

Registered number: 01005238

SOLVAY INTEROX LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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SOLVAY INTEROX LIMITED

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SOLVAY INTEROX LIMITED

COMPANY INFORMATION

Directors

M Giannuzzi
R P Tarver
M Fedeli

Company secretary

A Iapichino

Registered number

01005238

Registered office

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

Independent auditor

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

BNP Paribas
10 Harewood Avenue
London
NW1 6AA

SOLVAY INTEROX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the Strategic Report of Solvay Interox Limited (the "Company") for the year ended 31 December 2022.

Review of the business

The Company has developed its Hydrogen Peroxide business into new markets and applications, and is likely to expand this business further. Hydrogen Peroxide, along with utilities and other services, are supplied to a Company based on the Warrington site which purchased part of the Company's operations in 2008. The Solvay Group is a leading global supplier of Hydrogen Peroxide.

The Company's key financial and other performance indicators during the year were as follows:

| | 2022 | As restated 2021 |
|------------------------|-------------|---------------------|
| | £m | £m |
| Revenue | 38.5 | 27.2 |
| Operating profit | 16.3 | 0.7 |
| Gross profit | 25.1 | 8.4 |
| Other operating income | 3.4 | 3.0 |
| Capital expenditure | 1.1 | 0.4 |
| Cash pool balance | 55.4 | 49.2 |

In the current year, revenues increased from historic levels largely due to the increase of energy costs passed on to customers through regularly reviewed pricing. Markets remain stable for core products and some reduction in demand for the veterinary grade product. Increase in revenue from core products was due to price increases in the later part of the year to reflect the increase in cost of production following the energy price hikes.

Operating margins have increased through the impact of price increases exceeding the increase in energy prices.

Capital expenditure remains in line with requirements for maintaining operating equipment.

The cash pool balance has increased during the year through cash generation from trading.

During the year and up to the date of approval of this report, no dividend (2021: £nil) were proposed or paid by the Company.

SOLVAY INTEROX LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The Company is the only producer of Hydrogen Peroxide in the UK, but faces competition from imported products. The Company maintains good relationships with its customers and offers a responsive service.

The Company is a highly energy dependent business using gas and electricity, but is also using Hydrogen (linked to the price of gas) as a raw material. The Company invests considerable time in understanding these markets and making appropriate decisions with regard to their purchase. The buying power of the Solvay group reduces the adverse impact of movements in commodity prices.

On 24 February 2022, the Government of Russia launched a large-scale military operation in Ukraine. As a result, the international community imposed sanctions on Russia, which in turn prompted the Russian government to impose sanctions against some countries, including those in the European Union creating turmoil in the energy markets, raw materials sourcing, financing and banking systems. Our company is implementing a strict compliance policy, which also covers export control and application of all the sanctions defined against Russia.

The impact of the conflict was a surge in inflationary pressure, which was already intense and mitigated in 2022 through additional pricing and sourcing initiatives for the energy market. The Company will continue to closely monitor the situation and the evolution of the conflict.

The Company both sells finished products and purchases raw materials and services from the EU and therefore set up a Brexit task force to ensure preparedness for the transition expected at the end of 2020. The taskforce focused on putting supply chain measures in place to ensure that supplies were not disrupted at the Solvay Group level.

As of the date of the report date, Brexit has not had a significant impact on the performance of the Company.

The Company receives its funding from Solvay S.A (the ultimate parent company). These loans are at rates linked to the Group's borrowing costs. Foreign exchange risk is managed by the Group treasury function, through utilising group banking facilities and internal bank accounts.

The Company has a defined benefit pension scheme detailed in note 25 whose excess is dependent upon assumptions made in respect of discount rate and life expectancy. The Company recognises gains and losses through other comprehensive income in Statement of Comprehensive Income. A deficit funding plan is in place and is reviewed by the Company of Trustees during the triennial valuation process.

SOLVAY INTEROX LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement

This section describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Our Stakeholders

The directors consider that the Company's key stakeholders are its customers, suppliers, workforce and shareholders. The Board seeks to understand the respective interest of such stakeholder groups so that these may be properly considered in the Board's decisions. We do this through various means including direct engagement by Board members, and by receiving reports and updates from members of senior management who engage with such groups. Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Having regard to the likely consequences of any decision in the long term

The Board is mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed. The most significant recent example of this is the decision to implement a small restructuring programme to align more closely with the Solvay group shared services operations.

Having regard to the interests of the Company's employees

The Board takes active steps to ensure that the suggestions, views and interests of the workforce are captured and considered in our decision making. The Group has a number of effective workforce engagement mechanisms in place (a) Employees are kept informed of performance and strategy through biannual town hall presentations from members of the senior management and (b) Employee engagement surveys are undertaken regularly by the Solvay Group, covering the majority of the workforce, and the results are analysed and reported to the Board who look to promote actions in response to the survey results.

Having regard to the need to foster the Company's business relationships with suppliers, customers and others

Suppliers

The Board recognises the benefits of maintaining strong relationships with key raw material suppliers. Members of the senior management hold regular discussions with representatives of those key suppliers in which pertinent issues for both parties are discussed.

Customers

The interests of customers are always at the forefront of the Board's decision making processes. Members of the senior management team, maintain regular contact with the Company's larger customers and always seeks to represent their interests in Board level discussions. The Board receives regular updates from management in respect of the views of other customers.

SOLVAY INTEROX LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Having regard to the impact of the Company's operations on the community and the environment

The Board supports the Company's goals and initiatives with regard to reducing adverse impacts on the environment and supporting the communities that it touches. Compliance with all legislation intended to protect people, property and the environment is a fundamental priority of the Solvay group and the Board fully supports this. Management lead by example and allocate the required resources to achieve excellence in HSE performance.

The Company always seeks to be a good neighbour to the communities in which it operates, and engages positively with community representatives when called upon to do so. The Company maintains a strong relationship with a number of local High Schools supporting them through sponsorship of various activities including Science Fairs and Careers Events.

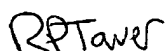
Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct

The Board recognises the importance of operating a robust corporate governance framework. Part of the Board's remit is to monitor the Group's compliance to high standards of business conduct. The Board encourages all employees to display a professional attitude to all business dealings, both with colleagues and with external parties and operates the Solvay Code of Conduct, which all employees are expected to comply with.

Having regard to the need to act fairly as between members of the Company

After weighing up all relevant factors, the directors consider which course of action best enables delivery of the Company's strategy through the long-term, taking into consideration the impact on stakeholders and the need to ensure the long-term sustainability of the Company. The directors, in doing so, act as fairly as possible between the Company's members. Decisions on capital expenditure, R&D and the defined benefit pension plan taken during the course of the year, were all carefully considered against this backdrop.

This report was approved by the Board and signed on its behalf by:



R P Tarver
Director

Date: 13/12/2023

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

SOLVAY INTEROX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements of Solvay Interox Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The Company produces Hydrogen Peroxide to be used in a variety of different markets.

Results and dividends

The profit for the financial year amounted to £15,362,000 (2021: £180,000).

During the year and up to the date of approval of this report, no dividends (2021: £nil) were proposed or paid.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

| | |
|-------------|-----------------------------------------------------|
| A Murphy | (resigned 30 August 2022) |
| M Giannuzzi | (appointed 11 January 2022) |
| R P Tarver | |
| M S Dain | (appointed 25 August 2022 and resigned 1 July 2023) |
| M Fedeli | (appointed 27 November 2023) |

Qualifying third party indemnity provisions

None of the directors held any interests in the share capital of the Company during the year (2021: none). The Company has made qualifying third-party indemnity provisions for the benefit of its directors and the directors of the subsidiaries which remain in force at the date of this report.

Going concern

Solvay SA announced, on 15 March 2022, that it was reviewing plans to separate into two independent, publicly traded companies:

- "SpecialtyCo" (now known as "Syensqo SA" or "Syensqo", which would comprise the Solvay Group's Materials segment and the majority of the Solvay Group's Solutions segment: Novecare, Technology Solutions, Aroma Performance, and Oil and Gas (together the "Specialty Business"). Cytec UK Holdings Limited will be part of the SpecialtyCo.
- "EssentialCo" (which is the legacy Solvay SA entity), which would comprise the leading mono-technology business in the Solvay Group's Chemicals segment and the Special Chem business (together the "Remaining Solvay Group"). Following the Partial Demerger (as defined below), the Remaining Solvay Group would consist of EssentialCo.

On December 9, 2023, upon approval of majority of the shareholders, Solvay SA successfully carried out the partial demerger and effective December 11, 2023, the new company, now known as Syensqo started trading on Euronext Brussels.

Under the separation plan, Solvay SA's shareholders retained their current shares of Solvay SA but also received proportionate share of the Syensqo.

SOLVAY INTEROX LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern (continued)

Following the partial demerger, the company remains part of the Solvay SA Group utilises treasury facilities provided to it by financing entities which are subsidiaries of Solvay SA. As the Company is reliant on these group funding arrangements, a letter of support from Solvay SA has been obtained, confirming they will provide this support for a period of 12 months from the date of approval of the financial statements. In satisfying themselves that Solvay SA has the means and ability to provide such financial support if required, the directors have held discussions with group directors, have understood the available facilities and cash reserves of the parent undertaking, have reviewed group cash flow forecasts, including sensitivities and challenged the assumptions within and are satisfied there is sufficient available headroom on available facilities including covenant requirements.

Thus, with the letter of support in place, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements for a period of 12 months from the date of approval of the financial statements.

Future developments

2022 improved following the disruptions experienced in 2020 & 2021 due to the COVID 19 outbreak lockdowns and changing regulations. The Company has returned to normal operations with no interruptions and anticipates that revenues and operating profitability will remain in line with historic norms.

The Company will look forward to develop sales in existing markets and reduce operating costs, while ensuring that safety and environmental considerations remain a top priority.

The Company is also seeking other business opportunities to use its Warrington site where there is available land and surplus utility capacity, which will help to ensure the continued sustainability of the site.

Financial risk management policies and objectives

Objectives and policies

Details of objectives and policies are discussed in the Strategic Report on pages 3 and 4 and form part of this report by cross reference.

Price risk, credit risk, cashflow risk, interest rate risk and liquidity risk

Price risk

As the Company's cost of production is largely influenced by the cost of energy, the Company closely manages its relationship with its customers to enable significant price increases in production to be passed onto its customers through increased pricing and an energy surcharge onto its base price.

Credit risk and cash flow risk

The Company's principal financial assets are trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Credit risk and cash flow risk (continued)

The Company receives its funding from Solvay S.A. These loans are at rates linked to the Group's borrowing costs. Foreign exchange risk is managed by the Group treasury function, through utilising group banking facilities, internal currency hedges and internal bank accounts.

SOLVAY INTEROX LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Price risk, credit risk, cashflow risk, interest rate risk and liquidity risk (continued)

Interest rate risk and liquidity risk

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only intercompany balances at variable interest rates and cash balances. Interest bearing liabilities include only intercompany balances at variable rates of interest. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses intercompany funding.

Environmental matters

Environment

Solvay Interox Limited recognises the importance of its environmental responsibilities, monitors and reports its impact on the environment in accordance with its Environmental Permit and strives for continual improvement in the management of its impact on the environment through the effective use of its ISO14001 certified Environmental Management System. The Company operates in accordance with Solvay Group policies for Sustainability which are described in the Group's annual report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include improving energy use, minimising consumption of water and reduction in quantity and impact of waste generated.

Energy

The production and use of energy is managed with due regard for the commitments of the Kyoto Protocol and the European "Emissions Trading" directive concerning CO₂ emissions quotas, the system of which is currently under revision. Solvay is monitoring the effect of the Kyoto protocol and the cost of CO₂ emissions.

The Kyoto protocol is endorsed by Solvay and is integrated in its strategy as it at least indirectly affects every Company including upstream operators (through energy cost and raw materials) and downstream businesses (with an impact on transport, contractors and customers).

Research and development activities

The Group's strategy for growth continues to include a significant business-focused commitment to development. This is directed towards medium term opportunities and includes the development of new product applications. The Company incurred no expenditure on research and development during the year (2021: £Nil).

Engagement with employees

The Company has maintained its policy of keeping employees informed of matters that concern them by means of in-house publications, video recordings and briefings. Local site location councils and a Company council provide opportunities for consultation on both current performance and future plans.

Disabled employees

It is the Company's policy and practice to give full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitudes and abilities, and to continue, whenever possible, the employment of, and arranges appropriate training for, employees of the Company who become disabled during their employment. Where medical advice indicates that continued employment is not practicable or desirable, an ill-health retirement scheme is available.

SOLVAY INTEROX LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Energy and carbon reporting

| | 2022 | 2021 |
|--------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| Annual quantity of emissions of carbon dioxide equivalent in tonnes resulting from purchase of electricity and gas | 50,022 | 50,541 |
| Annual quantity of electrical and gas energy consumed in kWh | 313,690,475 | 43,075,830 |
| Turnover (in £'000) | 38,493 | 27,157 |
| Metric: Energy per £'000 turnover by kWh | 8,149 | 1,586 |

Transport energy use is minimal.

The calculation of the emissions of CO2 from the site boilers is calculated under the UK ETS (Emissions Trading Scheme) regulations.

The overall emissions are independently verified by a 3rd party under the UK ETS regulations.

The Company is constantly looking at ways to carry out operations by using less energy. That may be through optimising processes, operational excellence to minimise energy consumption or by installing the most energy-efficient equipment.

Post balance sheet events

On 9 December 2023, the Solvay SA Group separated into two independent publicly traded companies. Solvay SA comprises leading mono-technology businesses including Soda Ash, Peroxides, Silica and Coatis, which are reported as the Company's Chemicals segment, as well as the Special Chem business. Syensqo SA comprises the Company's currently reported Materials segment, including its high-growth, high-margin Specialty Polymers, its high-performance Composites business, as well as the majority of its Solutions segment, including Novecare, Technology Solutions, Aroma Performance, and Oil & Gas. The transaction was subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors, consent of certain financing providers and shareholder approval at an extraordinary general meeting.

The result of this split is that Solvay Interox Limited remained a wholly owned subsidiary of Solvay SA. This event is not considered to be an adjusting post balance sheet event.

There are no further subsequent events requiring adjustment to, or disclosure in the financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.


This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

SOLVAY INTEROX LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Independent auditors

In February 2023, Ernst & Young LLP were appointed as auditor and pursuant to section 487 of the Companies Act 2006, the auditor will be deemed reappointed and Ernst Young LLP will therefore continue in office.

This report was approved by the Board and signed on its behalf by:



Director

Date: 13/12/2023

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

SOLVAY INTEROX LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

SOLVAY INTEROX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Solvay Interox Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

SOLVAY INTEROX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

SOLVAY INTEROX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006, FRS 101, Bribery Act 2010 and Money Laundering regulations) and relevant tax compliance regulations in the jurisdictions in which the Company operates.
- We understood how Solvay Interox Limited is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including the Board of Directors. We corroborated our enquires through the review of the following documentation:
 - all minutes of board meetings held during the year;
 - the Company's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations; and
 - any relevant correspondence with local tax authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company established to address risks identified by the Company or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business and review of legal correspondence.
- In addition, we assessed that Revenue was a judgemental area of the audit which might be more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and performed testing on the occurrence of the revenue recorded in the financial statements and any manual adjustments to revenue that met specific risk criteria.

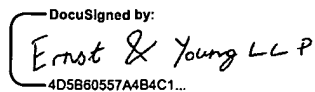
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SOLVAY INTEROX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Mark Lawther (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 13 December 2023

SOLVAY INTEROX LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

| | | 2022 | As restated 2021 |
|----------------------------------------|-------------|-----------------|---------------------|
| | Note | £'000 | £'000 |
| Turnover | 4 | 38,493 | 27,157 |
| Cost of sales | 28 | (13,385) | (15,531) |
| Gross profit | | 25,108 | 11,626 |
| Administrative expenses | 28 | (12,176) | (13,987) |
| Other operating income | 5 | 3,403 | 3,058 |
| Operating profit | 6 | 16,335 | 697 |
| Interest receivable and similar income | 10 | 807 | 2 |
| Interest payable and similar expenses | 11 | (300) | (585) |
| Profit before taxation | | 16,842 | 114 |
| Tax on profit | 12 | (1,480) | 66 |
| Profit for the financial year | | 15,362 | 180 |

All results are derived from continuing operations.

Refer to note 28 for details of restatement.

The notes on pages 20 to 46 form an integral part of these financial statements.

SOLVAY INTEROX LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 £'000 | 2021 £'000 |
|----------------------------------------------------------------------------|-------------|-----------------------------|-----------------------------|
| Profit for the financial year | | 15,362 | 180 |
| Other comprehensive (expense)/income for the financial year: | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Actuarial (loss)/gain on defined benefit pension schemes before tax | 25 | (4,056) | 21,304 |
| Total comprehensive income for the financial year | | 11,306 | 21,484 |

The notes on pages 20 to 46 form an integral part of these financial statements.

SOLVAY INTEROX LIMITED
REGISTERED NUMBER: 01005238
BALANCE SHEET
AS AT 31 DECEMBER 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---------------------------------------------------------|------|---------------|---------------|
| Fixed assets | | | |
| Intangible assets | 13 | 4 | 5 |
| Tangible assets | 14 | 5,730 | 5,438 |
| | | 5,734 | 5,443 |
| Current assets | | | |
| Stock | 15 | 2,252 | 1,818 |
| Debtors | 16 | 60,390 | 54,498 |
| | | 62,642 | 56,316 |
| Creditors: amounts falling due within one year | 17 | (12,235) | (16,716) |
| Net current assets | | 50,407 | 39,600 |
| Total assets less current liabilities | | 56,141 | 45,043 |
| Creditors: amounts falling due after more than one year | 18 | (34) | (34) |
| | | 56,107 | 45,009 |
| Provisions for liabilities | | | |
| Other provisions | 20 | (91) | (722) |
| Pension liability | 25 | (5,090) | (4,667) |
| Net assets | | 50,926 | 39,620 |
| Capital and reserves | | | |
| Called up share capital | 21 | 30,000 | 30,000 |
| Share premium account | 22 | 522 | 522 |
| Profit and loss account | 22 | 20,404 | 9,098 |
| Total shareholders' funds | | 50,926 | 39,620 |

The financial statements on pages 17 to 46 were approved and authorised for issue by the Board and were signed on its behalf by:

RPTarver

R P Tarver
 Director
 Date: 13/12/2023

The notes on pages 20 to 46 form an integral part of these financial statements.

SOLVAY INTEROX LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Called up share capital £'000 | Share premium account £'000 | Profit and loss account £'000 | Total shareholder's funds £'000 |
|----------------------------------------------------------|----------------------------------------|--------------------------------------|----------------------------------------|------------------------------------------|
| At 1 January 2021 | 30,000 | 522 | (12,386) | 18,136 |
| Comprehensive income for the financial year | | | | |
| Profit for the financial year (as restated) | – | – | 180 | 180 |
| Other comprehensive income | – | – | 21,304 | 21,304 |
| Total comprehensive income for the financial year | – | – | 21,484 | 21,484 |
| At 31 December 2021 and 1 January 2022 | 30,000 | 522 | 9,098 | 39,620 |
| Comprehensive income for the financial year | | | | |
| Profit for the financial year | – | – | 15,362 | 15,362 |
| Other comprehensive expense | – | – | (4,056) | (4,056) |
| Total comprehensive income for the financial year | – | – | 11,306 | 11,306 |
| At 31 December 2022 | 30,000 | 522 | 20,404 | 50,926 |

The notes on pages 20 to 46 form an integral part of these financial statements.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

Solvay Interox Limited (the "Company") is a private company limited by share capital, incorporated in United Kingdom under the Companies Act 2006 and domiciled in England. The address of its registered office is Solvay House, Baronet Road, Warrington, Cheshire, WA4 6HA.

The principal activities of the Company are set out in the Directors' Report.

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial' Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;

This information is included in the consolidated financial statements of Solvay S.A. as at 31 December 2022 and these financial statements may be obtained from 310 Rue de Ransbeek, 1120 Brussels Belgium.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.3 Going concern

Solvay SA announced, on 15 March 2022, that it was reviewing plans to separate into two independent, publicly traded companies:

- "SpecialtyCo" (now known as "Syensqo SA" or "Syensqo", which would comprise the Solvay Group's Materials segment and the majority of the Solvay Group's Solutions segment: Novecare, Technology Solutions, Aroma Performance, and Oil and Gas (together the "Specialty Business"). Cytac UK Holdings Limited will be part of the SpecialtyCo.
- "EssentialCo" (which is the legacy Solvay SA entity), which would comprise the leading mono-technology business in the Solvay Group's Chemicals segment and the Special Chem business (together the "Remaining Solvay Group"). Following the Partial Demerger (as defined below), the Remaining Solvay Group would consist of EssentialCo.

On December 9, 2023, upon approval of majority of the shareholders, Solvay SA successfully carried out the partial demerger and effective December 11, 2023, the new company, now known as Syensqo started trading on Euronext Brussels.

Under the separation plan, Solvay SA's shareholders retained their current shares of Solvay SA but also received proportionate share of the Syensqo.

Following the partial demerger, the company remains part of the Solvay SA Group utilises treasury facilities provided to it by financing entities which are subsidiaries of Solvay SA. As the Company is reliant on these group funding arrangements, a letter of support from Solvay SA has been obtained, confirming they will provide this support for a period of 12 months from the date of approval of the financial statements. In satisfying themselves that Solvay SA has the means and ability to provide such financial support if required, the directors have held discussions with group directors, have understood the available facilities and cash reserves of the parent undertaking, have reviewed group cash flow forecasts, including sensitivities and challenged the assumptions within and are satisfied there is sufficient available headroom on available facilities including covenant requirements.

Thus, with the letter of support in place, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements for a period of 12 months from the date of approval of the financial statements.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.5 Turnover

Recognition

The Company earns revenue from the manufacture and sale of hydrogen peroxide. The Company also earns other operating income from the recharge of services and utilities to Perstorp Limited who operate on the Warrington site.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers. Where discounts to the contract price are applied the Company presents these as a discount from contract revenue at the point in time the discount terms are met by the customer. Product returns or refunds to customers are only accepted where the product supplied does not meet agreed specifications, there are no sale or return type transactions or warranties on the products.

The principles in IFRS are applied to turnover criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The main performance obligations in contracts consist of delivery of product. For all contracts the stage of completion and delivery of performance obligations are measured at the Balance Sheet date by reviewing deliveries and incoterms to determine when obligations are completed.

Transaction price

The transaction price is the agreed sales price of the product less discounts and value added taxes.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.6 Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

- a) Obtain substantially all the economic benefits from the use of the underlying asset, and;
- b) Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the non-lease components are identified and accounted for separately from the lease component. The consideration in the contract is allocated to the lease and non-lease components on a relative standalone price basis using the principles in IFRS 15.

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability;
- b) Reducing the carrying amount to reflect the lease payments made; and
- c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.6 Leases (continued)

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g. reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.7 Impairment of non-financial assets

At each Balance Sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The carrying values of the investments are also reviewed with reference to the future forecast results of the companies in which the investments are held.

Recoverable amount is the higher of fair value less costs of disposal and value-in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.8 Finance income and costs policy

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.:

2.9 Pensions

Defined contribution pension plan

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Defined benefit pension plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit plan is open to current employees only. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

| | |
|--------------------------------|------------|
| Trademarks, patents & licences | - 15 years |
|--------------------------------|------------|

2.12 Tangible assets

Tangible assets is stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| | |
|----------------------------------|-----------------------------------------------------|
| Freehold land | - Not depreciated |
| Buildings | - 30 years straight line |
| Plant and equipment | - 15 years straight line |
| Assets in course of construction | - No depreciation charged whilst under construction |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.14 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

2.15 Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the Balance Sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the Balance Sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the marketplace.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.15 Financial instruments (continued)

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost; or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through the profit or loss (FVTPL)

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.15 Financial instruments (continued)

Derecognition

Financial assets

The Company derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in profit or loss

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the Company derecognises transferred financial assets in their entirety, but has continuing involvement in them then it discloses for each type of continuing involvement at the reporting date:

- a. The carrying amount of the assets and liabilities that are recognised in the Company's Balance Sheet and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised;
- b. The fair value of the assets and liabilities that represent the Company's continuing involvement in the derecognised financial assets;
- c. amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined; and
- d. The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Significant accounting policies (continued)

2.15 Financial instruments (continued)

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Financial liabilities

If the terms of a financial liabilities are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the Company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Impairment of financial assets

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade-receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are all sources of estimation uncertainty; there are no critical accounting judgements:

Retirement benefits

This is an area that requires certain assumptions to be made in order to value our obligations and determine the costs charged to the income statement. These figures are particularly sensitive to assumptions in discount rates, mortality, rates of inflation and expected return on assets. Details of the assumptions made are given in note 25.

Assumptions made are mutually consistent but may not be borne out in practice over the long term. The net deficit stated in note 25 is based upon a valuation of scheme assets that are not intended to be realised in the short term and which may change significantly. It is also based upon an actuarial valuation of scheme liabilities which is based upon cash flow projections over very long periods of time thus causing the valuation to be inherently uncertain.

4 Turnover

An analysis of turnover by class of business is as follows:

| | 2022 | 2021 |
|---------------|---------------|--------|
| | £'000 | £'000 |
| Sale of goods | 38,493 | 27,157 |

Analysis of turnover by country of destination:

| | 2022 | 2021 |
|-------------------|---------------|--------|
| | £'000 | £'000 |
| United Kingdom | 34,485 | 24,536 |
| Rest of Europe | 3,788 | 2,182 |
| Rest of the World | 220 | 439 |
| | 38,493 | 27,157 |

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Other operating income

| | 2022 | As restated 2021 |
|--------------------------------------|--------------|----------------------------|
| | £'000 | £'000 |
| Rent and utility recharges (note 28) | 3,403 | 3,058 |

Refer to note 28 for details of restatement.

This income represents rent and utility recharges charged to the co-occupier of the manufacturing site.

6 Operating profit

The operating profit is stated after charging:

| | 2022 | 2021 |
|-------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Depreciation of tangible assets | 746 | 774 |
| Depreciation on right of use assets - other | 32 | 40 |
| Amortisation of intangible assets | 1 | – |
| Foreign exchange (gains)/ losses | (52) | 21 |
| Write-down of inventory to net realisable value | 62 | 22 |

7 Auditors' remuneration

| | 2022 | 2021 |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Fees payable to the Company's auditors for the audit of the Company's annual financial statements | 27 | 17 |

There were no non-audit fees in the current year (2021: £nil).

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

8 Employees

Staff costs, including directors' remuneration, were as follows:

| | 2022 | 2021 |
|-----------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 4,612 | 5,273 |
| Social security costs | 565 | 603 |
| Cost of defined contribution scheme (note 25) | – | 276 |
| Cost of defined benefit scheme (note 25) | 540 | 1,280 |
| | 5,717 | 7,432 |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2022 | 2021 |
|----------------------------|---------------|---------------|
| | Number | Number |
| Production | 52 | 51 |
| Administration and support | 15 | 18 |
| Sales | – | 1 |
| | 67 | 70 |

9 Directors' remuneration

| | 2022 | 2021 |
|---------------------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Aggregate directors' remuneration | 101 | 105 |
| Company contributions to defined contribution pension schemes | 8 | 7 |
| | 109 | 112 |

During the year retirement benefits were accruing to 1 director (2021: 1) in respect of defined contribution pension schemes.

10 Interest receivable and similar income

| | 2022 | 2021 |
|-------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Interest received from group undertakings | 807 | 2 |

11 Interest payable and similar expenses

| | 2022 | 2021 |
|-------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Guarantee charge by group company | 242 | 242 |
| Lease liability interest | 2 | 2 |
| Net interest on defined benefit pension schemes | 56 | 340 |
| Other finance costs | – | 1 |
| | 300 | 585 |

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tax on profit

| | 2022 | 2021 |
|----------------------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Corporation tax | | |
| Current tax on profits for the year | 1,480 | – |
| Adjustments in respect of previous periods | – | (66) |
| Total current tax | 1,480 | (66) |
| Deferred tax: | | |
| Arising from origination and reversal of temporary differences | – | – |
| Deferred tax expense relating to changes in tax rates | – | – |
| Total deferred tax | – | – |
| Total tax | 1,480 | (66) |

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

| | 2022 | 2021 |
|-----------------------------------------------------------------------------------------|----------------|--------------|
| | £'000 | £'000 |
| Profit before taxation | 16,842 | 114 |
| Profit before taxation multiplied by UK weighted average rate of tax of 19% (2021: 19%) | 3,200 | 22 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 127 | 284 |
| Non qualifying depreciation | 24 | – |
| Exempt amounts | – | 43 |
| Deferred tax not recognised | (1,871) | (349) |
| Decrease in current tax from adjustments for prior periods | – | (66) |
| Total tax charge/(credit) for the financial year | 1,480 | (66) |

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2022 (published on 24 May 2022, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

The total deferred tax not recognised is made up of fixed assets of £948,000, pensions of £1,298,000 and tax losses of £416,000.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

13 Intangible assets

| | Trademarks, patents and licences £'000 |
|---------------------------------|-------------------------------------------------|
| Cost | |
| At 1 January 2022 | 85 |
| At 31 December 2022 | 85 |
| Accumulated amortisation | |
| At 1 January 2022 | 80 |
| Charge for the year | 1 |
| At 31 December 2022 | 81 |
| Net book value | |
| At 31 December 2022 | 4 |
| At 31 December 2021 | 5 |

The amortisation period for trademarks, patents and licences is 15 years. Amortisation costs are recognised in administrative costs in the profit & loss account.

14 Tangible assets

| | Freehold land and buildings £'000 | Plant and equipment £'000 | Assets in course of construction £'000 | Right of use assets £'000 | Total £'000 |
|-------------------------------------|--------------------------------------------|---------------------------------|-------------------------------------------------|---------------------------------|----------------|
| Cost | | | | | |
| At 1 January 2022 | 6,070 | 59,167 | 31 | 279 | 65,547 |
| Additions | 33 | 305 | 708 | 26 | 1,072 |
| Disposals | (126) | (2,103) | – | (172) | (2,401) |
| Transfers | – | 31 | (31) | – | – |
| At 31 December 2022 | 5,977 | 57,400 | 708 | 133 | 64,218 |
| Accumulated amortisation | | | | | |
| At 1 January 2022 | 4,853 | 55,039 | – | 217 | 60,109 |
| Charge for the year | 122 | 624 | – | 32 | 778 |
| Disposals | (126) | (2,102) | – | (171) | (2,399) |
| At 31 December 2022 | 4,849 | 53,561 | – | 78 | 58,488 |
| Net book value | | | | | |
| At 31 December 2022 | 1,128 | 3,839 | 708 | 55 | 5,730 |
| At 31 December 2021 | 1,217 | 4,128 | 31 | 62 | 5,438 |

All land and buildings are held on a freehold basis. Freehold land amounting to £177,035 (2021: £177,035) has not been depreciated.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

15 Stocks

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Raw materials and consumables | 1,184 | 1,187 |
| Finished goods and goods for resale | 1,068 | 631 |
| | 2,252 | 1,818 |

The cost of stock recognised as an expense in the year amounted to £8,931,000 (2021: £4,907,000). This is included within cost of sales.

The amount of write-down of stock recognised as an expense in the year is £62,000 (2021: £22,000). This is included within cost of sales.

16 Debtors

| | 2022 | 2021 |
|--------------------------------------------|---------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Trade debtors | 3,134 | 4,229 |
| Amounts owed by group undertakings | 55,416 | 49,246 |
| Other debtors | 1,116 | 713 |
| Prepayments and accrued income | 724 | 310 |
| | 60,390 | 54,498 |

Of the amounts owed by group undertakings, £nil (2021: £nil) are unsecured, repayable on demand and are interest free, and the remaining £55,416,000 (2021: £49,246,000) denote balance under a cash pooling arrangement which is unsecured, repayable on demand and are charged interest at the inter company monthly rates, which averaged 1.398% during the year.

The Company is part of the Solvay group factoring programme and all trade accounts receivable are factored without recourse to Solvay S.A..

17 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|---------------|--------------|
| | £'000 | £'000 |
| Trade creditors | 8,809 | 14,023 |
| Amounts owed to group undertakings | 15 | 565 |
| Corporation tax | 1,480 | – |
| Other taxation and social security | – | 277 |
| Lease liabilities (note 19) | 24 | 28 |
| Other creditors | 1,907 | 1,823 |
| | 12,235 | 16,716 |

Of the amount owed to group undertakings £15,000 (2021: £565,000) is due to fellow subsidiary companies, all amounts are unsecured, repayable on demand and are interest free.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

18 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|-----------------------------|--------------|--------------|
| | £'000 | £'000 |
| Lease liabilities (note 19) | 34 | 34 |

19 Leases

The current and long-term portion of lease liabilities is disclosed in notes 17 and 18 respectively.

Lease liabilities maturity analysis

| | 2022 | 2021 |
|-----------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Less than one year | 24 | 29 |
| 2 years | 20 | 18 |
| 3 years | 8 | 14 |
| 4 years | 6 | 3 |
| 5 years | – | – |
| Total lease liabilities (undiscounted) | 58 | 64 |

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

| | 2022 | 2021 |
|---------------------------|--------------|--------------|
| | £'000 | £'000 |
| Payment | | |
| Right of use assets | 32 | 40 |
| Interest | 2 | 2 |
| Total cash outflow | 34 | 42 |

The Company leases fork lift trucks for use in the manufacturing business and cars for the Company car fleet.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

20 Other provisions

| | Remediation £'000 | Employee benefits £'000 | Restructuring £'000 | Total £'000 |
|----------------------------|----------------------|-------------------------------|------------------------|----------------|
| At 1 January 2022 | 209 | 310 | 203 | 722 |
| Charged to profit or loss | – | – | – | – |
| Provisions used | (118) | (310) | (203) | (631) |
| At 31 December 2022 | 91 | – | – | 91 |

Remediation: The provision is for costs relating to soil remediation and removal of asbestos insulation from within the fabric of the brick work of the large coal fired boilers. The Company agreed a formal remediation programme with the Environmental Agency in accordance with the Environmental Protection Act 1990. A routine revenue forecast is made annually for the remaining costs.

Employee benefits: Provision relates to the estimated costs of a pension accruing outside of the pension scheme and jubilee benefits.

Restructuring: New provisions were created in 2020 related to a review of business activities in light of the COVID 19 pandemic. A number of positions were suppressed at the site. All of the redundancies were completed by the end of 2022.

21 Called up share capital

| | 2022 £'000 | 2021 £'000 |
|---------------------------------------------------------------------|---------------|---------------|
| Authorised, issued and fully paid | | |
| 30,000,000 (2021: 30,000,000) Ordinary shares of £1 (2021: £1) each | 30,000 | 30,000 |

22 Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

23 Contingent liabilities

The Company has guaranteed duty charges to HM Customs & Excise, the maximum liability at the end of the year was £100,000.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

24 Capital commitments

At 31 December 2022, the Company had capital commitments in relation to plant and equipment as follows:

| | 2022 | 2021 |
|--------------------------------------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Amount contracted for but not provided in the financial statements | 174 | 64 |

25 Pension commitments

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £nil (2021: £266,000).

Defined benefit pension schemes

Solvay UK Defined Benefits Pension Scheme

The Company contributes to three final salary defined benefit retirement benefit schemes which comprise sections within the Solvay UK Defined Benefit Pension Scheme (the Interox section, the Duphar section and the Specialty Chemicals section). Contributions to the Specialty Chemicals and Duphar sections started in 2010 following the transfer of activities from Solvay Chemicals Limited.

Previously, in respect of the Specialty Chemicals section, the Company took the exemptions provided by IAS 19, where insufficient information is available to determine its share of the assets and liabilities of the scheme, to account for contributions to the schemes on a defined contribution basis. However, Solvay Specialty Chemicals Limited was sold to a third party on 1 November 2015, and just before the sale a Flexible Apportionment Arrangement (FAA) was completed to transfer all the liabilities and obligation of the Specialty Chemicals section to Solvay Interox Limited so the full assets and liabilities are now recognised in Solvay Interox Limited.

The plan is subject to the funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator, and Guidance Notes adopted by the Financial Reporting Council, set the framework for funding defined benefit occupational pension plans in the UK. The trustees of the plan are required to act in the best interest of the plan's beneficiaries. The appointment of trustees is determined by the plan's trust documentation. It is policy that one third of all trustees should be nominated by the members.

The Company have reviewed the implications of IFRIC 14 and have concluded that it is not necessary to make any adjustments to the FRS 101 figures in respect of an asset ceiling or Minimum Funding Requirements as at 31 December 2022.

Contributions payable to the pension scheme at the end of the year are £nil (2021: £nil).

The expected contributions to the plan for the next reporting period are £4,156,000 (2022: £4,225,000).

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Pension commitments (continued)

The scheme was most recently valued on 31 March 2019. A full actuarial valuation was carried out as at 1 April 2019 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the plan is agreed between the Company and the trustees in line with those requirements. These in particular require the surplus / deficit to be calculated using prudent, as opposed to best estimate actuarial assumptions.

This actuarial valuation as at 31 March 2019 showed a deficit of £34,500,000. The Company has agreed with the trustees that it will eliminate the deficit over a period of 6 years and 7 months by the payment of annual contributions of £3,241,000 per annum, increasing by 3% per annum with the first increase applied on 31 March 2021, in respect of the deficit. In addition and in accordance with the actuarial valuation the Company has agreed with the trustees that it will pay 43.7% of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the plan and levies to the pension Protection Fund directly.

For the purposes of FRS 101 the actuarial valuation as at 31 March 2019, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2022. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

Risks

Investment risk

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. As the plan continues to mature, the Company intends to reduce the level of investment risk by investing in more assets that better match the liabilities.

Interest risk

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond and Liability Driven Investment (LDI) holdings.

Inflation rate risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (in the case of fixed interest bonds) or loosely correlated with (in the case of equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy risk

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

25 Pension commitments (continued)

Reconciliation of present value of plan liabilities:

| | 2022 | 2021 |
|------------------------------------------------------------------------|-----------------|--------------|
| | £'000 | £'000 |
| At the beginning of the year | 169,130 | 188,717 |
| Current service cost | 540 | 1,280 |
| Past service cost | – | – |
| Interest cost | 3,326 | 2,331 |
| Actuarial gains from changes in demographic assumptions | (2,035) | (1,924) |
| Actuarial (gains)/losses arising from changes in financial assumptions | (54,592) | (16,056) |
| Actuarial losses arising from experience adjustments | 7,830 | 564 |
| Contributions by scheme participants | 80 | 101 |
| Benefits paid | (6,273) | (5,883) |
| At the end of the year | 118,006 | 169,130 |

Reconciliation of present value of plan assets:

| | 2022 | 2021 |
|-----------------------------------------------------|-----------------|--------------|
| | £'000 | £'000 |
| At the beginning of the year | 164,463 | 159,921 |
| Interest income | 3,270 | 1,991 |
| Actuarial gains arising from experience adjustments | (52,853) | 3,889 |
| Employer contributions | 4,229 | 4,444 |
| Contributions by scheme participants | 80 | 101 |
| Benefits paid | (6,273) | (5,883) |
| At the end of the year | 112,916 | 164,463 |

Composition of plan assets:

| | 2022 | 2021 |
|------------------------------|----------------|--------------|
| | £'000 | £'000 |
| Cash and cash equivalents | 1,208 | 1,765 |
| Diversified Growth Fund | 27,472 | 40,699 |
| Absolute Return Fund | 27,983 | 42,180 |
| Buy and Maintain Credit | 24,661 | 29,041 |
| Liability Driven Investments | 31,592 | 50,778 |
| Total plan assets | 112,916 | 164,463 |

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

25 Pension commitments (continued)

None of the fair values of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All of the scheme assets have a quoted market price in an active market with the exception of the Trustee's bank account balance. There are no additional assets pledged, and no additional arrangements agreed between the Company and the trustees to secure members' benefits under the plan.

It is the policy of the Trustee and the Company to review the investment strategy at the time of each funding valuation. The Trustee's investment objectives and the processes undertaken to measure and manage the risks inherent in the plan investment strategy are documented in the plan's Statement of Investment Principles.

There are no asset-liability matching strategies currently being used by the plan.

The amounts recognised in the Balance Sheet are as follows:

| | 2022 | 2021 |
|---------------------------------------------|------------------|-----------|
| | £'000 | £'000 |
| Fair value of scheme assets | 112,916 | 164,463 |
| Present value of scheme liabilities | (118,006) | (169,130) |
| Net benefit pension scheme liability | (5,090) | (4,667) |

The amounts recognised in profit or loss are as follows:

| | 2022 | 2021 |
|--------------------------------|-----------------|-------|
| | £'000 | £'000 |
| Current service cost | 540 | 1,280 |
| Net interest | 56 | 340 |
| Total | 596 | 1,620 |
| Actual return on scheme assets | (49,583) | 5,872 |

It has been agreed that the Company will pay all administration expenses directly including death in service premiums and PPF levy, expenses have therefore been excluded from the pension disclosures. Expenses of £442,000 (2021: £587,000) have been paid by the Company and are included in administrative expenses. This does not include investment related expenses which have been allowed for as part of the actual return on net assets.

There have been no plan amendments, curtailments or settlements in the accounting period.

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the Company.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

25 Pension commitments (continued)

Amounts taken to the Statement of Comprehensive Income:

| | 2022 | 2021 |
|--------------------------------------------------------------------------------|-----------------|--------------|
| | £'000 | £'000 |
| Actuarial gains arising from changes in demographic assumptions | 2,035 | 1,924 |
| Actuarial gains/(losses) arising from changes in financial assumptions | 54,592 | 16,056 |
| Actuarial losses arising from experience adjustments | (7,830) | (565) |
| Return on plan assets, excluding amounts included in interest income/(expense) | (52,853) | 3,889 |
| Amounts recognised in the Statement of Comprehensive Income | (4,056) | 21,304 |

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

| | 2022 | 2021 |
|-----------------------------------------|-------------------|-------------|
| | % | % |
| Discount rate | 5.00 | 2.00 |
| Future salary increases | 3.00 | 3.00 |
| Future pension increases | 0.00 | 0.00 |
| Inflation (RPI) | 3.00 | 3.00 |
| Inflation (CPI) | 3.00 | 2.50 |
| Post retirement mortality assumptions | | |
| - for a male aged 65 now | 20.8 years | 21.1 years |
| - at 65 for a male aged 45 now | 21.7 years | 22.1 years |
| - for a female aged 65 now | 23.3 years | 23.1 years |
| - at 65 for a female member aged 45 now | 24.4 years | 24.3 years |

Sensitivity analysis:

Change in present value of defined benefit obligation

| | 2022 | 2021 |
|----------------------------------------------------------|----------------|--------------|
| | £'000 | £'000 |
| Discount rate - 25 basis points 175,682 | 121,701 | 175,682 |
| Price inflation rate + 25 basis points | 120,873 | 174,127 |
| Post-retirement mortality assumption - 1 year age rating | 123,586 | 175,418 |

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth.

The average duration of the defined benefit obligation at the period ended 31 December 2022 is 12 years.

SOLVAY INTEROX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Post balance sheet events

On 9 December 2023, the Solvay SA Group separated into two independent publicly traded companies. Solvay SA comprises leading mono-technology businesses including Soda Ash, Peroxides, Silica and Coatis, which are reported as the Company's Chemicals segment, as well as the Special Chem business. Syensqo SA comprises the Company's currently reported Materials segment, including its high-growth, high-margin Specialty Polymers, its high-performance Composites business, as well as the majority of its Solutions segment, including Novecare, Technology Solutions, Aroma Performance, and Oil & Gas. The transaction was subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors, consent of certain financing providers and shareholder approval at an extraordinary general meeting.

The result of this split is that Solvay Interox Limited remained a wholly owned subsidiary of Solvay SA. This event is not considered to be an adjusting post balance sheet event.

There are no further subsequent events requiring adjustment to, or disclosure in the financial statements.

27 Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Solvay S.A., a company registered in Belgium and listed in NYSE Euronext Stock Exchange in Brussels and Paris, which represents the largest and smallest group that consolidates these financial statements and the ultimate controlling party. Copies of these financial statements can be obtained from the registered office of Solvay S.A. at 310 Rue de Ransbeek, 1120 Brussels, Belgium.

The Company's immediate parent is Solvay UK Holding Company Limited.

The ultimate parent undertaking is Solvay S.A.

The name of the parent of the Group in whose consolidated financial statements the Company's financial statements are consolidated is Solvay S.A. which was incorporated in Belgium.

These financial statements are available upon request from Office of Solvay S.A.
310 Rue de Ransbeek,
1120 Brussels
Belgium.

SOLVAY INTEROX LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

28 Correction of prior period error

The prior period has been restated to correct the presentation of cost of sales in relation to the following matters

1. an energy price gain recharged group energy costs amounting £3,269,000 which was incorrectly classified as an administrative expense in prior year as opposed to a cost of sale in the prior year in error.
2. to correct the presentation of other income and cost of sales in relation to energy recharges billed at cost, and offsetting adjustment of other income and compensatory administrative expense account that were incorrectly presented gross in the prior year in error.

| | 2021 (as reported) | 2021 (adjustments) 1 | 2021 (adjustments) 2 | 2021 (restated) |
|----------------------------------------|-----------------------|----------------------------|----------------------------|--------------------|
| | £'000 | £'000 | £'000 | |
| Turnover | 27,157 | | | 27,157 |
| Cost of sales | (32,145) | 3,269 | 13,345 | (15,531) |
| Gross profit/(loss) | (4,988) | | | 11,626 |
| Administrative expenses | (10,867) | (3,269) | 149 | (13,987) |
| Other operating income | 16,552 | | (13,494) | 3,058 |
| Operating profit | 697 | | | 697 |
| Interest receivable and similar income | 2 | | | 2 |
| Interest payable and similar expenses | (585) | | | (585) |
| Profit before taxation | 114 | | | 114 |
| Tax on profit | 66 | | | 66 |
| Profit for the financial year | 180 | | | 180 |