <u>5,241.5</u> | <u>4,482.6</u> |
| Non-current liabilities | | |
| Interest-bearing loans and borrowings | 11,686.8 | 9,402.1 |
| Lease liabilities..... | 896.9 | 894.8 |
| Trade and other payables..... | 215.3 | 153.6 |
| Employee benefits | 867.4 | 742.3 |
| Provisions | 35.7 | 34.3 |
| Deferred tax liabilities | 782.1 | 749.3 |
| Derivative financial instruments | - | 43.1 |
| | <u>14,484.2</u> | <u>12,019.5</u> |
| Current liabilities | | |
| Interest-bearing loans and borrowings | 337.3 | 588.0 |
| Lease liabilities..... | 190.2 | 175.1 |
| Trade and other payables..... | 3,155.9 | 2,593.3 |
| Tax payable | 420.7 | 432.7 |
| Derivative financial instruments..... | 92.9 | 73.9 |
| Provisions | 12.7 | 6.1 |
| | <u>4,209.7</u> | <u>3,869.1</u> |
| Total liabilities | <u>18,693.9</u> | <u>15,888.6</u> |
| Total equity and liabilities | <u>23,935.4</u> | <u>20,371.2</u> |

The condensed notes presented on pages 8 to 28 are an integral part of these unaudited condensed consolidated interim financial statements.

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

| | <u>Share capital</u> | <u>Share premium</u> | <u>Other reserves</u> | <u>Retained earnings</u> | <u>Total equity</u> |
|--|------------------------|----------------------|-----------------------|--------------------------|---------------------|
| | <i>(€ in millions)</i> | | | | |
| Balance at December 31, 2023.. | 0.9 | 150.1 | (2,330.2) | 6,661.8 | 4,482.6 |
| Profit for the period | - | - | - | 65.1 | 65.1 |
| Other comprehensive expense: | | | | | |
| Foreign exchange translation differences | - | - | (44.5) | - | (44.5) |
| Gain on common control transaction | - | - | 241.5 | - | 241.5 |
| Net gain on translation and hedge of net investment in foreign operations..... | - | - | 417.0 | - | 417.0 |
| Remeasurement of post employment benefit obligations net of tax..... | - | - | 79.8 | - | 79.8 |
| Balance at June 30, 2024..... | 0.9 | 150.1 | (1,636.4) | 6,726.9 | 5,241.5 |

| | <u>Share capital</u> | <u>Share premium</u> | <u>Other reserves</u> | <u>Retained earnings</u> | <u>Total equity</u> |
|--|------------------------|----------------------|-----------------------|--------------------------|---------------------|
| | <i>(€ in millions)</i> | | | | |
| Balance at December 31, 2022.. | 0.9 | 150.1 | (1,679.8) | 7,050.2 | 5,521.4 |
| Profit for the period | - | - | - | 82.4 | 82.4 |
| Other comprehensive income: | | | | | |
| Foreign exchange translation differences | - | - | (62.2) | - | (62.2) |
| Net loss on translation and hedge of net investment in foreign operations..... | - | - | (229.0) | - | (229.0) |
| Remeasurement of post employment benefit obligations net of tax..... | - | - | (9.4) | - | (9.4) |
| Balance at June 30, 2023..... | 0.9 | 150.1 | (1,980.4) | 7,132.6 | 5,303.2 |

The condensed notes presented on pages 8 to 28 are an integral part of these unaudited condensed consolidated interim financial statements.

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

| | Six-month Period | |
|---|-------------------------|------------------|
| | Ended June 30, | |
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| Cash flows from operating activities | | |
| Profit before tax..... | 81.2 | 149.4 |
| Adjustments for: | | |
| Depreciation, amortisation and impairment | 477.8 | 496.8 |
| Net finance cost..... | 620.4 | 80.8 |
| Share of loss of equity-accounted investees | 53.2 | 103.4 |
| (Profit)/loss on disposal of investments..... | (30.8) | 0.4 |
| (Increase)/decrease in trade and other receivables | (411.5) | 133.2 |
| (Increase)/decrease in inventories | (13.0) | 264.3 |
| Increase/(decrease) in trade and other payables | 151.2 | (399.3) |
| (Decrease)/increase in provisions and employee benefits | (2.7) | 0.8 |
| Tax paid..... | (68.0) | (141.1) |
| Net cash from operating activities..... | 857.8 | 688.7 |
| Cash flows used in investing activities | | |
| Proceeds from sale of property, plant and equipment | 0.1 | - |
| Proceeds from sale of investments | - | 0.8 |
| Interest and other finance income received | 49.5 | 46.0 |
| Dividends received..... | 2.8 | 0.5 |
| Disposal of businesses, net of cash disposed..... | - | (1.8) |
| Acquisition of businesses, net of cash acquired | (949.5) | (214.6) |
| Acquisition of property, plant and equipment | (727.1) | (606.3) |
| Acquisition of intangible assets..... | (2.9) | (2.1) |
| Loans to related parties..... | - | (1,121.2) |
| Net cash used in investing activities | (1,627.1) | (1,898.7) |
| Cash flows used in financing activities | | |
| Inventory Facility | 15.1 | (41.1) |
| Proceeds from Project One Facility..... | 831.5 | 522.0 |
| Repayment of Project One Interim Facility..... | (365.0) | - |
| Proceeds from new Senior Secured Notes..... | 1,519.1 | 790.9 |
| Proceeds from new Senior Secured Term Loans..... | 877.5 | - |
| Proceeds from Rain Term Loan | - | 236.1 |
| Repayment of Senior Secured Notes..... | (1,031.2) | (178.2) |
| Repayment of Senior Secured Term Loans..... | (11.1) | - |
| Issue costs paid..... | (38.4) | (244.5) |
| Interest paid and other finance items..... | (410.5) | (294.6) |
| Repayment of loans..... | (125.9) | (40.7) |
| Capital element of lease payments | (100.1) | (82.4) |
| Net cash from financing activities | 1,161.0 | 667.5 |
| Net increase/(decrease) in cash and cash equivalents..... | 391.7 | (542.5) |
| Cash and cash equivalents at January 1 | 1,774.1 | 2,639.1 |
| Effect of exchange rate fluctuations on cash held | 37.2 | (37.4) |
| Cash and cash equivalents at June 30..... | 2,203.0 | 2,059.2 |

The condensed notes presented on pages 8 to 28 are an integral part of these unaudited condensed consolidated interim financial statements.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

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

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

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

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

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

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €2,203.0 million at June 30, 2024 and interest-bearing loans and borrowings (net of debt issue costs) of €12,024.1 million at June 30, 2024. The Directors have considered the Group’s projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of this report. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of this report.

On the basis of this assessment together with net assets of €5,241.5 million as at June 30, 2024 and the Group’s ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis.

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, 2024 (“IAS 34”). In compliance with IAS 34, the Company has opted for a condensed scope of reporting in the condensed interim financial statements compared with the consolidated annual financial statements.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s audited consolidated annual report and accounts for the year ended December 31, 2023, except for the adoption of new standards, interpretations, and amendments effective as of January 1, 2024. The adoption of new

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

standards, interpretations and amendments in the current year has not had a material impact. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at June 30, 2024.

3. SEGMENTAL INFORMATION

Class of business

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

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

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|-----------------------------------|--------------------------------------|----------------|------------------------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | <i>(€ in millions)</i> | |
| <i>Revenue</i> | | | | |
| O&P North America | 1,153.5 | 1,054.6 | 2,151.9 | 2,118.4 |
| O&P Europe | 2,155.9 | 1,654.5 | 3,896.2 | 3,445.8 |
| Chemical Intermediates | 1,878.0 | 1,754.2 | 3,634.3 | 3,636.9 |
| Eliminations | (833.6) | (741.3) | (1,557.2) | (1,359.1) |
| | <u>4,353.8</u> | <u>3,722.0</u> | <u>8,125.2</u> | <u>7,842.0</u> |
| <i>EBITDA before exceptionals</i> | | | | |
| O&P North America | 189.3 | 202.4 | 415.9 | 393.7 |
| O&P Europe | 177.3 | 71.6 | 291.4 | 161.6 |
| Chemical Intermediates | 209.8 | 112.6 | 384.8 | 275.5 |
| | <u>576.4</u> | <u>386.6</u> | <u>1,092.1</u> | <u>830.8</u> |

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

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

Reconciliation of EBITDA before exceptionals to operating profit:

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|----------------------------------|--------------------------------------|-------------|------------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | <i>(€ in millions)</i> | |
| EBITDA before exceptionals | 576.4 | 386.6 | 1,092.1 | 830.8 |
| Depreciation and amortisation | (250.5) | (296.0) | (477.8) | (496.8) |
| Exceptional administrative costs | (16.4) | - | (16.4) | - |
| Exceptional administrative gain | 126.1 | - | 126.1 | - |
| Operating profit | <u>435.6</u> | <u>90.6</u> | <u>724.0</u> | <u>334.0</u> |

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

4. BUSINESS COMBINATIONS

In April 2024 the Group completed the acquisition of the cracker and derivative assets in Lavéra, France from TotalEnergies and from a number of related parties. These acquisition has fully integrated the Lavera petrochemical assets and associated pipeline infrastructure into O&P Europe and Chemical Intermediates segments and brings the entire site under common ownership.

Lavera common control acquisition

On 1 April 2024, the Group acquired the Lavera group of companies from a number of related parties which included 50% of the shares in the Naphthachimie, Gexaro and Appryl joint ventures. To achieve this, the Group acquired the full share capital of INEOS Chemicals France Holdings Limited and INEOS Olefins S.A. from INEOS Holdings Luxembourg S.A., as well as the full share capital of INEOS Chemicals Holdings Luxembourg S.A. from INEOS Chemicals Holdings Luxembourg II S.A. Total consideration of €250.0 million was paid, consisting of €234.0 million paid to INEOS Holdings Luxembourg S.A. and €16.0 million to INEOS Chemicals Holdings Luxembourg II S.A.

The acquisition had the following effect on the Group's assets and liabilities, fair value was deemed to equal book value as allowable under a common control transaction:

Provisional book value of net assets at the acquisition date:

| | €m |
|--|--------------|
| Property, plant and equipment | 288.4 |
| Intangibles | 108.5 |
| Investments..... | 55.9 |
| Inventories..... | 180.0 |
| Trade and other receivables | 1,135.5 |
| Cash..... | 84.3 |
| Trade and other payables | (1,212.7) |
| Pension liability | (145.2) |
| Provisions | (3.2) |
| Provisional net identifiable assets and liabilities acquired | 491.5 |
| Consideration paid: | |
| Cash..... | 250.0 |
| Difference between consideration paid and provisional net assets acquired | 241.5 |

The transaction resulted in a net cash outflow of €165.7 million, being the difference between the initial cash consideration of €250.0 million less the cash balances held by the acquired business of €84.3 million.

A merger reserve of €241.5 million for the gain on purchase has been recognised within equity.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

4. BUSINESS COMBINATIONS (Continued)

Lavera TotalEnergies acquisition

On 1 April 2024, the Group acquired the business interests of TotalEnergies at the Lavera site for a total consideration of €142.9 million. This included the remaining 50% of the shares in the Naphthachimie, Gexaro and Appryl joint ventures as well as a number of other infrastructure assets. These joint ventures were previously 50/50 joint ventures between the Group following the Lavera common control acquisition and TotalEnergies.

The consolidated financial statements include a preliminary allocation of the purchase price. The provisional net assets acquired at the date of acquisition were as follows

Acquiree's provisional net assets at acquisition date:

| | €m |
|--|--------------|
| Property, plant and equipment..... | 374.7 |
| Intangibles..... | 9.8 |
| Inventories..... | 54.0 |
| Trade and other receivables..... | 100.0 |
| Cash..... | 12.1 |
| Trade and other payables..... | (187.4) |
| Provisions..... | (7.5) |
| Provisional net identifiable assets and liabilities acquired | 355.7 |
| Consideration paid: | |
| Cash..... | 142.9 |
| Fair value of previously held equity interest..... | 86.7 |
| Total consideration..... | 229.6 |
| Difference between consideration paid and provisional net assets acquired | 126.1 |

The transaction resulted in a net cash outflow of €130.8 million, being the difference between the initial cash consideration of €142.9 million less the cash balances held by the acquired business of €12.1 million.

Negative goodwill has arisen on the acquisition of €126.1 million and as such has been credited to the consolidated income statement as exceptional income during the period (see Note 6). This represents the excess value of provisional net assets above consideration paid as a gain on the purchase.

Prior to the acquisition date, the Group's interest in the joint ventures was accounted for in accordance with the equity method of accounting. As a result of the acquisition the previously held interest of 50% has been disposed of for a fair value of €86.7 million, being the equivalent of the portion of the total consideration paid to TotalEnergies allocated to their 50% holding in the relevant JVs. Therefore the gain on the previously held equity interest in the joint ventures has been calculated as follows:

| | €m |
|---|-------------|
| Fair value of previously held equity interest..... | 86.7 |
| Carrying value of equity accounted investment..... | (55.9) |
| Gain on previously held interest in JVs recognised in income statement | 30.8 |

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

4. BUSINESS COMBINATIONS (Continued)

LyondellBasell acquisition

On 1 May 2024, the Group completed the acquisition of LyondellBasell's ethylene oxide and derivatives (EO&D) business in Bayport, Texas for total consideration of \$700.0 million (€653.0 million). The Bayport EO&D business produces high-purity ethylene oxide and associated derivatives. Access to cost-advantaged feedstocks and logistics networks contributes to its excellent performance and market reputation. This acquisition has been included within the Chemical Intermediates segment.

The consolidated financial statements include a preliminary allocation of the purchase price. The provisional net assets acquired at the date of acquisition were as follows:

Acquiree's provisional net assets at acquisition date:

| | €m |
|--|--------------|
| Property, plant and equipment | 270.6 |
| Intangibles | 0.2 |
| Inventories | 41.4 |
| Trade and other receivables | 37.5 |
| Trade and other payables | (7.2) |
| Provisional net identifiable assets and liabilities acquired | 342.5 |
| Consideration paid: | |
| Cash | 653.0 |
| Difference between consideration paid and provisional net assets acquired | 310.5 |

The transaction resulted in a net cash outflow of €653.0 million, being the cash consideration paid. No cash was acquired.

The difference between consideration and the provisional net assets acquired has been recognised within intangible assets. Goodwill is not expected to be deductible for income tax purposes.

The Group incurred acquisition related costs of €16.4 million relating to legal and other consultancy costs. These costs have been treated as exceptional administrative expenses in the Group's consolidated income statement during the six month period ended 30 June 2024 (see Note 5).

5. EXCEPTIONAL ADMINISTRATIVE COSTS

On 1 May 2024, the Group acquired the LyondellBasell Ethylene Oxide and Derivatives business and production facility at Bayport Texas (see Note 4). There were €16.4 million of transaction costs incurred as part of the acquisition that were classed as exceptional administrative costs during the period.

6. EXCEPTIONAL ADMINISTRATIVE GAIN

On 1 April the Group acquired the business interests of TotalEnergies, together with the previously held equity interest in joint ventures, at the Lavera site for a total consideration of €229.6 million to purchase provisional net assets on acquisition of €355.7 million (see Note 4). The resulting negative goodwill of €126.1 million has been credited to the consolidated income statement as an exceptional administrative gain in the period.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

7. FINANCE COSTS

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|--|--------------------------------------|--------------|------------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | <i>(€ in millions)</i> | |
| Interest payable on senior notes | 43.4 | 27.6 | 79.1 | 42.0 |
| Interest payable on bank loans and overdrafts | 171.9 | 131.9 | 335.0 | 250.6 |
| Interest payable on securitisation | 1.7 | 1.4 | 3.6 | 2.7 |
| Interest payable on lease liabilities | 15.0 | 15.4 | 29.5 | 30.3 |
| Amortisation of issue costs | 12.1 | 13.7 | 25.2 | 21.4 |
| Other finance charges | 2.9 | 14.8 | 29.6 | 28.3 |
| Net fair value gain on derivatives | (19.9) | (45.3) | (44.2) | (21.2) |
| Finance costs before exchange movements | 227.1 | 159.5 | 457.8 | 354.1 |
| Exchange movements | (20.2) | (69.8) | 331.0 | (130.6) |
| Borrowing costs capitalised in property, plant and equipment | (21.7) | (17.0) | (54.8) | (30.9) |
| Finance costs | 185.2 | 72.7 | 734.0 | 192.6 |

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

8. TAXATION

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

After adjusting for the results from the share of associates and joint ventures, the effective tax rate was approximately 12%. The lower rate is due to the non-taxable profit on disposal of investments and the non-taxable exceptional administrative gain relating to negative goodwill as well as the split of profits and losses in countries with higher or lower corporate tax rates. After adjusting for the results from the share of associates and joint ventures, the underlying effective tax rate in the same period in 2023 was approximately 27%, which reflected the anticipated tax rate for the full year.

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

9. EXCEPTIONAL FINANCE ITEMS

In February 2024 the Group issued new Senior Secured Term Loans and Senior Secured Notes due 2029 (see Note 12). Proceeds were used to partly redeem €312.2 million of the 2025 and €735.7 million of the 2026 Senior Secured Notes and to provide funding for the Group's planned acquisitions and development projects. The partial redemption of these Senior Secured Notes was made at a discount to the par value. The €16.7 million income arising from this discount was classed as exceptional finance income in the six month period ended June 30, 2024.

Unamortised debt issue costs of €4.0 million associated with the partial redemption of the Senior Secured Notes were expensed upon the repayment of the underlying Notes and classed as an exceptional finance cost in the six month period ended June 30, 2024.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. EXCEPTIONAL FINANCE ITEMS (Continued)

In June 2024 the Group completed a refinancing of the Senior Secured Term Loans (see Note 12). The Euro Term Loans due 2027 were repaid in full and replaced by €1,500 million of Euro Term Loans due 2031. Additionally, the Dollar Term Loans due 2027 and 2030 were repaid in full and replaced by a \$2,379 million tranche of Dollar Term Loans due 2030. The refinancing resulted in a substantial modification of the Euro Term Loans only and therefore there was a write-off of €33.6 million of unamortised debt issue costs which has been classed as exceptional finance costs in the six month period ended June 30, 2024.

10. PROPERTY, PLANT AND EQUIPMENT

In the six month period ended June 30, 2024, the Group spent €727.1 million (six month period ended June 30, 2023: €606.3 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the Project One expenditure that restarted following the granting of a permit in January 2024 that allowed work to recommence on the construction of a new cracker in Antwerp, Belgium. The main expenditure in the Chemical Intermediates segment was turnaround expenditure for the Oxide business at both the Antwerp and Koln sites. The remaining capital expenditure related primarily to sustenance expenditure.

11. INVENTORIES

| | June 30, 2024 | December 31, 2023 |
|-------------------------------|------------------------|----------------------|
| | <i>(€ in millions)</i> | |
| Raw materials and consumables | 734.6 | 566.9 |
| Work in progress | 40.4 | 38.5 |
| Finished products | 1,130.4 | 983.2 |
| | 1,905.4 | 1,588.6 |

12. BORROWINGS

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

| | June 30, 2024 | December 31, 2023 |
|---|------------------------|----------------------|
| | <i>(€ in millions)</i> | |
| Non-current liabilities | | |
| Senior Secured Term Loans | 5,985.9 | 4,997.0 |
| Senior Secured Notes due 2029..... | 1,514.0 | - |
| Senior Secured Notes due 2028..... | 790.5 | 775.6 |
| Senior Secured Notes due May 2026 | 280.4 | 767.1 |
| Senior Secured Notes due March 2026 | 77.7 | 323.0 |
| Senior Secured Notes due 2025..... | 237.4 | 548.6 |
| Gemini Facility..... | 454.9 | 450.1 |
| Rain Facility | 866.2 | 838.2 |
| Receivables Securitisation Facility..... | 18.9 | 18.2 |
| Koln CoGen Facility | 15.0 | 32.3 |
| Rafnes Facility..... | 253.2 | 303.3 |
| Project One Facility..... | 1,169.9 | 331.4 |
| Other loans | 22.8 | 17.3 |
| | 11,686.8 | 9,402.1 |

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

| | June 30, 2024 | December 31, 2023 |
|---|------------------|----------------------|
| Current liabilities | | |
| Current portion of borrowings under Senior Secured Term | | |
| Loans | 19.4 | 8.8 |
| Gemini Facility..... | 23.1 | 21.8 |
| Rafnes Facility..... | 49.6 | (1.2) |
| Koln CoGen Facility | 27.0 | 39.0 |
| Inventory Financing Facilities..... | 202.3 | 155.0 |
| Project One Interim Facility | - | 363.7 |
| O&P South Revolving Credit Facilities | 15.0 | - |
| Other loans | 0.9 | 0.9 |
| | 337.3 | 588.0 |

| | June 30, 2024 | | |
|---|-------------------------------|----------------|-----------------------------|
| | Gross loans and borrowings | Issue costs | Net loans and borrowings |
| | <i>(€ in millions)</i> | | |
| Senior Secured Term Loans | 6,095.7 | (90.4) | 6,005.3 |
| Senior Secured Notes due May 2026 | 281.2 | (0.8) | 280.4 |
| Senior Secured Notes due March 2026 | 78.1 | (0.4) | 77.7 |
| Senior Secured Notes due 2028..... | 796.8 | (6.3) | 790.5 |
| Senior Secured Notes due 2029..... | 1,526.8 | (12.8) | 1,514.0 |
| Senior Secured Notes due 2025..... | 237.8 | (0.4) | 237.4 |
| Receivables Securitisation Facility..... | 18.9 | - | 18.9 |
| Koln CoGen Facility | 42.0 | - | 42.0 |
| Rafnes Facility..... | 305.0 | (2.2) | 302.8 |
| Inventory Financing Facilities..... | 202.3 | - | 202.3 |
| Project One Facility..... | 1,353.5 | (183.6) | 1,169.9 |
| O&P South Revolving Credit Facilities | 15.0 | - | 15.0 |
| Other..... | 23.7 | - | 23.7 |
| | 10,976.8 | (296.9) | 10,679.9 |
| Gemini Facility..... | 483.1 | (5.1) | 478.0 |
| Rain Facility | 867.0 | (0.8) | 866.2 |
| Total..... | 12,326.9 | (302.8) | 12,024.1 |

The Gemini Facility is an obligation of Gemini HDPE LLC. The Rain Facility is an obligation of INEOS China Holdings Limited. Gemini HDPE LLC and INEOS China Holdings Limited are designated as unrestricted subsidiaries in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes so neither the Gemini Facility nor Rain Facility benefits from the security or collateral of those facilities.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

| | December 31, 2023 | | |
|---|----------------------------|----------------|--------------------------|
| | Gross loans and borrowings | Issue costs | Net loans and borrowings |
| | <i>(€ in millions)</i> | | |
| Senior Secured Term Loans | 5,108.8 | (103.0) | 5,005.8 |
| Senior Secured Notes due May 2026 | 770.0 | (2.9) | 767.1 |
| Senior Secured Notes due March 2026 | 325.0 | (2.0) | 323.0 |
| Senior Secured Notes due 2028..... | 782.7 | (7.1) | 775.6 |
| Senior Secured Notes due 2025..... | 550.0 | (1.4) | 548.6 |
| Project One Facility..... | 522.0 | (190.6) | 331.4 |
| Project One Interim Facility | 365.0 | (1.3) | 363.7 |
| Receivables Securitisation Facility..... | 18.3 | (0.1) | 18.2 |
| Koln CoGen Facility | 71.3 | - | 71.3 |
| Rafnes Facility..... | 305.0 | (2.9) | 302.1 |
| Inventory Financing Facility | 155.1 | (0.1) | 155.0 |
| Other..... | 18.2 | - | 18.2 |
| | 8,991.4 | (311.4) | 8,680.0 |
| Gemini Facility..... | 839.2 | (1.0) | 838.2 |
| Rain Facility | 477.7 | (5.8) | 471.9 |
| Total..... | 10,308.3 | (318.2) | 9,990.1 |

Terms and debt repayment schedule

| | Currency | Nominal interest rate | Year of maturity |
|--|----------|--------------------------------------|------------------|
| Senior Secured Term Loans | \$/€ | SOFR+0.10%/ EURIBOR plus 2.50%-4.00% | 2027-2031 |
| Senior Secured Notes | \$/€ | 2.125%-7.50% | 2025-2029 |
| Gemini Facility..... | \$ | SOFR+0.3% plus 3.00% | 2027 |
| | | SOFR/HIBOR plus 3.75%- | |
| Rain Facility | \$/RMB | 4.50% | 2026 |
| Receivables Securitisation Facility..... | \$/€/£ | Variable | 2024 |
| Koln CoGen Facility | € | 2.00%-2.85% | 2024-2026 |
| Rafnes Facility..... | € | EURIBOR plus 2.25% | 2027 |
| | | EURIBOR plus 2.75%- | |
| Project One Facility..... | € | 3.50% | 2037 |
| Other..... | €/£ | 2.95%-3.50% | 2024-2027 |

Senior Secured Term Loans

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

In June 2024 the Group issued new Senior Secured Term Loans. The Senior Secured Term Loans included €1,500 million maturing in June 2031 and \$2,379 million maturing in February 2030. Proceeds were used to fully repay the 2027 Euro Term Loans, the 2027 Dollar Term Loans and the initial 2030 Dollar Term Loans. In February 2024 the Group issued new Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Term Loans included €425 million maturing in February 2031 and \$500 million maturing in February 2031. Proceeds were used to partly repay the 2025 and 2026 Senior Secured Notes and to provide funding for the Group’s planned acquisitions and development projects. In February 2023 the Group issued new Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Term Loans included €700 million maturing in November 2027 and \$1.2 billion maturing in February 2030. Proceeds from the new Senior Secured Term Loans and Senior Secured Notes were used to fully redeem the euro and US dollar denominated Term Loans maturing on March 31, 2024 as well as

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

increasing the liquidity of the Group. In November 2022 the Group extended its maturity profile by issuing new Senior Secured Term Loan maturing in November 2027, consisting of €800 million of euro denominated Term Loans and \$1.2 billion of US dollar denominated Term Loans which were used to partially redeem the euro and US dollar denominated Term Loans maturing on March 31, 2024. In November 2021 the Group raised €1.1 billion of additional Senior Secured Term Loans which were used to fully redeem the outstanding Senior Notes due 2024. The additional Senior Secured Term Loans mature on November 8, 2028 and consisted of \$845 million of US dollar denominated Term Loans and €350 million of euro denominated Term Loans. In October 2020 the Group issued new euro denominated Senior Secured Term Loans of €375 million which mature on October 27, 2027.

The Senior Secured Term Loans outstanding at June 30, 2024 before issue costs were €6,095.7 million (December 31, 2023: €5,101.8 million) of which €29.3 million (December 31, 2023: €33.0 million) is due within one year. The total amounts outstanding on the Euro denominated Term Loans were €2,636.9 million (December 31, 2023: €2,213.8 million) and the US dollar denominated Term Loans were €3,458.8 million (December 31, 2023: €2,895.0 million).

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans up to the final maturity date, apart from the euro denominated Term Loans maturing November 2028 and June 2031 which have no repayments until maturity. Additionally, the dollar denominated Term Loans maturing February 2030 and February 2031 are repaid in equal quarterly instalments, in aggregate annual amounts equal to 0.25% of the original principal amount of the Term Loans up to the final maturity date. The €425 million euro denominated Term Loans and \$500 million US dollar denominated Term Loans issued in February 2024 mature on February 7, 2031. The €1,500 million euro denominated Term Loans issued in June 2024 mature on June 21, 2031 and the \$2,379 million US dollar denominated Term Loans issued in June 2024 mature on February 15, 2030. The \$845 million US dollar denominated Term Loans and €350 million of euro denominated Term Loans issued in November 2021 mature on November 8, 2028, whilst the €375 million euro denominated Senior Secured Term Loans issued in October 2020 mature on October 27, 2027.

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to SOFR plus 0.10% (with the \$845 million US dollar denominated Term Loans maturing in November 2028 being subject to a floor of 0.50% per annum), with the exception of the \$500 million US dollar denominated Term Loans maturing in February 2031 and the €2,379 million US dollar denominated Term Loans maturing in February 2030, which bear interest at a rate per annum equal to SOFR, plus the Applicable Margin. All the Term Loans denominated in euros bear interest at a rate per annum equal to EURIBOR subject to a floor of 0.50% per annum (with the €425 million Euro denominated Term Loans maturing in February 2031 and the €1,500 million Euro denominated Term Loans maturing in June 2031 being subject to a floor of 0.0% per annum) plus the Applicable Margin.

As at June 30, 2024 the Applicable Margin for the \$500 million US dollar denominated Term Loans maturing February 2031 it was 3.75%; for the €425 million euro denominated Term Loans maturing February 2031 it was 4.00%; for the €1,500 million euro denominated Term Loans maturing June 2031 it was 3.50%; for the \$2,379 million US dollar denominated Term Loans maturing February 2030 it was 3.25%, for the euro denominated Term Loans maturing October 2027 it was 3.00%; for the euro denominated Term Loans maturing November 2028 it was 2.75%, for the US dollar denominated Term Loans maturing November 2028 it was 2.50%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due May 2026, Senior Secured Notes due March 2026, Senior Secured Notes due 2025, Senior Secured Notes due 2028 and the Senior Secured Notes due 2029. The Term Loans are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

INEOS GROUP HOLDINGS S.A.
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12. BORROWINGS (Continued)

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

The June 2024 refinancing of the Senior Secured Term Loans resulted in a substantial modification of the Euro Term Loans and therefore there was a write-off of €33.6 million of unamortised debt issue costs which has been classed as exceptional finance (see Note 9). The Senior Secured Term Loans are stated net of debt issue costs of €90.4 million (December 31, 2023: €103.0 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

Senior Secured Notes due 2025

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

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

| <u>Year</u> | <u>Redemption Price</u> |
|--------------------------|-------------------------|
| 2022 and thereafter..... | 100.000% |

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

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due May 2026, the Senior Secured Notes due March 2026 and the Senior Secured Notes due 2028. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

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

The Senior Secured Notes due 2025 are stated net of debt issue costs of €0.4 million (December 31, 2023: €1.4 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025.

Senior Secured Notes due May 2026

In April 2019, the Group issued €770 million of Senior Secured Notes due May 2026. The Senior Secured Notes due May 2026 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due May 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and

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12. BORROWINGS (Continued)

November 1 of each year, beginning November 1, 2019. Unless previously redeemed as noted below, the Senior Secured Notes due May 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

In February 2024, the Group redeemed €488.9 million of the Senior Secured Notes due May 2026 and expensed €1.8 million of unamortised associated debt issue costs (see Note 9).

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

| Year | Redemption Price |
|--------------------------|-----------------------------|
| 2023..... | 100.71875% |
| 2024 and thereafter..... | 100.000% |

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

The Senior Secured Notes due May 2026 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due March 2026, the Senior Secured Notes due 2028 and the Senior Secured Notes due 2029. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

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

The Senior Secured Notes due May 2026 are stated net of debt issue costs of €0.8 million (December 31, 2023: €2.9 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due May 2026.

Senior Secured Notes due March 2026

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

In February 2024, the Group redeemed €246.9 million of the Senior Secured Notes due May 2026 and expensed €1.4 million of unamortised associated debt issue costs (see Note 9).

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

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

| Year | Redemption Price |
|---------------------------|-------------------------|
| 2023 | 100.844% |
| 2024 and thereafter | <u>100.000%</u> |

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

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due May 2026 and the Senior Secured Notes due 2028. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

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

The Senior Secured Notes due March 2026 are stated net of debt issue costs of €0.4 million (December 31, 2023: €2.0 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due March 2026.

Senior Secured Notes due 2028

In February 2023, the Group issued €400 million and \$425 million of Senior Secured Notes due 2028. The Senior Secured Notes due 2028 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due 2028 denominated in euros bear interest at 6.625% per annum. The Senior Secured Notes due 2028 denominated in dollars bear interest at 6.750% per annum. Interest is payable semi-annually in arrears on May 15 and November 15 of each year, beginning November 15, 2023. Unless previously redeemed as noted below, the Senior Secured Notes due 2028 will be redeemed by the Group at their principal amount on May 15, 2028.

The Senior Secured Notes due 2028 can be subject to redemption at any time on or after February 15, 2025, at the option of the Issuer, in whole or in part, on not less than five nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning February 15 of the year indicated below:

| Year | Euro Notes redemption price | Dollar Notes redemption price |
|--------------------------|------------------------------------|--------------------------------------|
| 2025..... | 103.3125% | 103.375% |
| 2026..... | 101.6563% | 101.6875% |
| 2027 and thereafter..... | <u>100.000%</u> | <u>100.000%</u> |

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

The Senior Secured Notes due 2028 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due March 2026 and the Senior Secured Notes due May 2026. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited’s obligations under the Senior Secured Term Loans.

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

The Senior Secured Notes due 2028 are stated net of debt issue costs of €6.3 million (December 31, 2023: €7.1 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2028.

Senior Secured Notes due 2029

In February 2024 the Group issued €850 million and \$725 million of Senior Secured Notes due 2029. The Senior Secured Notes due 2029 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due 2029 denominated in euros bear interest at 6.375% per annum. The Senior Secured Notes due 2029 denominated in dollars bear interest at 7.500% per annum. Interest is payable semi-annually in arrears on April 15 and October 15 of each year, beginning April 15, 2024. Unless previously redeemed as noted below, the Senior Secured Notes due 2029 will be redeemed by the Group at their principal amount on April 15, 2029.

The Senior Secured Notes due 2029 can be subject to redemption at any time on or after April 15, 2026, at the option of the Issuer, in whole or in part, on not less than five nor more than 60 days’ prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning April 15 of the year indicated below

| Year | Euro Notes redemption price | Dollar Notes redemption price |
|--------------------------|--|--|
| 2026 | 103.1875% | 103.750% |
| 2027 | 101.594% | 101.875% |
| 2028 and thereafter..... | 100.000% | 100.000% |

The Senior Secured Notes due 2029 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due March 2026, the Senior Secured Notes due May 2026 and the Senior Secured Notes due 2028. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited’s obligations under the Senior Secured Term Loans.

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

The Senior Secured Notes due 2029 are stated net of debt issue costs of €12.8 million.

Receivables Securitisation Facility

The Group has entered into a €800 million receivables securitisation facilities agreement (“Receivables Securitisation Facility”) which matures on December 31, 2026. The total amount outstanding at June 30, 2024 before issue costs was €18.9 million (December 31, 2023: €18.3 million). The facility is secured by pledges over the trade receivables sold in to the programme. Interest is charged on the facility at a rate of either EURIBOR, SOFR or SONIA plus a margin or short term commercial paper rates plus a margin.

The Receivables Securitisation Facility is stated net of debt issue costs of €nil (December 31, 2023: €0.1 million).

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

Koln CoGen Facility

As part of a project at the Group's Koln site to replace part of its incineration or cogeneration unit, the Group entered into a €120 million loan facility which matures in December 2024. In May 2021 the Group entered into an additional facility of €60 million which matures in June 2026. The total amount outstanding under the loan facilities ("Koln CoGen Facility") at June 30, 2024 was €42.0 million (December 31, 2023: €71.3 million) of which €27.0 million (December 31, 2023: €39.0 million) is due within one year.

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

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

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

Rafnes Facility

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a €140 million loan facility that Noretyl had in place. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount of €250.0 million. In November 2022 the Group amended and extended the facility to be €305.0 million. The total amount outstanding at June 30, 2024 before issue costs was €305.0 million (December 31, 2023: €305.0 million) of which €50.8 million is due within one year (December 31, 2023: nil).

The Rafnes Facility is to be repaid in six equal semi-annual instalments commencing in May 2025. The facility matures in November 2027. The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS. The Rafnes Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.25%.

The Rafnes Facility is stated net of debt issue costs of €2.2 million (December 31, 2023: €2.9 million).

Inventory Financing Facilities

In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ('J Aron'), for an initial term of one year which was extendable by mutual agreement. The facility was moved from J Aron to Goldman Sachs International ('GSI') in June 2023. The new facility is for a term of one year to expire in June 30, 2025 and is extendable by mutual agreement. Under this arrangement, the Group sells certain inventory to GSI and agrees to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of GSI, GSI provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at June 30, 2024 before issue costs was €170.2 million (December 31, 2023: €155.1 million). The Inventory Financing Facility is stated net of debt issue costs of nil (December 31, 2023: €0.1 million).

As part of the Lavera common control acquisition in April 2024, the Group acquired an additional monetisation agreement with J Aron. The new facility is for a term of one year to expire in June 30, 2025 and is extendable by mutual agreement.

The total amount outstanding at June 30, 2024 before issue costs was €32.1 million. The facility is stated net of debt issue costs of nil.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

Gemini Facility

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The amended loan facility was upsized to \$600.0 million ("Gemini Facility") and the maturity was extended to October 31, 2027. The total amount outstanding at June 30, 2024 before issue costs was €483.1 million (\$517.5 million) (December 31, 2023: €477.7 million (\$505.2 million)) of which €24.9 million (\$26.7 million) (December 31, 2023: €23.6 million (\$26.2 million)) is due within one year.

The Gemini Facility is to be repaid in quarterly instalments starting on April 30, 2021 with a final payment of \$420.0 million on October 31, 2027 when the facility matures. The facility is secured by pledges over the plant and equipment of Gemini HDPE LLC. The outstanding Gemini Facility bears interest at a rate per annum equal to SOFR plus a credit spread adjustment of 0.3% plus a margin of 3.0%. Gemini HDPE LLC has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes.

The Gemini Facility is stated net of debt issue costs of €5.1 million (December 31, 2023: €5.8 million).

Rain Facility

As part of the Group's acquisition of a 50% interest in Shanghai SECCO Petrochemical Company Limited ("SECCO") from Sinopec in December 2022 the Group entered into a RMB 1,045 million and \$525 million term loan facility agreement maturing in June 2026 (the "Rain Facility"). In April 2023, the Group successfully completed a syndication of the acquisition financing originally funded in December 2022. As part of the syndication, which increased the numbers of lenders to ten, the debt was increased to \$785 million and RMB 1,045 million.

The Rain Facility is to be repaid when the facility matures in June 2026. The Rain Facility is secured by pledges of the shares held by INEOS Investment (Shanghai) Company Limited in SECCO and of the shares held by INEOS China Holdings Limited in INEOS Investment (Shanghai) Company Limited. The Rain Facility carries an interest rate per annum equal to SOFR plus a margin of 3.75% on the US dollar denominated loan and HIBOR plus a margin of 4.50% on the RMB denominated loan. INEOS China Holdings Limited has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes.

The total amount outstanding at June 30, 2024 before issue costs was €867.0 million (December 31, 2023: €839.2 million).

The Rain Facility is stated net of debt issue costs of €0.8 million (December 31, 2023: €1.0 million).

Project One Facility

On December 22, 2022, the Group entered into certain agreements (the "Project One Facility") providing for loans in an aggregate principal amount of €3,500 million under (i) facilities guaranteed by export credit agencies (UKEF, SACE and CESCE), (ii) a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government) and (iii) a Commercial Facility to fund the construction of Project One, a 1,450 ktpa ethane cracker and olefins complex located in the port of Antwerp. The ability to draw the funds was contingent on the receipt of certain guarantees which completed in February 2023.

The Group expects the Project One Facility to be drawn in stages throughout the construction period to the end of 2026.

The total amount outstanding at June 30, 2024 before issue costs was €1,353.5 million (December 31, 2023: €522.0 million).

The Project One Facility is stated net of debt issue costs of €183.6 million (December 31, 2023: €190.6 million). The debt issue costs relate to legal and advisory fees, upfront fees to banks, agency fees to the facilities agents and the upfront Export Credit Agency Guarantee premiums paid to UKEF, CESCE and SACE.

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

12. BORROWINGS (Continued)

On July 20, 2023 the Group received a decision from the Council for Permit Disputes annulling the permit for Project One. As a result of the annulment of the permit, no further drawings may be made until such time as a new permit is reissued. Under the terms of the facility there is a period of up to 18 months to achieve this. In January 2024 a new permit was reissued for Project One when the Group's appeal to reconfirm the permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism, so construction of Project One has now resumed.

Project One Interim Facility

On September 15, 2023, the Group entered into certain agreements (the "Project One Interim Facility") providing for loans in an aggregate principal amount of €400 million under a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government). This is a short dated facility repayable within 364 days. The debt will continue to be drawn in stages based on the ongoing cash requirements of the project. In January 2024 a new permit was reissued for Project One when the Group's appeal to reconfirm the permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism, so construction of Project One has now resumed. On February 29, 2024 the Group repaid the entire drawn down balance of the Project One Interim Facility of €375.0 million from borrowings under the Project One Facility.

The total amount outstanding at June 30, 2024 before issue costs was nil (December 31, 2023: €365.0 million). The facility is stated net of debt issue costs of nil (December 31, 2023: €1.3 million).

O&P South Revolving Credit Facilities ('RCF')

Following the Lavera common control acquisition in April 2024, the Group acquired three revolving credit facilities:

The Group now has a €80.0 million RCF facility with BNP Paribas S.A. which expires in June 2025. The RCF bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.05%. As at June 30, 2024 no amounts had been drawn under the facility.

The Group also has a €15.0 million RCF facility with Caisse d'Epargne, which is repayable on demand with 90 days' notice. The facility bears interest at a rate per annum equal to EURIBOR plus a margin of 0.80%. As at June 30, 2024, €15.0 million had been drawn under the facility.

The Group also acquired a €14.0 million RCF facility with Calyon, this was repaid in full upon acquisition of the Lavera entities.

13. 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 1 and Level 2 contains commodity and interest rate swap derivatives. The financial assets/liabilities categorised as Fair Value through Other Comprehensive Income (FVOCI) presented in Level 3 contains equity securities.

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

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

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS (Continued)

| | Level | | | | Level | | | |
|--|-----------------------|---------------------|--------------------|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
| | Fair value | 1 | 2 | 3 | Fair value | 1 | 2 | 3 |
| | | June 30, 2024 | | | December 31, 2023 | | | |
| <i>(€ in millions)</i> | | | | | | | | |
| Financial assets held at fair value through profit or loss: | | | | | | | | |
| Derivative commodity contracts..... | 79.1 | 4.4 | 74.7 | - | 63.4 | 5.4 | 58.0 | - |
| Interest rate swap contracts..... | 22.2 | - | 22.2 | - | 29.4 | 4.1 | 25.3 | - |
| Financial assets held at fair value through other comprehensive income: | | | | | | | | |
| Equity investments | 25.9 | - | - | 25.9 | 27.1 | - | - | 27.1 |
| Financial liabilities held for trading at fair value through profit and loss: | | | | | | | | |
| Derivative commodity contracts | (88.5) | (13.8) | (74.7) | - | (73.9) | (10.6) | (63.3) | - |
| Interest rate swap contracts..... | (4.3) | - | (4.3) | - | (43.1) | - | (43.1) | - |
| Consideration payable | (606.8) | - | - | (606.8) | (598.7) | - | - | (598.7) |
| Total financial assets and (liabilities) held at fair value | <u>(572.4)</u> | <u>(9.4)</u> | <u>17.9</u> | <u>(580.9)</u> | <u>(595.8)</u> | <u>(1.1)</u> | <u>(23.1)</u> | <u>(571.6)</u> |

The commodity derivatives are fair valued using rates in a quoted market. There have been no transfers between levels during the six month period ended June 30, 2024 (2023: no transfers between levels). In July 2023, the Group signed a shareholders' agreement with Sinopec relating to a proposed joint venture in respect of a 1,200kt per annum ethylene cracker and related derivative plants in Tianjin, China. This has resulted in the recognition of financial asset held at fair value through other comprehensive income of RMB 4,425 million (€606.8 million) which represents the latest view of the 50% equity share of the joint venture. As at June 30, 2024 the Group has also recognised a financial liability of the same value within its balance sheet.

Net investment hedges

The Group has US\$ and Sterling financial liabilities in respect of the Senior Notes and Securitisation Facility that are designated net investment hedges of US\$ and Sterling operations in accordance with the requirements of IFRS 9. For the six month period ended June 30, 2024, net gains on translation of foreign operations and hedge of net investment in foreign operations net of tax of €417.0 million were taken directly to reserves and reported in the Statement of Comprehensive Income for the period then ended (six month period ended June 30, 2023: losses of €229.0 million). There was no ineffectiveness recognised in the income statement for the six month period ended June 30, 2024 (six month period ended June 30, 2023: €nil). The cumulative net investment hedge reserve amount as at June 30, 2024 was €555.1 million (December 31, 2023: €56.9 million).

Credit risk

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

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

13. FINANCIAL INSTRUMENTS (Continued)

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

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

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

Currency risk

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

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

Commodity price risk

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

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

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. As at June 30, 2024 there was a net mark to market derivative liability in respect of commodity contracts of €9.4 million entered into by the Group to manage such risk (December 31, 2023: net derivative liability of €10.5 million).

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

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

14. 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.

15. RELATED PARTIES

Related parties comprise:

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

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

INEOS Limited and INEOS AG, a subsidiary of INEOS Limited, provide operational management services to the Group through a management services agreement. Management fees of €60.0 million (June 30, 2023: €53.1 million) were charged to the income statement during the six month period ended June 30, 2024. As at June 30, 2024 amounts owed to INEOS Limited were €30.0 million (December 31, 2023: €34.8 million) and amounts owed by INEOS Limited were nil (December 31, 2023: nil). As at June 30, 2024 amounts owed to INEOS AG were €2.2 million (December 31, 2023: nil) and amounts owed by INEOS AG were €43.5 million (December 31, 2023: €42.9 million). Amounts owed by INEOS Holdings AG and INEOS Holdings Luxembourg S.A., both wholly owned subsidiaries of INEOS AG, were €104.9 million (December 31, 2023: €102.5 million) and €17.0 million (December 31, 2023: €14.6 million) respectively.

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

During the six month period ended June 30, 2024 the Group has made sales to these subsidiaries of €672.2 million (June 30, 2023: €793.5 million), received net cost recoveries of €109.8 million (June 30, 2023: received net cost recoveries of €149.5 million) and made purchases of €290.7 million (June 30, 2023: €482.0 million). As at June 30, 2024, €780.5 million (December 31, 2023: €684.0 million) was owed by and €107.3 million (December 31, 2023: €197.6 million) was owed to these subsidiaries (excluding the INEOS Upstream and INEOS Grangemouth loans).

In January 2023 the Group provided a loan of €309.3 million via INEOS Industries Holdings Limited to INEOS Grangemouth Limited, a related party, to facilitate the repayment of its Senior Term and Revolving Loan Facilities. The loan facility is unsecured, matures in January 2028 and bears interest at 5.75% per annum. As at June 30, 2024 €309.3 million (December 31, 2023: €309.3 million) was outstanding under the facility.

In April 2023 the Group provided a loan of €811.9 million via INEOS Industries Holdings Limited to INEOS Upstream Holdings Limited, a related party, to partly fund its acquisition of US onshore oil and gas assets in the Eagle Ford shale from Chesapeake Energy. The loan facility is unsecured, matures in April 2028 and bears interest at 8.5% per annum. As at June 30, 2024 €811.9 million (December 31, 2023: €811.9 million) was outstanding under the facility.

During 2015 the Group provided a loan of \$623.7 million via INEOS Industries Holdings Limited to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured, matures in June 2026 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the

INEOS GROUP HOLDINGS S.A.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of \$376.2 million (€315.7 million) via INEOS Industries Holdings Limited to INEOS Upstream Limited, the proceeds of which were on-lent to certain of its subsidiaries. The loan is unsecured, matures in June 2026 and bears interest at 7% per annum. As at June 30, 2024 \$617.1 million (€566.7 million) was outstanding under these facilities (December 31, 2023: \$617.1 million (€555.6 million)).

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited, INEOS UK E&P Holdings Limited and INEOS Energy Trading Limited, all related parties. The net fair value gain/loss and settlements on these derivatives during the six month period ended June 30, 2024 was nil (June 30, 2023: nil). As at June 30, 2024, the mark to market derivative liability was nil (December 31, 2023: €45.1 million) and the mark to market derivative asset was nil (December 31, 2023: €58.1 million) in respect of these related party derivative financial instruments.

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions. As at June 30, 2024 none (December 31, 2023: none) of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at June 30, 2024 (December 31, 2023: nil).

INEOS GROUP HOLDINGS S.A.
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

FORWARD-LOOKING STATEMENTS

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

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

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

INEOS GROUP HOLDINGS S.A.
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

Overview

Combined Business

We are one of the world's largest chemical companies as measured by revenue. Our business has highly integrated, world class chemical facilities and production technologies. We have leading global market positions for a majority of our key products and a strong and stable customer base. We operate 33 manufacturing sites in six countries throughout the world. We are led by a highly experienced management team with, on a combined basis, over 100 years of experience in the chemical industry. As of December 31, 2023, our total chemical production capacity was approximately 25,000 kta, of which 53% was in Europe, 43% was in North America and 4% was in Asia.

Results of Operations

Consolidated

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

| | Three-Month Period | | | |
|--|---------------------------|--------------|----------------|---------------|
| | Ended June 30, | | | |
| | 2024 | | 2023 | |
| | €m | % | €m | % |
| Revenue | 4,353.8 | 100.0 | 3,722.0 | 100.0 |
| Cost of sales..... | (3,818.7) | 87.7 | (3,420.7) | (91.9) |
| Gross profit | 535.1 | 12.3 | 301.3 | 8.1 |
| Distribution costs..... | (74.7) | (1.7) | (57.1) | (1.5) |
| Administrative expenses before exceptional items | (134.5) | (3.1) | (153.6) | (4.1) |
| Exceptional administrative costs | (16.4) | (0.4) | - | - |
| Exceptional administrative gain | 126.1 | 2.9 | - | - |
| Total administrative expenses..... | (24.8) | (0.6) | (153.6) | (4.1) |
| Operating profit | 435.6 | 10.0 | 90.6 | 2.4 |
| Share of loss of associates and joint ventures | (21.9) | (0.5) | (79.0) | (2.1) |
| Profit on disposal of investments..... | 30.8 | 0.7 | - | - |
| Profit before net finance costs | 444.5 | 10.2 | 11.6 | 0.3 |
| Total finance income | 66.1 | 1.5 | 62.6 | 1.7 |
| Finance costs before exceptional items | (185.2) | (4.3) | (72.7) | (2.0) |
| Exceptional finance costs | (33.6) | (0.8) | - | - |
| Total finance costs..... | (218.8) | (5.0) | (72.7) | (2.0) |
| Profit before tax | 291.8 | 6.7 | 1.5 | 0.0 |
| Tax charge..... | (36.9) | (0.8) | (20.0) | (0.5) |
| Profit/(loss) for the period | 254.9 | 5.9 | (18.5) | (0.5) |

INEOS GROUP HOLDINGS S.A.
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Three-month period ended June 30, 2024, Compared to Three-month period ended June 30, 2023

Revenue. Revenue increased by €631.8 million, or 17.0%, to €4,353.8 million in the three month period ended June 30, 2024 as compared to €3,722.0 million for the same period in 2023. The increase in revenues was driven by higher selling prices and increased volumes. Overall sales volumes for the Group were approximately 16% higher in the three month period ended June 30, 2024 as compared to the same period in 2023 as all businesses experienced an increase in volumes, except for the Phenol business. Selling prices were also higher in the second quarter of 2024 as compared to the same period in 2023 as these followed the increase in crude oil prices, which increased to an average of \$85/bbl for the three month period ended June 30, 2024 as compared to \$78/bbl in the same period in 2023.

Cost of sales. Cost of sales increased by €398.0 million, or 11.6%, to €3,818.7 million in the three month period ended June 30, 2024 as compared to €3,420.7 million for the same period in 2023. The increase in cost of sales was largely due to higher volumes and the increase in crude oil prices, which has meant higher feedstock prices across the Group in the three month period ended June 30, 2024, as compared to the same period in 2023.

Gross profit. Gross profit increased by €233.8 million, or 77.6%, to €535.1 million in the three month period ended June 30, 2024 as compared to €301.3 million for the same period in 2023. The increase in profitability was driven by lower inventory holding losses compared to the same period in 2023, and an increase in volumes which were approximately 16% higher in the three month period ended June 30, 2024 as compared to the same period in 2023 which was partly due to the acquisitions made in the quarter. This was partly offset by lower margins for most of the businesses. The profitability of the O&P North America business decreased due to a decrease in margins. All the product line margins decreased driven by a softer market which has eroded margins. The O&P Europe business experienced an increase in volumes as markets for all products in the three month period ended June 30, 2024 were generally stronger compared to the same period in 2023, with all product lines seeing an increase in demand in Q2, 2024. Polymer markets saw increased demand during the period which more than offset the lower margins compared to 2023. Inventory holding losses within the O&P segments were approximately €42 million in the three month period ended June 30, 2024, as compared to inventory holding losses of €136 million in the same period in 2023. Chemical Intermediates experienced an increase in profitability across all businesses in the three month period ended June 30, 2024 as compared to the same period in 2023. The increase in profitability was mainly driven by higher volumes, as all businesses, other than Phenol, experienced an increase in sales volumes in the three month period ended June 30, 2024 as compared to the same period in 2023. This was partly driven by the acquisitions of the Lavera and Bayport businesses during the quarter which has resulted in increased sales volumes compared to the same period in 2023.

Distribution costs. Distribution costs increased by €17.6 million, or 30.8%, to €74.7 million in the three month period ended June 30, 2024 as compared to €57.1 million for the same period in 2023. The increase in distribution costs was driven by the Bayport acquisition by Oxide and acquisition of the Lavera businesses into the Group, resulting in higher volumes and therefore increased distribution costs.

Administrative expenses before exceptional items. Administrative expenses decreased by €19.1 million, or 12.4%, to €134.5 million in the three month period ended June 30, 2024 as compared to €153.6 million for the same period in 2023, driven by a one-off impairment of intangible fixed assets within the O&P North America business of €26.1 million in 2023 that was not in the 2024 period. This was partly offset by higher other operating expenses and increased expenditure on research and development in the three month period ended June 30, 2024, as compared to the same period in 2023.

Exceptional administrative costs. Exceptional administrative costs were €16.4 million in the three month period ended June 30, 2024 as compared to nil in the same period in 2023. The exceptional administrative costs in the three month period ended June 30, 2024 related to the transaction costs incurred in relation to the Group acquiring the Lyondellbasell Ethylene Oxide and Derivatives business and production facility at Bayport Texas on 1 May 2024.

Exceptional administrative gain. Exceptional administrative gain was €126.1 million in the three month period ended June 30, 2024 as compared to nil in the same period in 2023. On 1 April the Group acquired the business interests of TotalEnergies at the Lavera site which has resulted in provisional negative

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goodwill of €126.1 million being credited to the consolidated income statement as an exceptional administrative gain in the period.

Operating profit. Operating profit increased by €345.0 million, or 380.8%, to €435.6 million in the three month period ended June 30, 2024 as compared to €90.6 million for the same period in 2023.

Share of loss of associates and joint ventures. Share of loss of associates and joint ventures was a loss of €21.9 million in the three month period ended June 30, 2024 as compared to a loss of €79.0 million for the same period in 2023. The share of loss from associates and joint ventures in the three month period ended June 30, 2024 and the same period in 2023 primarily reflected the Group's share of losses from the SECCO joint venture with Sinopec.

Profit on disposal of investments. Profit on investments was €30.8 million in the three month period ended June 30, 2024. This related to the gain on disposal of the Group's 50% share of the Lavera joint ventures as part of the acquisition of the TotalEnergies Lavera businesses by the Group.

Profit before net finance costs. Profit before net finance costs increased by €432.9 million to €444.5 million in the three month period ended June 30, 2024 as compared to €11.6 million for the same period in 2023.

Total finance income. Total finance income increased by €3.5 million, or 5.6%, to €66.1 million in the three month period ended June 30, 2024 as compared to €62.6 million for the same period in 2023. The income in the three month period ended June 30, 2024 and the same period in 2023 primarily related to interest income from loans to related parties, including INEOS Upstream and INEOS Industries, together with higher interest rates on cash balances held by the Group.

Finance costs before exceptional items. Finance costs before exceptional items increased by €112.5 million, or 154.7%, to €185.2 million in the three month period ended June 30, 2024 as compared to €72.7 million for the same period in 2023. The increase in finance costs for the three month period ended June 30, 2024 reflected lower net foreign exchange gains of €20.2 million in the three month period ended June 30, 2024 as compared to a gain of €69.8 million in the same period in 2023. In addition, net fair value gains on derivatives decreased from €45.3 million in the second quarter of 2023 to €19.9 million in the three month period ended June 30, 2024. There were also higher interest costs on the Group's bank loans because of the increase in borrowings in the period ended June 30, 2024 as compared to the same period in 2023.

Exceptional finance costs. Exceptional finance costs were €33.6 million in the three month period ended June 30, 2024 as compared to nil in the same period in 2023. The exceptional finance costs in the three month period ended June 30, 2024 related to the write-off of debt issue costs associated with the refinancing of the Senior Secured Term Loans in June 2024. There was a substantial modification of the Euro Term Loans resulting in the €33.6m write-off of the existing unamortised debt issue costs.

Profit before tax. Profit before tax increased by €290.3 million, to €291.8 million in the three month period ended June 30, 2024, as compared to €1.5 million for the same period in 2023.

Tax charge. Tax charge increased by €16.9 million, or 84.5%, to €36.9 million in the three month period ended June 30, 2024, as compared to €20.0 million for the same period in 2023 primarily due to the increased profitability of the Group. After adjusting for the loss from the share of associates and joint ventures, the effective tax rate of approximately 12% in the three month period ended June 30, 2024 brings the effective tax rate for the first half of 2024 to 12%. The underlying effective tax rate for the three month period ended June 30, 2023 was approximately 25% after adjusting for the loss from the share of associates and joint ventures.

Profit/(loss) for the period. Profit/(loss) for the period increased by €273.4 million to a profit of €254.9 million in the three month period ended June 30, 2024, as compared to a loss of €18.5 million for the same period in 2023.

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Business segments

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

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

| | Three-Month Period Ended June 30, | | Six-Month Period Ended June 30, | |
|-----------------------------------|--------------------------------------|----------------|------------------------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | <i>(€ in millions)</i> | | <i>(€ in millions)</i> | |
| <i>Revenue</i> | | | | |
| O&P North America | 1,153.5 | 1,054.6 | 2,151.9 | 2,118.4 |
| O&P Europe | 2,155.9 | 1,654.5 | 3,896.2 | 3,445.8 |
| Chemical Intermediates | 1,878.0 | 1,754.2 | 3,634.3 | 3,636.9 |
| Eliminations | (833.6) | (741.3) | (1,557.2) | (1,359.1) |
| | <u>4,353.8</u> | <u>3,722.0</u> | <u>8,125.2</u> | <u>7,842.0</u> |
| <i>EBITDA before exceptionals</i> | | | | |
| O&P North America | 189.3 | 202.4 | 415.9 | 393.7 |
| O&P Europe | 177.3 | 71.6 | 291.4 | 161.6 |
| Chemical Intermediates | 209.8 | 112.6 | 384.8 | 275.5 |
| | <u>576.4</u> | <u>386.6</u> | <u>1,092.1</u> | <u>830.8</u> |

O&P North America

Revenue. Revenue in the O&P North America segment increased by €98.9 million, or 9.4%, to €1,153.5 million in the three month period ended June 30, 2024, as compared to €1,054.6 million for the same period in 2023. The increase was primarily driven by higher volumes in the three month period ended June 30, 2024 as compared to the same period in 2023, with a slight offset driven by lower prices. The weighted average sales price for the whole business was approximately 3% lower in the three month period ended June 30, 2024 as compared to the same period in 2023, with decreases coming from pipe and polyethylene, partly offset by higher olefins and polypropylene prices. Overall sales volumes increased by approximately 11% when compared to the same period in 2023, with this being driven by increased olefin and polymer third party sales.

EBITDA before exceptionals. EBITDA before exceptionals in the O&P North America segment decreased by €13.1 million, or 6.5%, to €189.3 million in the three month period ended June 30, 2024 as compared to €202.4 million in the same period in 2023. The decrease in profitability in the three month period ended June 30, 2024 as compared to the same period in 2023 was largely due to lower margins and higher fixed costs, partly offset by higher volumes and lower inventory holding losses compared to the prior period. The weighted average margins decreased by approximately 18% when compared to the same period in 2023. Inventory holding losses were approximately €22 million in the three month period ended June 30, 2024, as compared to losses of approximately €66 million in the same period in 2023. Overall sales volumes increased by approximately 11% when compared to the same period in 2023, with this being driven by increased olefin and polymer third party sales.

O&P Europe

Revenue. Revenue in the O&P Europe segment increased by €501.4 million, or 30.3%, to €2,155.9 million in the three month period ended June 30, 2024 as compared to €1,654.5 million for the same period in 2023. The increase in revenues was driven by higher volumes and higher prices in the three month period ended June 30, 2024 as compared to the same period in 2023. Overall sales volumes increased in the three month period ended June 30, 2024 as compared to the same period in 2023, with all the businesses having higher sales volumes. This increase was driven by a significant increase in olefin volumes of approximately 36% when compared to the prior year. The increase in revenues was also driven by the acquisition of the Lavera

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assets on April 1, 2024. The increase in selling prices was driven by the general price environment, which was higher in the three month period ended June 30, 2024 as compared to the same period in 2023, as crude oil prices rose to an average of \$84/bbl for the three month period ended June 30, 2024 as compared to an average of \$78/bbl for the three month period ended June 30, 2023.

EBITDA before exceptionals. EBITDA before exceptionals in the O&P Europe segment increased by €105.7 million or 147.6% to €177.3 million in the three month period ended June 30, 2024, as compared to €71.6 million in the same period in 2023. The results for the three month period ended June 30, 2024 increased compared to the same period in 2023, primarily due to lower inventory holding losses than the same period in 2023, higher volumes and higher margins, partly offset by higher fixed costs. Inventory holding losses were approximately €20 million in the three month period ended June 30, 2024 as compared to gains of approximately €70 million in the three month period ended June 30, 2023. Overall sales volumes were higher in the three month period ended June 30, 2024 as compared to the same period in 2023 with all the businesses having increased demand for their products. The higher margins were mainly derived from increased margins in the Trading and Shipping business and increased C4 and C6 margins benefitting from higher feedstock prices. The increase in profitability was also driven by the acquisition of the Lavera assets on April 1, 2024.

Chemical Intermediates

Revenue. Revenue in the Chemical Intermediates segment increased by €123.8 million, or 7.1%, to €1,878.0 million in the three month period ended June 30, 2024 as compared to €1,754.2 million for the same period in 2023. The Oxide business revenues increased in the three month period ended June 30, 2024 as compared to the same period in 2023, driven by a large increase in volumes generated by the Bayport and Lavera acquisitions which have added volumes not in the comparative period. The remaining volumes were slightly higher than the same period in 2023, indicating an improvement in the underlying business environment in 2024 when compared to the same period in 2023. This was partly offset by lower prices on products compared to 2023, with this being driven by cheap imports and reduced demand. The Oligomers business revenues were marginally higher in the three month period ended June 30, 2024 as compared to the same period in 2023, because of higher volumes, almost completely offset by lower prices. Sales volumes were higher in the three month period ended June 30, 2024 as compared to the same period in 2023, because of higher PIB, PAO and SO sales volumes. The increase in PAO sales volumes was seen in the European and North American markets, with the Asian markets remaining in line with the prior year, whilst SO sales were higher across all three regions. PIB volumes increased due to the Lavera acquisition during the quarter which increased volumes sold as compared to the same period in 2023. The decrease in product prices was around 6% and was across all of the product portfolio other than PIB. Nitriles revenues increased in the three month period ended June 30, 2024 as compared to the same period in 2023, driven by higher volumes and higher prices. Acrylonitrile sales volumes increased by approximately 26% in the three month period ended June 30, 2024 as compared to the same period in 2023 due to higher demand, especially in Europe and the US. Furthermore, ammonia sales have increased for both ammonia and nitric acid when compared to the same period in 2023. Prices for both acrylonitrile and ammonia have remained stable when compared to the same period in 2023, with a slight increase causing the price revenue increases. The Phenol business revenues increased in the three month period ended June 30, 2024 as compared to the same period in 2023, driven by higher prices, partly offset by lower volumes. Sales volumes were approximately 4% lower in the three month period ended June 30, 2024 as compared to the same period in 2023 due to weakened market demand for cumene and other raw materials. Selling prices moved in line with the underlying raw material prices with acetone and phenol prices moving higher in both European and the US due to significant increases in propylene and benzene feedstock prices.

EBITDA before exceptionals. EBITDA before exceptionals in the Chemical Intermediates segment increased by €97.2 million, or 86.3%, to €209.8 million in the three month period ended June 30, 2024 as compared to €112.6 million for the same period in 2023. The Oxide business results in the three month period ended June 30, 2024 were higher compared to the same period in 2023, due to the Bayport and Lavera acquisitions, as well as lower fixed costs. This has been partly offset by lower margins. The effect of the Bayport and Lavera acquisitions has resulted in an increase in sales volumes when compared to the same period in 2023. Fixed costs have decreased in the three month period ended June 30, 2024 due to an outage at the Plaquemine plant resulting in less maintenance spend on this site. The Oligomers business profitability increased in the three month period ended June 30, 2024 as compared with the same period in 2023 because of higher sales volumes and the acquisition of the Lavera business in the quarter

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partially offset by lower margins. Sales volumes were higher in the three month period ended June 30, 2024 as compared to the same period in 2023, due to higher PIB, PAO and SO sales volumes. The increase in PAO sales volumes was seen in the European and North American markets, with the Asian markets remaining in line with the prior year, whilst SO sales were higher across all three regions. PIB volumes increased because of the Lavera acquisition which increased volumes sold as compared to the same period in 2023. The Lavera acquisition has also helped to increase profitability as the sales volumes have increased compared to the same period in 2023. Margins were lower in the three month period ended June 30, 2024 as compared to the same period in 2023 due to the price of all products being lower, resulting in increased pressure on the underlying margins, with this impacting all the products within the business. The Nitriles business experienced an increase in profitability in the three month period ended June 30, 2024 as compared to the same period in 2023, driven by higher volumes, higher margins and lower fixed costs. Acrylonitrile volumes and margins both increased because of improved demand in Europe and the US, as well as temporarily high margins at the Lima facility. The Phenol business profitability increased in the three month period ended June 30, 2024 as compared to the same period in 2023, largely driven by lower fixed costs.

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Liquidity and Capital Resources

Capital Resources

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

Our primary sources of liquidity are cash flows from operations of subsidiaries, cash on our balance sheet and borrowings under the Receivables Securitization Program and Inventory Financing Facility. Our ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

We believe that our operating cash flows, together with the cash resources and future borrowings under the Securitization Program, the Project One Facilities, and Inventory Financing Facility, will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case.

We have also historically paid dividends to our shareholders. We may make strategic decisions, including the payment of dividends, the size of which may change or increase from time to time, depending on the performance of the business, and may not necessarily be in line with past practice.

In addition, we may engage in strategic transactions, including future debt incurrence in the capital and leverage finance markets, including inventory financing or similar arrangements, or repurchases of our debt (on the open market or otherwise) with cash on hand or from the proceeds of future debt incurrences, which may impact the availability of cash resources.

Financing Arrangements

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

The Group has a €800.0 million Receivables Securitization Facility in place, which matures in December 2024. The Group also has an Inventory Financing Facility in place, which matures in June 2024, although this is extendable by mutual agreement.

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

Following the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group in July 2015, the Group assumed the obligations of a loan facility of Noretyl AS. In November 2019, following the repayment of the initial loan, the loan facility was amended and restated with a new facility amount of €250.0 million. In November 2022 the Group amended and extended the existing Rafnes facility to €305.0 million, resulting in an additional drawdown of €126.5 million. The new facility matures in November 2027.

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

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

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As part of the Group's purchase of the 50% interest in the SECCO joint venture in Shanghai, China from Sinopec on December 31, 2022, the Group entered into the Rain Facilities with an aggregate principal amount of RMB 1,045 million and \$525.0 million through an Unrestricted Subsidiary. In April 2023, the Group successfully completed syndication of the Rain Facilities increasing the Rain Facilities to RMB 1,045 million and \$785.0 million. The Rain Facilities are fully drawn, guaranteed by INEOS Group Holdings S.A. and INEOS Holdings Limited, and matures in June 2026.

In December 2022, the Group entered into project financing agreements in connection with Project ONE to borrow loans of up to €3.5 billion to fund the majority of the capital expenditure plus associated financing costs during construction. On July 20, 2023 the Group received a decision from the Council for Permit Disputes annulling the permit for Project ONE. As a result of the annulment of the permit, no further drawings could be made until such time as a new permit was reissued. Under the terms of the facility there was a period of up to 18 months to achieve this. In September 2023, the Group entered into certain agreements providing for loans in an aggregate principal amount of €400 million under a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government). This was a short dated facility repayable within 364 days. On January 7, 2024, a new permit was issued. On February 29, 2024 the Group repaid the Project ONE Interim Facility from borrowings under the Project ONE Facilities.

As of June 30, 2024 the Group had a total of €6,095.7 million Senior Secured Term Loans, €550.0 million Senior Secured Notes due 2025, €78.1 million Senior Secured Notes due March 2026, €281.2 million Senior Secured Notes due May 2026, €796.8 million Senior Secured Notes due 2028 and €1,526.8 million Senior Secured Noted due 2029 outstanding.

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

Capital Expenditures

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

Capital expenditure incurred during the six months ended June 30, 2024 was €727.1 million (€606.3 million in the six months ended June 30, 2023) analysed by business segment as follows:

| | Six-month period ended June 30, | |
|------------------------|--|--------------|
| | 2024 | 2023 |
| | <i>(€ in millions)</i> | |
| O&P North America | 94.8 | 100.2 |
| O&P Europe | 558.6 | 399.4 |
| Chemical Intermediates | 73.7 | 106.7 |
| | 727.1 | 606.3 |

In the six month period ended June 30, 2024, the Group spent €727.1 million (six month period ended June 30, 2023: €606.3 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the Project One expenditure that restarted following the granting of a permit in January 2024 that allowed work to recommence on the construction of a new cracker in Antwerp, Belgium. The main expenditure in the Chemical Intermediates segment was turnaround expenditure for the Oxide business at both the Antwerp and Koln sites. The remaining capital expenditure related primarily to sustenance expenditure.

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In the six month period ended June 30, 2023, the Group spent €606.3 million (six month period ended June 30, 2022: €396.3 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Koln, Germany site, expenditure on a new ARG compressor, a turnaround on a polyethylene unit and expenditure on Project ONE. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Oligomers business on the LAO platform at Chocolate Bayou, USA and by the Phenol business on the new cumene unit project at Marl, Germany. There was also turnaround expenditure by the Oligomers business at Chocolate Bayou, USA. The remaining capital expenditure related primarily to sustenance expenditure.

Working Capital

We anticipate that our working capital requirements will vary due to changes in raw material costs, which affect inventory and account receivables levels, and sales volumes. Working capital levels typically develop in line with raw material prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under our Receivables Securitisation Facility and Inventory Financing Facilities.

Cash Flows

During the six month period ended June 30, 2024 and 2023, our cash flow was as follows:

| | Six-month period ended June 30, | |
|--|--|-------------|
| | 2024 | 2023 |
| | <i>(€ millions)</i> | |
| Cash flow from operating activities..... | 857.8 | 688.7 |
| Cash flow used in investing activities..... | (1,627.1) | (1,898.7) |
| Cash flow from/(used in) financing activities..... | 1,161.0 | 667.5 |

Cash flows from operating activities

Net cash flow from operating activities was an inflow of €857.8 million for the six month period ended June 30, 2024 (inflow of €688.7 million in the six month period ended June 30, 2023). The inflow was due to the profit generated from operations, partly offset by working capital outflows of €273.3 million in the six month period ended June 30, 2024 (outflow of €1.8 million in the six month period ended June 30, 2023).

Taxation payments of €68.0 million were made in the six month period ended June 30, 2024 (payments of €141.1 million in the six month period ended June 30, 2023). The payments in the six month period ended June 30, 2024 primarily reflected tax payments in Germany, France, the USA and Canada. The payments in the six month period ended June 30, 2023 primarily reflected payments made to the tax authorities in Germany, UK, Belgium, Norway, USA and Canada.

Cash flows used in investing activities

Interest receipts of €49.5 million were received in the six month period ended June 30, 2024 (€46.0 million in the six month period ended June 30, 2023) which related primarily to interest received on cash balances held by the Group.

On April 1, 2024, the Group completed the reintegration of the Lavera group of companies. Total consideration of €250.0 million was paid, consisting of €234.0 million paid to INEOS Holdings Luxembourg S.A. and €16.0 million to INEOS Chemicals Holdings Luxembourg II S.A. AS part of this acquisition, €84.3 million of cash was acquired.

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On April 1, 2024, the Group also completed the acquisition of the business interests of TotalEnergies at the Lavera site for a total cash consideration of €142.9 million. Cash acquired as part of this acquisition totalled €12.1 million.

On 1 May 2024, the Group acquired the Lyondellbasell Ethylene Oxide and Derivatives business and production facility at Bayport Texas for total consideration of \$700.0 million (€653.0 million). No cash was acquired as part of this transaction.

There were no other significant cash flows used in investing activities in the six month period ended June 30, 2024 and 2023 other than the acquisition of property, plant and equipment (refer to the “Capital Expenditure” section).

Cash flows from/(used in) financing activities

Payments of €410.5 million were made in the six month period ended June 30, 2024 (€294.6 million in the six month period ended June 30, 2023) in respect of interest and other finance items. The payments during the first six months of 2024 related primarily to monthly cash payments in respect of the Senior Secured Term Loans; semi-annual interest payments on the Senior Secured Notes due 2028, Senior Secured Notes due 2026, Senior Secured Notes due 2025 and Project One loans; quarterly interest payments on the Gemini and Rain facilities and interest paid on lease liabilities of €20.4 million, partially offset by the net settlement of derivative contracts of €12.3 million. The payments during the first six months of 2023 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, semi-annual interest payments on the Senior Secured Notes due 2026 and Senior Secured Notes due 2025, quarterly interest payments on the Gemini and Rain facilities and interest paid on lease liabilities of €27.6 million, partially offset by the net settlement of derivative contracts of €29.7 million.

The Group made drawdowns of €15.1 million on the Inventory Financing Facility during the six month period ended June 30, 2024 (repayments of €41.1 million in the six month period ended June 30, 2023).

In December 2022, the Group entered into project financing agreements in connection with Project One to borrow loans of up to €3.5 billion to fund the majority of the capital expenditure plus associated financing costs during construction. In February 2023 the Group received certain guarantees which meant it could start drawing under the Project One Facility. During the six month period ended June 30, 2024 the Group made drawdowns under the Project One Facility of €831.5 million (€522.0 million in the six month period ended June 30, 2023). During the six month period ended June 30, 2023 the Group paid €202.4 million of debt issue costs relating to legal and advisory fees, upfront fees to banks, agency fees to the facilities agents and the upfront Export Credit Agency Guarantee premiums paid to UKEF, CESCE and SACE.

In July 2023 the Group received a decision from the Council for Permit Disputes annulling the permit for Project One. As a result of the annulment of the permit, no further drawings could be made until such time as a new permit is reissued, therefore in September 2023, the Group entered into certain agreements providing for loans in an aggregate principal amount of €400.0 million under a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government). In January 2024, a new permit was reissued for Project One when the Group’s appeal to reconfirm the permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism, so construction of Project One has now resumed. On February 29, 2024 the Group repaid the entire drawn down balance of the Project One Interim Facility of €365.0 million from borrowings under the Project One Facility.

In February 2024 the Group issued new Senior Secured Term Loans and Senior Secured Notes due 2029. The Senior Secured Term Loans included €425 million and \$500 million maturing in February 2031 which were issued at a discount resulting in a cash inflow of €877.5 million. Debt issue costs of €7.5 million were paid in relation to the new Senior Secured Term Loans. The Senior Secured Notes consisted of €850 million and \$725 million (€669.1 million) and mature in April 2029. Debt issue costs of €12.8 million were paid by the Group in relation to the new Senior Secured Notes. Proceeds were used to partly redeem €312.2 million of the 2025 and €735.7 million of the 2026 Senior Secured Notes for a discounted cash consideration of €1,031.2 million and to provide funding for the Group’s planned acquisitions and development projects.

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In February 2023 the Group issued new Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Term Loans included €700.0 million maturing in November 2027 and \$1.2 billion (€1,103.9 million) maturing in February 2030. The Group paid debt issue cost of €29.6 million in relation to the new Senior Secured Term Loans. The Senior Secured Notes consisted of €400 million and \$425 million (€390.9 million) and mature in May 2028. Debt issue cost of €6.2 million were paid by the Group in relation to the new Senior Secured Notes. The proceeds were used to fully redeem the remaining Senior Secured Term Loans due 2024 of €1,982.1 million as well as increasing the liquidity of the Group.

The Group made scheduled repayments of €11.1 million on the Senior Secured Term Loans during the six month period ended June 30, 2024 (scheduled repayments of €8.7 million in the six month period ended June 30, 2023).

In June 2024 the Group issued new Senior Secured Term Loans. The Senior Secured Term Loans included €1,500 million maturing in June 2031 and \$2,379 million maturing in February 2030. This was a cash-less roll and replaced the 2027 Euro Term Loans, the 2027 Dollar Term Loans and the initial 2030 Dollar Term Loans. Debt issue costs of €17.9 million were paid during the six month period ended June 30, 2024 associated with the Senior Secured Term Loans .

As part of a Koln, Germany project to replace part of the site's incineration and cogeneration unit, the Group entered into a €120.0 million loan facility. The Group has made scheduled loan repayments of €18.0 million on the Koln CoGen Facility during the six month period ended June 30, 2024 (scheduled repayments of €12.0 million during the six month period ended June 30, 2023). As part of this project the Group also entered into an additional loan facility of €60.0 million in May 2021. The first repayments under this additional facility started in September 2022 with scheduled loan repayments of €11.3 million made in the six month period ended June 30, 2024 (€7.5 million being made in the six month period ended June 30, 2023).

In August 2020, the Group entered into a new €19.2 million bank loan agreement to fund capital expenditure on a freight rail car fleet covering North America for the Oligomers business. The Group has made scheduled loan repayments of €0.1 million during the six month period ended June 30, 2024 (€0.2 million repayments in the six month period ended June 30, 2023).

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The Group has made scheduled loan repayments of €11.9 million during the six month period ended June 30, 2024 (scheduled repayments of €11.6 million in the six month period ended June 30, 2023).

In November 2020, the Group entered into a separate bank loan agreement to fund specific capital expenditure on a new cumene unit at Marl, Germany for the Phenol business. During the six month period ended June 30, 2024 the Group made no scheduled repayments (€0.7 million in the six month period ended June 30, 2023).

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a loan facility that Noretyl had in place. In November 2022 the Group amended and extended the facility to be €305.0 million. The first repayment under the facility started in May 2025 so a repayment of €18.0 million was made during the six month period ended June 30, 2024.

As part of the Lavera common control acquisition in April 2024 the Group acquired three Revolving Credit Facilities. During the six month period ended June 30, 2024 the Group made net repayments of €64.0 million in respect of these facilities. Of this, a €60.0 million repayment related to the BNP Paribas facility, €9.5 million related to the repayment in full of the Calyon facility and a €5.5 million drawdown on the Caisse d'Epargne facility.

As part of the Lavera common control acquisition in April 2024, the Group acquired INEOS Manufacturing Italia S.P.A which holds a senior term facility with the Banca Nazionale Del Lavoro S.P.A. Payment of €2.0 million was made in the six month period ended June 30, 2024.

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During the six month period ended June 30, 2024 the Group made payments of €100.1 million (€82.4 million in the six month period ended June 30, 2023) in respect of the capital element of lease liabilities.

Net debt

Total net debt as at June 30, 2024 was €10,123.9 million (December 31, 2023: €8,534.2 million). The Group held net cash balances of €2,203.0 million as at June 30, 2024 (December 31, 2023: €1,774.1 million) which included restricted cash of €163.3 million used as collateral against bank guarantees and letters of credit. The Group had availability under the undrawn receivables securitization facility of €666.6 million as at June 30, 2024.

The Group entered into three interest rate swap contracts effective June 2020 to hedge the variable interest rate exposure on \$1.2 billion of the USD denominated Senior Secured Term Loans. On a quarterly basis, the Group will receive 3-month USD SOFR and pay a fixed rate. Two of these swap contracts, totaling \$850 million of exposure were terminated in October 2023. The remaining \$350 million derivative instrument expires in June 2025. The Group entered into a further interest rate swap contract effective April 2023 to hedge the variable interest rate exposure on \$500 million of the USD denominated Senior Secured Term Loans. On a quarterly basis, the Group will receive 3-month USD SOFR and pay a fixed rate. This derivative instrument expires in April 2025.

The Group entered into several interest rate swap contracts and zero-cost collar contracts with a hedge coordinating bank in advance of reaching financial close under the Project ONE Facilities. These derivative instruments are based on an accreting gross notional profile up to €2,450 million. At financial close effective February 2023, the Group novated these derivative instruments to the wider banking syndicate involved in the Project ONE Facilities. Under the interest rate swap contracts on a 6-month (bi-annual) basis the Group receives 6-month Euribor and pays a fixed rate. Under the zero-cost collar contracts on a 6-month (bi-annual) basis the Group receives 6-month Euribor and pays a fixed rate against the Cap and receives a fixed rate and pays 6-month Euribor against the floor. These derivative instruments expire March 2028. As at June 30, 2024, the gross notional profile of these derivative instruments was €1,493.8 million.