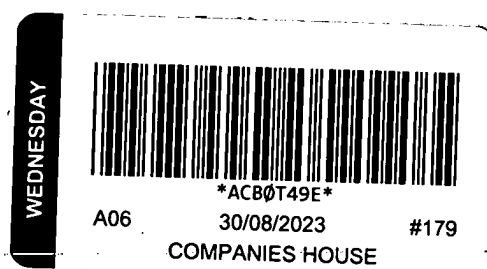


ELEMENTIS OVERSEAS INVESTMENTS LIMITED
Registered Number: 08008981

UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022



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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities and business review

The principal activity of the Company is to act as an investment and holding company providing financing, management and administrative services to Group undertakings.

As an investment and holding company that forms part of the Elementis plc group of companies, whose structure is constantly evolving based upon a variety of operational, regulatory and legal factors, the company's directors do not believe that analysis of the company using key performance indicators is necessary or appropriate for an understanding of the development, performance or position of the company. The key performance indicators of Elementis plc are discussed on page 32 and 33 of the 2022 Annual Report and Accounts, which does not form part of this report.

The results of the year ended 31 December 2022 are set out in the profit and loss account on page 6. The loss for the year was \$20.6 million compared to a profit of \$129.6 million in 2021, the prior year result was due mainly to a group loan write off in the year.

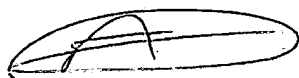
Principal risks and uncertainties

The main risks that the business faces are its exposure to changes in interest rates and exchange rates. These risks are managed by the Group's treasury function which monitors interest rate risk, currency risk and liquidity risk for the Elementis Group as a whole.

Future developments

The directors expect future interest payments to be similar to the level of those in the current year.

The Strategic report was approved by the Board and has been signed on its behalf by:



A Dine
Director
Date: 2 August 2023

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors submit their Annual report and the unaudited financial statements for the year ended 31 December 2022.

Directors indemnities

There were no director indemnities during the year ended 31 December 2022 (2021: nil).

Directors

Directors of the Company, who served throughout the year and to the date of this report, are as follows:

L Higgins	(Resigned 30 April 2022)
C Gilbert	(Resigned 1 April 2022)
R Hewins	
A Dine	(Appointed 1 April 2022)
A Lawrence	(Appointed 30 April 2022)

Future developments

Details of future developments can be found in the strategic report on page 1.

Going concern

The ability to meet its obligations as they fall due is dependent on the ultimate parent company providing financial support during the period of assessment. A letter of support has therefore been provided by Elementis plc, which states it will provide the necessary financial support to ensure that this company is able to operate as a going concern for at least twelve months from the date of signing of these financial statements.

The Group's going concern assessment covers at least the 12 months period from the date of signing of these financial statements. The Group's going concern assessment takes into account its liquidity position, committed expenditure, and likely ongoing levels of costs. The Group produced three models;

- A base case scenario, aligned to the latest Group annual operating plan for 2023 as well as the Group's three year plan for 2024 and 2025;
- A severe but plausible downside scenario that assumes that the global economic environment is severely depressed over the assessment period; and
- A reverse stress test flexing sales to determine what circumstance would be required to breach borrowing covenants.

No breaches in the required covenant tests were reported during the year and under both the base case and severe but plausible downside scenarios the Group is expected to remain within its financial covenants throughout the going concern period. The conditions necessary for the reverse stress scenario to be applicable were deemed to be remote.

The Directors also considered factors likely to affect future performance and development, the Group's financial position, the current excess liquidity position, the high level of cash conversion and the principal risks and uncertainties facing the Group; including the Group's exposure to credit, liquidity and market risk and the mechanisms available for mitigating these risks. The Group's net debt position as at 31 December 2022 was \$366.8m. It has access to a syndicated revolving credit facility of \$375m, of which \$71.6m has an expiry date of September 2024 and \$303.4m has an expiry date of September 2025, and long term loan facilities of \$150m and €142m which have an expiry date of June 2026. The Group had further borrowing facilities available to it, aside from the syndicated revolving credit facility and term loans, of over \$25m as at 31 December 2022.

In conclusion, after reviewing the base case scenario, the severe but plausible downside scenario and considering the likelihood of the reverse stress test scenario occurring to be remote, as well as having considered the uncertainty relating to the Group's principal risks and the mitigating actions available, the Directors have formed the judgement that at the time of approving these consolidated financial statements there are no material uncertainties that cast doubt on the Group's going concern status for next 12 months

and that it is therefore appropriate to prepare the consolidated accounts and in turn, these financial statements, on the going concern basis.

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the strategic report on page 1, 'Principal risks and uncertainties'.

Dividends

No dividends were proposed or paid during the year (2021: nil).

Charitable and political contributions

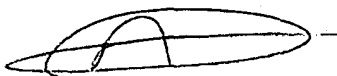
The Company made no political or charitable contributions during the year (2021: nil)

Audit exemption

For the year ended 31 December 2022 the company will take advantage of the audit exemption set out within section 479A of the Companies Act 2006.

The Company is 100% indirectly owned by Elementis plc who will guarantee the debts and liabilities of the Company at the balance sheet date in accordance with section 479C of the Companies Act 2006.

By order of the Board



A Dine
Director

Date: 2 August 2023

Registered office:
The Bindery, 5th Floor
51-53 Hatton Garden
London
EC1N 8HN

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable 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 FRS 101 "Reduced Disclosure Framework".

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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 inappropriate to presume that the company will 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.

PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Group loan write off		-	150,000
Profit on ordinary activities before interest		<u>-</u>	<u>150,000</u>
Interest payable	3	<u>(20,597)</u>	<u>(20,375)</u>
Profit/(loss) on ordinary activities before tax		(20,597)	129,625
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the year		<u>(20,597)</u>	<u>129,625</u>
Total comprehensive income for the year		<u>(20,597)</u>	<u>129,625</u>

All amounts above relate to continuing operations.

There are no recognised gains and losses other than those in the profit and loss and other comprehensive income above.

The notes on pages 9 to 15 form part of these financial statements.

BALANCE SHEET
as at 31 December 2022

	Notes	31 December 2022 \$'000	31 December 2021 \$'000
Fixed assets			
Investment in subsidiary undertakings	5	<u>737,838</u>	<u>737,838</u>
Debtors			
Amounts owed by group undertakings	6	15,180	11,268
Creditors			
Amounts falling due within one year	7	(478,831)	454,322
Net current liabilities		<u>(463,651)</u>	<u>(443,054)</u>
Net assets		<u>274,187</u>	<u>294,784</u>
Capital and reserves			
Called up share capital	9	12	12
Share premium account		185,749	185,749
Profit and loss account		<u>88,426</u>	<u>190,023</u>
Shareholders' funds		<u>274,187</u>	<u>294,784</u>

The notes on pages 9 to 15 form part of these financial statements.

For the period ending 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' Responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006:
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

Approved by the Board and authorised for issue on 2 August 2023



A Dine
Director
Elementis Overseas Investments Limited
Company registered number: 08008981

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total \$'000
Balance at 1 January 2021	12	185,749	(20,602)	165,159
Comprehensive income				
Loss for the year	-	-	129,625	129,625
Total comprehensive income for the year	-	-	129,625	129,625
Balance at 31 December 2021	12	185,749	109,023	294,784
Comprehensive income				
Profit for the year	-	-	(20,597)	(20,597)
Total comprehensive income for the year	-	-	(20,597)	(20,597)
Balance at 31 December 2022	12	185,749	88,426	274,187

The notes on pages 9 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022**

1 Accounting policies

Elementis Overseas Investments Limited ('the Company') is a company incorporated and domiciled in the UK, registered in England & Wales and limited by shares.

The Financial Statements are presented in US dollars as all transactions are denominated in dollars and the US dollar is the Company's functional currency.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Presentation of the Cash Flow Statement and related notes;
- Share based payments;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures in respect of related party transactions;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and,
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements have been prepared on a historical cost basis.

The Company's ultimate parent undertaking, Elementis plc includes the Company in its consolidated financial statements. The consolidated financial statements of Elementis plc are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and are available to the public and may be obtained from the address as disclosed in note 10.

Measurement convention

The financial statements are prepared under the historical cost basis.

Going concern

The principal activity of the Company is to act as an investment and holding company providing financing, management and administrative services to Group undertakings.

The financial statements have been prepared on a going concern basis, on the grounds that Elementis plc, the ultimate parent company, will continue to provide financial and other support.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

Accounting policies (continued)

to the company for at least twelve months from the date of approval of these financial statements. Please see the Directors' report for more information.

Changes in accounting policies

The accounting policies are consistent with those of the previous financial year.

Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

Accounting policies (continued)

Investments in debt and equity securities

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Critical accounting judgements and key sources of estimation uncertainty

When applying the Company's accounting policies, management must make a number of key judgements on the application of applicable accounting standards and estimates and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are based on factors considered to be relevant, including historical experience, which may differ significantly from the actual outcome. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements are discussed below.

The preparation of the Company's financial statements for the financial year did not require the exercise of any critical accounting judgements or significant estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Impairment of investment in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

2 Expenses

Due to the nature of the operations of the Group, the remuneration of the directors for their services to the Company is not contained in the records of the Company, as the amount of work performed by the directors for the Company is immaterial. The emoluments of all the directors are borne by the Company's ultimate parent undertaking, Elementis plc, or another group undertaking for which they perform substantially all of their executive duties. The financial statements of Elementis plc are publicly available, details are disclosed in note 11.

There were no employees in the year (2021: nil).

3 Interest payable

	2022 \$'000	2021 \$'000
Interest payable in respect of: Loans from group undertakings	<u>(20,597)</u>	<u>(20,375)</u>

4 Taxation

	2022 \$'000	2021 \$'000
Factors affecting tax credit for the year:		
Profit/(loss) on ordinary activities before tax	(20,597)	129,625
Tax on ordinary activities at 19.00% (2021: 19.00%)	(3,913)	24,629
Income not taxable	-	(28,500)
Effects of group relief/other reliefs	3,913	3,871
Total tax charge for the year	<u>-</u>	<u>-</u>

In the UK Budget on 3 March 2022 the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is effective from 1 April 2023. The change was substantively enacted at the balance sheet date and hence is reflected in the measurement of deferred tax balances at the period end.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

5 Investments in subsidiary undertakings

	2022 \$'000	2021 \$'000
As at 1 January	737,838	587,838
Additions	-	150,000
As at 31 December	737,838	737,838

The investments are in unlisted shares.

Related undertakings included in investments in group undertakings are as follows:

<i>Group undertaking</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Equity held %</i>	<i>Direct / Indirect</i>
Elementis Securities Ltd	Holding company	UK ¹	100	Direct
Elementis US Holdings Inc	Holding company	USA ²	100	Direct
Elementis Group (Finance) Ltd	Holding company	UK ¹	100	Direct
Elementis Chromium Inc	Chromium chemicals	USA ³	100	Indirect
Elementis LTP Inc	Chromium chemicals	USA ²	100	Indirect
Elementis Specialties Inc	Rheological additives, colourants, waxes, other specialty additives	USA ²	100	Indirect
American Chrome & Chemicals Inc	Dormant	USA ²	100	Indirect
Elementis America Shared Services Inc	Dormant	USA ²	100	Indirect
Elementis Catalysts Inc	Dormant	USA ²	100	Indirect
Elementis Chemicals Inc	Dormant	USA ²	100	Indirect
Elementis Chromium America Inc	Dormant	USA ³	100	Indirect
Elementis Finance (US) Ltd	Non-trading	UK ¹	100	Indirect
Elementis Global LLC	Non-trading	USA ²	100	Indirect
Elementis Pigments Inc	Dormant	USA ²	100	Indirect
Elementis US Ltd	Non-trading	UK ¹	100	Indirect
H & C Lumber Inc	Dormant	USA ²	100	Indirect
Iron Oxides s.a.de. CV	Dormant	Mexico ⁴	100	Indirect
Agrichrome Limited	Non-trading	UK ¹	100	Indirect
Elementis Nederland B.V.	Holding company	Netherlands ⁵	99	Indirect
Elementis Specialties Changxing Ltd	Rheological additives, colourants, waxes, other specialty additives	China ⁶	99	Indirect
Elementis Australia Limited	Dormant	UK ¹	99	Indirect
Elementis Finance (Australia) Ltd	Dormant	UK ¹	99	Indirect
Harcros Chemicals Canada Inc	Dormant	Canada ⁷	99	Indirect
H&C Acquisitions Ltd	Dormant	UK ¹	99	Indirect

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

6 Investments in subsidiary undertakings (continued)

SRLH Holdings Inc	Non-trading	USA ²	100	Indirect
Elementis SRL Inc	Personal Care products	USA ²	100	Indirect
SRL International Holdings, LLC	Non-trading	USA ²	100	Indirect
Reheis, Inc.	Non-trading	USA ²	100	Indirect
WBS Carbons Acquisitions Corp	Non-trading	USA ²	100	Indirect
Alembic Manufacturing Ltd	Personal Care products	UK ⁸	25	Indirect

1. Registered office The Bindery, 51-53 Hatton Garden, London, EC1N 8HN
2. Registered office 1209 Orange Street, Wilmington, Delaware, 19801 US
3. Registered office Suite 1257, 300 Delaware Avenue, Wilmington, Delaware 19801 US
4. Registered office Calle San Ignacio N 105, 22106 Tijuana, Baja California, Mexico
5. Registered office Langestraat 167, Delden, 7491 AE, The Netherlands
6. Registered office Sian Town, Changxing County, Zhejiang Province China
7. Registered office C/o Stewart McKelvey Stirling Scales, 44 Chipman Hill, Suite 1000 ON E2L 4S6 Canada
8. Registered office Unit 6 Wimbourne Buildings, Atlantic Way, Barry Docks, Barry, South Glamorgan CF63 3RA, UK

Notes:

- Equity capital is in ordinary shares, wholly-owned and voting rights equate to equity ownership.
- All undertakings listed above have accounting periods ending 31 December.
- Undertakings operating in the United Kingdom are incorporated in Great Britain and registered in England and Wales.
- In the opinion of the directors, the value of investments is not less than the value at which they are included in the balance sheet.

6 Debtors

	2022	2021
	\$'000	\$'000
Amounts owed by group undertakings	<u>15,180</u>	<u>11,268</u>

Elementis Overseas Investments Limited holds a number of intercompany loans that are repayable on demand and not interest bearing.

7 Creditors

	2022	2021
	\$'000	\$'000
Amounts owed to group undertakings	<u>478,832</u>	<u>454,322</u>

Elementis Overseas Investments Limited has a number of intercompany loans to other companies within the Group, all of which are interest-bearing at a range of rates between 0% and overnight SOFR +5% and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

8 Contingent liability

On 15 December 2015 the Company entered into a contract with an associated company for the purchase of shares in Elementis Securities Limited. Under this contract there is conditional consideration payable to that associated company should certain obligations of the ultimate parent be settled in favour of Elementis Securities Limited.

At the balance sheet date and at the date of signing these accounts date there had been no indication given that the ultimate parent company would be settling its obligation to Elementis Securities Limited and as such any liability to pay further consideration is contingent on the condition precedent within the Agreement.

9 Called up share capital

	Issued and fully paid	
	2022	2021
	\$'000	\$'000
12,041 ordinary shares of \$1	12	12

10 Ultimate parent undertakings

The Company's ultimate parent undertaking and controlling party is Elementis plc.

Elementis plc was the smallest and largest group to consolidate the financial statements of the Company. Copies of the consolidated financial statements of Elementis plc may be obtained from The Bindery, 5th Floor, 51-53 Hatton Garden, London, EC1N 8HN.