

INEOS Quattro Finance 2 plc

Annual report and financial statements
Registered number 13091130

379 day period ended 31 December 2021



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Strategic report for the period ended 31 December 2021

The directors present their strategic report for INEOS Quattro Finance 2 plc (the “Company”) for the period ended 31 December 2021.

The Company was incorporated on 18 December 2020, and this is the first set of financial statements covering the 379 day period ended 31 December 2021.

Principal activities

The Company’s principal activity is to hold external debt finance for the INEOS Quattro Holdings Limited group (“the Group”) and to provide finance to its fellow group undertakings.

Review of the business

The results of the Company are set out in the income statement on page 13 which shows a profit before taxation of €0.6 million. The net assets of the Company at 31 December 2021 were €0.6 million.

Objectives and strategy

The directors do not expect any change in the Company’s activities during the next financial year.

Financial risk management

The Company’s operations expose it to a variety of financial risks including the effects of credit risk and liquidity risk. As the Company’s operations involve related parties, none of these risks are considered significant. As the Company is an indirect subsidiary of INEOS Quattro Holdings Limited all risks are managed at a group level. Further detail of policies in relation to external financial risks can be found in the Annual report and financial statements of INEOS Quattro Holdings Limited which may be obtained from the Company Secretary at: Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

Section 172 (1) statement

The directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment.

The Company’s governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Company’s long-term success. In the performance of its duty to promote the success of the Company and fairness in decision making the Board have regard (amongst other matters) for:

- a. the likely consequences of any decision in the long term;
- b. the interests of the Company’s employees;
- c. the need to foster the Company’s business relationships with suppliers, customers and others;
- d. the impact of the Company’s operations on the community and the environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

As the subsidiary of INEOS Industries Limited all stakeholder considerations are managed at a group level. Further detail of policies in relation to the section 172(1) duties can be found in the Annual report and financial statements of INEOS Industries Limited which may be obtained from the company secretary at the registered office: Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

Energy and carbon report

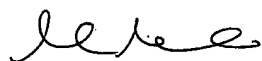
The Company is not providing any disclosures as it consumes less than 40,000KWh of energy. In addition, the Company is non-trading, does not have any employees and has no premises.

Strategic report for the period ended 31 December 2021 (continued)

Key performance indicators (“KPIs”)

Given the straightforward nature of the business, the Company’s directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the INEOS Quattro Holdings Limited group, which includes the Company, are discussed in the Group’s annual report which does not form part of this report.

Approved for issue by the Board and signed on its behalf by:



M J Maher
Director
17 June 2022

Directors' report for the period ended 31 December 2021

The directors present their report and the audited financial statements of INEOS Quattro Finance 2 plc (the "Company") for the period ended 31 December 2021.

The Company was incorporated on 18 December 2020, and this is the first set of financial statements.

Dividends

The Directors do not recommend payment of a dividend.

Review of the business

On incorporation the Company issued 57,100 €1 Ordinary shares to INEOS Quattro Financing Limited.

On 29 January 2021, INEOS Quattro Finance 2 Plc issued €800.0 million 2½% Senior Secured Notes due 2026 (the "Euro Senior Secured Notes") and US \$500.0 million aggregate principal amount 3¾% Senior Secured Notes due 2026 (the "US Dollar Senior Secured Notes") under an indenture dated 29 January 2021, with INEOS Quattro Finance 2 Plc as the issuer, and HSBC Corporate Trustee Company (UK) limited, as trustee and Barclays Bank PLC, as security agent. On 29 April 2021, HSBC Corporate Trust Company (UK) Limited succeeded Barclays Bank PLC as security agent.

The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The US Dollar Senior Secured Notes bear interest at a rate of 3¾% per annum. Interest on the Euro Senior Secured Notes and the US Dollar Senior Secured Notes is payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2021. The Euro Senior Secured Notes and the US Dollar Senior Secured Notes will mature on 15 January 2026.

The proceeds from the Euro Senior Secured Notes and US Dollar Senior Secured Notes were lent in full to a related party company, INEOS Quattro Holdings UK Limited on 29 January 2021.

Covid-19

The Company does not trade and is therefore not impacted directly by Covid-19. However, the impact of the pandemic on the INEOS Quattro Holdings group could impact the recoverability of the Company's debts. The Group continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Group's plants.

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

Whilst there is still uncertainty due to the COVID-19 pandemic the Directors have undertaken a rigorous assessment of the potential impact of COVID-19 on demand for the Group's products and services and the impact on margins for the next 12 months.

Going concern

The directors have considered the Company's projected future cash flows and working capital requirements. As at 31 December 2021, the Company had net assets of €0.6 million. The Company held cash of €nil and loans and borrowings of €1,241.3 million. The profit for the period was €0.5 million. The directors have received confirmation that the parent, INEOS Quattro Holdings Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parents going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future. According, the Company continues to adopt the going concern basis in preparing its financial statements.

Directors' report for the period ended 31 December 2021 (continued)

Donations

The Company made no political contributions.

Financial risk management

The management of the financial risks and the future development of the Company are included in the Strategic report on page 2.

Directors

The directors who held office during the period, and up to the date of signing the financial statements, were as follows:

J F Ginns (appointed 18 December 2020)
G Leask (appointed 18 December 2020)
D Smeeton (appointed 24 December 2020)
M J Maher (appointed 17 March 2021)

Directors' indemnities

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertaking, has maintained cover for its directors and officers under a directors' and officers' liability insurance policy as permitted by Section 234 of the Companies Act 2006. The indemnity was in force from the incorporation of the Company and is currently in force.

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 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" The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standards 101/Reduced Disclosure Framework 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report for the period ended 31 December 2021 (continued)

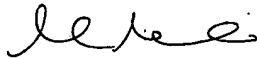
Independent auditors

During the period, Deloitte LLP were appointed as auditors. In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

Registered address

INEOS Quattro Finance 2 plc
Hawkslease
Chapel Lane
Lyndhurst
SO43 7FG
United Kingdom

Approved for issue by the Board and signed on its behalf by:



M J Maher
Director
17 June 2022

Independent Auditor's report to the members of INEOS Quattro Finance 2 plc

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of INEOS Quattro Finance 2 plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified was in relation to recoverability of amounts due from group undertakings.
Materiality	The materiality that we used was €25 million which was determined on the basis of 2% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the ability and willingness of the immediate parent undertaking, INEOS Quattro Holdings Limited, to support such requirement if needed; and
- Evaluating the appropriateness of going concern disclosures in the financial statements

Independent Auditor's report to the members of INEOS Quattro Finance 2 plc (continued)

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 at least twelve 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Recoverability of amounts due from group undertakings.

Key audit matter description	Amounts due from group undertakings are stated in the balance sheet at €1,258.0 million. There is significant judgement involved in determining the recoverability of these amounts due from group undertakings based on the financial position and future prospects of the group undertakings. This takes into consideration a range of factors such as the trading performance of the counterparty. Further details are included within the critical accounting estimates and judgements note in note 1 and note 12 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls related to the valuation and recoverability of amounts due from group undertakings within the INEOS Quattro Holdings Limited group. We challenged the directors' judgements regarding the appropriateness of the carrying value through future trading performance of the counterparty to assess the ability of the counterparties to repay these amounts. Additionally, we have reviewed and challenged the expected credit losses (ECL) assessment in consideration of the risk of loss from default on the amount due from the counterparty.
Key observations	Based on the work performed we concluded that the amounts due from group undertakings are appropriately stated.

6. Our application of materiality

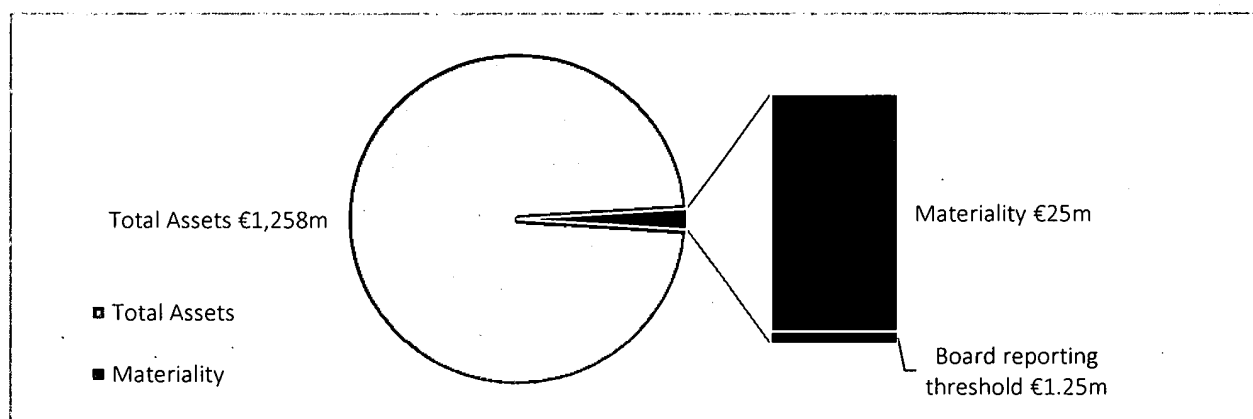
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€25 million
Basis for determining materiality	2% of total assets
Rationale for the benchmark applied	We determined materiality based on total assets. This is a financing entity, and it is non-trading. Total assets therefore best represent the scale and relevance of the Company.

Independent Auditor's report to the members of INEOS Quattro Finance 2 plc (continued)



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit. In determining performance materiality, we considered the following factors:

- a. the quality of the control environment and whether we were able to rely on controls; and
- b. as this was a first-year audit, we considered the impact of how the nature of the business might affect our ability to forecast misstatements.

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of €1.25million, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

We obtained an understanding of the company's control environment through audit procedures over the material company processes. We structured our audit approach to reflect how the company is organised as well as ensuring our audit was both effective and risk focused. Based on our scope and determination of audit approach, the audit engagement team have obtained an understanding of the relevant controls over the financial reporting process and have adopted a fully substantive approach for the audit of these financial statements.

8. 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 our 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.

Independent Auditor's report to the members of INEOS Quattro Finance 2 plc (continued)

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

10. 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.

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

11. Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the company, control environment and business performance;
- results of our enquiries of management, in-house legal counsel, and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent Auditor's report to the members of INEOS Quattro Finance 2 plc (continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance
- in addressing the risk of fraud through management override of controls, testing the appropriateness of all journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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.

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.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

Independent Auditor's report to the members of INEOS Quattro Finance 2 plc
(continued)

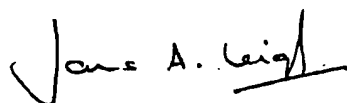
13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. 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.



James Leigh FCA, (Senior statutory auditor)
For and on behalf of Deloitte LLP.
Statutory Auditor
London, United Kingdom,
17 June 2022

Income statement
for the period ended 31 December 2021

	Note	18 December 2020 to 31 December 2021 €m
Operating result	2	-
Interest receivable and similar income	3	32.1
Interest payable and similar expenses	4	(31.5)
		<hr/>
Profit before taxation		0.6
Tax on profit	5	(0.1)
		<hr/>
Profit for the financial period		0.5
		<hr/> <hr/>

All activities of the Company relate to continuing operations.

The Company has no other comprehensive income or expense and therefore no separate statement of other comprehensive income has been presented.

The Company was incorporated on 18 December 2020, and this is the first set of financial statements. Accordingly, no comparatives are presented.


Balance sheet
As at 31 December 2021

	<i>Note</i>	2021 €m	2021 €m
Non-current assets			
Debtors: amounts due after more than one year	6		1,241.3
Current assets			
Debtors: amounts due within one year	6	16.7	
Creditors: amounts falling due within one year	7	(16.1)	
Net current assets			0.6
Total assets less current liabilities			1,241.9
Creditors: amounts falling due after more than one year	8		(1,241.3)
Net assets			0.6
Capital and reserves			
Called up share capital	10		0.1
Profit and loss account			0.5
Total shareholders' funds			0.6

The notes on pages 16 to 23 form part of the financial statements.

The Company was incorporated on 18 December 2020, and this is the first set of financial statements. Accordingly, no comparatives are presented.

These financial statements on pages 13 to 23 were approved by the board of directors on 17 June 2022 and were signed on its behalf by:



M J Maher
Director

INEOS Quattro Finance 2 plc

Registered number: 13091130

Statement of changes in equity
for the period ended 31 December 2021

	Called up share capital €m	Profit and loss account €m	Total shareholders' funds €m
Balance at 18 December 2020	-	-	-
Profit and total comprehensive income for the financial period		0.5	0.5
<i>Transactions with owners, recorded directly in equity</i>			
Shares issued	0.1	-	0.1
Balance at 31 December 2021	0.1	0.5	0.6

Notes to the financial statements for the period ended 31 December 2021

1 Accounting policies

INEOS Quattro Finance 2 plc (the “Company”) is a private company incorporated in the United Kingdom under the Companies Act 2006, registered and domiciled in England and Wales and limited by shares. The address of the Company’s registered office is shown on page 6.

The Company was incorporated on 18 December 2020 and this is the first set of financial statements.

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”) on a going concern basis and under the historical cost accounting rule. The presentational currency of these financial statements is the Euro, which is the functional currency of the majority of its transactions.

The Company is a wholly-owned subsidiary of INEOS Quattro Holdings Limited which includes the Company in its consolidated financial statements. The consolidated financial statements of INEOS Quattro Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary at: Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the United Kingdom (“Adopted IFRSs”) 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:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned companies within the group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of INEOS Quattro Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

The accounting policies set out below have, unless otherwise stated, been applied consistently on the going concern basis, to all periods presented in these financial statements and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

Impact of new standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2021 which have had a material impact on the company.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis because the Euro is the functional currency.

1.2 Going concern

The directors have considered the Company’s projected future cash flows and working capital requirements. As at 31 December 2021, the Company had net assets of €0.6 million. The Company held cash of €nil and loans and borrowings of €1,241.3 million. The profit for the period was €0.5 million. The directors have received confirmation that the parent, INEOS Quattro Holdings Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

Notes to the financial statements (continued) for the period ended 31 December 2021

1 Accounting policies (continued)

1.2 Going concern (continued)

After making enquiries, the directors have a reasonable expectation that the parents going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future. According, the Company continues to adopt the going concern basis in preparing its financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

1.4 Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Non-derivative financial instruments comprise trade and other receivables, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9.

If the trade receivables meet the cash flow characteristics and business model tests as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss.

Trade and other payables

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

1.5 Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Notes to the financial statements (continued) for the period ended 31 December 2021

1 Accounting policies (continued)

1.5 Impairment (continued)

Financial assets

The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables. This approach requires the Company to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

For other financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.6 Expenses

Interest receivable and interest payable

Interest payable includes interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in the income statement as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Deferred finance costs

Costs associated with raising finance are included within other debtors in the balance sheet and amortised over the term of the relevant financing at a constant rate over the carrying amount.

1.7 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. A provision is recognised for those matters for which the tax determination is uncertain but is considered probable that there will be a future outflow of funds.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements (continued)
for the period ended 31 December 2021

2 Result before taxation

Auditors' remuneration:

The fee for auditing the Company's financial statements for the period ended 31 December 2021 of €26,215 was borne by a fellow group undertaking. There were no non-audit fees in the period.

Staff costs and directors' remuneration:

The Company had no employees during the period, other than the directors. No director received any fees or remuneration in respect of their services as a director of the Company during the financial period.

3 Interest receivable and similar income

	2021 €m
Interest receivable from group undertakings	32.1
	<hr/>

4 Interest payable and similar expenses

	2021 €m
Euro Senior Secured Notes due 2026	18.4
US Dollar Senior Secured Notes due 2026	13.1
	<hr/>
	31.5
	<hr/>

5 Tax on profit

Recognised in the income statement

UK corporation tax

Current tax on profit for the financial period

Tax charge on profit

2021
€m

0.1

0.1

Reconciliation of standard tax rate

2021
€m

Profit before taxation

0.6

Profit before taxation multiplied by the standard rate of tax in the UK of 19.0%

0.1

Non-chargeable income

-

Total tax charge

0.1

Notes to the financial statements (continued)
for the period ended 31 December 2021

5 Tax on profit (continued)

The Finance Bill 2020 was substantively enacted on 17 March 2020 and included legislation to maintain the main rate of corporation tax in the UK at 19%. On 24 May 2021, the Finance Bill 2021 was substantively enacted in the United Kingdom, which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023.

6 Debtors

	2021 €m
Debtors: amounts due in less than one year	
Amounts owed by group undertaking	16.7
	<hr/>
	2021 €m
Debtors: amounts due after more than one year	
Amounts owed by group undertaking	1,241.3
	<hr/>

The amount owed by group undertaking due after more than one year is unsecured, attracts interest at 3.8% and is due to be repaid in 2026. The amount payable in less than one year relates primarily to interest charges.

7 Creditors: amounts falling due within one year

	2021 €m
Amounts owed to group undertakings – group relief	0.1
Accruals and deferred income	16.0
	<hr/>
	16.1
	<hr/>

8 Creditors: amounts falling due after more than one year

	2021 €m
Euro Senior Secured Notes due 2026	800.0
US Dollar Senior Secured Notes due 2026	441.3
	<hr/>
	1,241.3
	<hr/>

The Senior Notes are jointly and severally guaranteed on a senior subordinated basis by certain guarantor companies of the INEOS Quattro Holdings Limited group.

Notes to the financial statements (continued)

for the period ended 31 December 2021

9 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Terms and debt repayment schedule

	Nominal interest rate	Face value 2021 €m	Carrying amount 2021 €m
Euro Senior Secured Notes due 2026	2.500%	800.0	800.0
US Dollar Senior Secured Notes due 2026	3.375%	441.3	441.3
		<u>1,241.3</u>	<u>1,241.3</u>

On 29 January 2021, the Company issued €800.0 million aggregate principal amount 2½% Senior Secured Notes due 2026 (the "Euro Senior Secured Notes due 2026") and US \$500.0 million aggregate principal amount 3¾% Senior Secured Notes due 2026 (the "US Dollar Senior Secured Notes due 2026") under an indenture dated January 29, 2021, among INEOS Quattro Finance 2 Plc as the issuer, various guarantors named therein and HSBC Corporate Trustee Company (UK) limited, as trustee and Barclays Bank PLC, as security agent. On 29 April 2021, HSBC Corporate Trust Company (UK) Limited succeeded Barclays Bank PLC as security agent.

The proceeds from the Euro Senior Secured Notes and US Dollar Senior Secured Notes were lent in full to a related party company, INEOS Quattro Holdings UK Limited on 29 January 2021.

The Senior Secured Notes are listed on the Euro MTF - Luxembourg stock exchange. The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The US Dollar Senior Secured Notes bear interest at a rate of 3¾% per annum. Interest on the Euro Senior Secured Notes and the US Dollar Senior Secured Notes is payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2021. The Euro Senior Secured Notes and the US Dollar Senior Secured Notes will mature on 15 January 2026.

The Euro Senior Secured Notes and the US Dollar Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by certain subsidiaries of the INEOS Quattro Holdings Limited group.

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

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

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

Notes to the financial statements (continued)

for the period ended 31 December 2021

9 Interest-bearing loans and borrowings (continued)

In addition to these redemption prices, further amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date) are also payable.

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

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

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

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

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

The Euro Senior Secured Notes bear interest at a rate of 2½% per annum. The US Dollar Senior Secured Notes bear interest at a rate of 3¾% per annum. Interest on the Euro Senior Secured Notes and the US Dollar Senior Secured Notes is payable semi-annually in arrears on 15 January and 15 July of each year, beginning 15 July 2021. The Euro Senior Secured Notes and the US Dollar Senior Secured Notes will mature on 15 January 2026.

The proceeds from the Euro Senior Secured Notes and US Dollar Senior Secured Notes were lent in full to a related party company, INEOS Quattro Holdings UK Limited on 29 January 2021.

10 Called up share capital

At 31 December 2021

	Number	€
<i>Authorised, issued up and fully paid</i>		
Ordinary shares of €1 each	57,100	57,100
	<hr/>	<hr/>
Shares classified in shareholders' funds	57,100	57,100
	<hr/>	<hr/>

Notes to the financial statements (continued)
for the period ended 31 December 2021

11 Controlling parties

The immediate parent company is INEOS Quattro Financing Limited, a company registered in England and Wales.

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest group that consolidated the Company's financial statements as at 31 December 2021 was INEOS Quattro Holdings Limited. The consolidated financial statements of INEOS Quattro Holdings Limited are available to the public and may be obtained from the Company Secretary at its registered address Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. The consolidated financial statements of INEOS Industries Limited are available to the public and may be obtained from the Company Secretary at its registered office: Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

12 Critical accounting judgements and key sources of estimation uncertainty

The Company prepares its financial statements in accordance with FRS 101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involves a significant degree of estimation. The key judgment relates to the recoverability of amounts due from group undertakings. The directors have assessed the ability of group undertakings to pay amounts owed to the company as they fall due, and are confident that such amounts will be received, and that any credit loss is insignificant.