



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	981 701 046
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	INOVYN NORGE AS
Forretningsadresse:	Herreveien 801 3962 STATHELLE

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Elin Maaren
Dato for fastsettelse av årsregnskapet:	14.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,3	2 269 386 000	2 236 251 000
Sum inntekter		2 269 386 000	2 236 251 000
Kostnader			
Varekostnad	3,4	1 197 827 000	1 088 408 000
Lønnskostnad	5	434 122 000	387 702 000
Oridnær avskrivning	6	229 822 000	228 884 000
Annen driftskostnad	3,6	219 439 000	239 670 000
Sum kostnader		2 081 210 000	1 944 664 000
Driftsresultat		188 176 000	291 587 000
Finansinntekter og finanskostnader			
Annen renteinntekt		1 067 000	117 000
Annen finansinntekt	7	8 988 000	9 203 000
Sum finansinntekter		10 055 000	9 320 000
Rentekostnad til foretak i samme konsern	3,7	17 877 000	737 000
Annen rentekostnad	7	8 302 000	4 386 000
Annen finanskostnad	7	69 979 000	40 261 000
Sum finanskostnader		96 158 000	45 384 000
Netto finans		-86 103 000	-36 064 000
Ordinært resultat før skattekostnad		102 073 000	255 523 000
Skattekostnad ordinært resultat	8	24 112 000	57 032 000
Ordinært resultat etter skattekostnad		77 961 000	198 491 000
Årsresultat		77 961 000	198 491 000
Overføringer og disponeringer			
Overført til/fra annen egenkapital	9	-172 039 000	-61 509 000
Ordinært utbytte	9	250 000 000	260 000 000
Sum overføringer og disponeringer		77 961 000	198 491 000



Resultatregnskap

Beløp i: NOK	Note	2022	2021
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Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
CO2 kvoter	4	71 598 000	67 035 000
Utsatt skattefordel	8	0	4 221 000
Sum immaterielle eiendeler		71 598 000	71 256 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6,10	149 785 000	159 646 000
Maskiner og anlegg	6,10	1 400 675 000	1 336 890 000
Anlegg under utførelse	6,10	290 162 000	150 712 000
Sum varige driftsmidler		1 840 622 000	1 647 248 000
Finansielle anleggsmidler			
Investering i datterselskap	11	120 000 000	120 000 000
Investering i andre aksjer	11	100 000	850 000
Sum finansielle anleggsmidler		120 100 000	120 850 000
Sum anleggsmidler		2 032 320 000	1 839 354 000
Omløpsmidler			
Varer			
Varer	10,12	70 086 000	56 037 000
Sum varer		70 086 000	56 037 000
Fordringer			
Kundefordringer	10,13	18 511 000	1 794 000
Andre fordringer	10,13	96 139 000	58 702 000
Konsernfordringer	13	623 244 000	846 920 000
Sum fordringer		737 894 000	907 416 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	19 771 000	22 092 000
Sum bankinnskudd, kontanter og lignende		19 771 000	22 092 000
Sum omløpsmidler		827 751 000	985 545 000



Balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		2 860 071 000	2 824 899 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	9,14	294 193 000	294 193 000
Annen innskutt egenkapital	9	255 907 000	255 907 000
Sum innskutt egenkapital		550 100 000	550 100 000
Opptjent egenkapital			
Annen egenkapital	9	327 775 000	494 641 000
Sum opptjent egenkapital		327 775 000	494 641 000
Sum egenkapital		877 875 000	1 044 741 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	15,16	115 714 000	136 825 000
Utsatt skatt	8	21 350 000	0
Andre avsetninger for forpliktelser	16	14 629 000	15 358 000
Sum avsetninger for forpliktelser		151 693 000	152 183 000
Annen langsiktig gjeld			
Langsiktig konserngjeld	13	29 465 000	29 465 000
Sum annen langsiktig gjeld		29 465 000	29 465 000
Sum langsiktig gjeld		181 158 000	181 648 000
Kortsiktig gjeld			
Leverandørgjeld	13	240 975 000	228 568 000
Betalbar skatt	8	220 640 000	248 035 000
Skyldige offentlige avgifter		121 702 000	152 563 000
Utbytte	9	250 000 000	260 000 000
Annen kortsiktig gjeld	13,16	947 741 000	694 518 000
Andre avsetninger for forpliktelser	16	19 980 000	14 826 000
Sum kortsiktig gjeld		1 801 038 000	1 598 510 000



Balanse

Beløp i: NOK	Note	2022	2021
Sum gjeld		1 982 196 000	1 780 158 000
SUM EGENKAPITAL OG GJELD		2 860 071 000	2 824 899 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 723095

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Organisasjonsform: Aksjeselskap
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Brønnøysundregistrene, 04.09.2023



Organisasjonsnr: 981 701 046
INOVYN NORGE AS

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BALANSE - EGENKAPITAL OG GJELD

Egenkapital



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Organisasjonsnr: 981 701 046
INOVYN NORGE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
11, 12

Antall årsverk i regnskapsåret
337.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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inovyn

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Årsberetning
og
Årsregnskap
2022

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1 Selskapets virksomhet

INOVYN Norge AS ble stiftet 15.03.2000, og er et 100 prosent eid datterselskap av INOVYN Finance Plc. Aksjeselskapet har vært i drift fra 01.05.2000, etter overtakelse av petrokjemiske anlegg på Rafnes i Bamble og på Herøya i Porsgrunn.

INOVYN Norge AS har hovedkontor på Rafnes og inngår i INOVYN gruppen som igjen er en del av INEOS-konsernet.

Selskapet produserer plastråstoffet PVC ved fabrikken på Herøya Industripark i Porsgrunn, og VCM og lut ved anleggene på Rafnes i Bamble.

INOVYN Norge AS gjennomførte den 01.10.2017 en konsernintern restrukturering når det gikk fra å drive sin virksomhet i Porsgrunn og Rafnes med full risiko, til å drive kontraktsproduksjon (Toll Manufacturing) med begrenset risiko. Restruktureringen innebærer at INOVYN Europe Ltd har overtatt eierskapet til råstoffene og ferdigvarene, og INOVYN Norge AS fungerer som en ren prosesseringsbedrift for INOVYN Europe Ltd på lik linje med konsernstrukturen i resten av Europa.

I 2020 ble selskapsstrukturen i Norge forenklet. Dette ble gjort i to steg med virkning fra 1.1. Steg 1: En mor-datter fusjon til kontinuitet med INOVYN Intermediate Holdings Norge AS som overtakende selskap, og INOVYN Norge Holdings AS som overdragende selskap. Steg 2: En omvendt mor-datter fusjon til kontinuitet med INOVYN Norge AS som overtakende selskap, og INOVYN Intermediate Holdings Norge AS som overdragende selskap.

2 Fortsatt drift

I samsvar med Regnskapslovens § 3.3a bekreftes at forutsetningen for fortsatt drift er til stede.

3 Helse, Miljø og Sikkerhet

INOVYN Norge AS har høye mål for sitt arbeid med helse, miljø, sikkerhet og kvalitet. Arbeidet med å nå disse målene har generelt gitt oss bedre resultater innenfor disse områdene i de siste årene. Bedriften følger opp en rekke parametere som måler både prosess- og personsikkerhet og ytre/indre miljøforhold. I 2022 hadde vi tre OSHA skader, hvorav en svært alvorlig. Hendelsene er grundig undersøkt og i tråd med våre kontinuerlige forbedringsprosesser er det iverksatt forebyggende og korrigerende tiltak for å hindre tilsvarende hendelser i framtiden. Vi hadde 3 uhellsutslipp i 2022, det er vårt beste resultat noensinne, men vi viderefører en forbedringsplan for å redusere faren for slike uønskede utslipp ytterligere.

Sikkerhet og oppfølging av uønskede hendelser er en av selskapets viktigste arbeidsprosesser for kontinuerlig forbedring på HMS-området. I 2022 ble det totalt innrapportert 821 uønskede hendelser. Tilsvarende tall for 2021 var 559. Det er fokus på viktigheten av å rapportere, som forventet gir dette oss økt antall rapporter av uønskede hendelser. Av hendelsene i 2022 ble 5 klassifisert som alvorlig på grunn av sitt potensial.

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Aktivt forebyggende vedlikehold skal sikre jevn og stabil drift i alle produksjonsavsnitt. Fabrikkenes tekniske tilstand kontrolleres gjennom et omfattende og systematisk inspeksjonsprogram.

Bedriftens HMS-styringssystem er i tillegg til nasjonalt regelverk underlagt INEOS-konsernets omfattende krav til styring og kontroll av risiko og HMS-forhold i bred forstand. Dette kontrolleres løpende gjennom et omfattende sett av måle-parametere samt gjennom revisjoner, egenrapportering og forbedringsprogram.

3.1 Miljø og bærekraftig utvikling

Alle utslippene fra bedriften var lavere enn årsgrensene gitt av myndighetene for selskapets to fabrikker i 2022.

Det ble ikke registrert noen naboklager i 2022.

Bedriften utarbeider årlig en bærekrafts-rapport som omfatter det samme som EMAS rapporten har gjort, i tillegg til mer utfyllende rundt bærekraft.

3.2 Helse og Arbeidsmiljø

I 2022 var sykefraværet 5,55%, noe opp fra 4,77% i 2021. Korttidssykefraværet utgjorde 0,91%.

I fabrikkene gjøres det kontinuerlige målinger av eksponering for VCM og EDC. Antallet personeksponeringer har økt noe i Klor/VCM fabrikken de senere årene og det er iverksatt både administrative og tekniske tiltak for å forbedre situasjonen. I Klor/VCM fabrikken var 1,04 % av målingene over grenseverdien for VCM mot 0,53% i 2021, for EDC var 2,34% av målingene over grenseverdien mot 0,70% i 2021. Grenseverdien for EDC er redusert fra 1 ppm til 0,25 ppm, dette preger resultatet for 2022 noe. Vi har intensivert monitoreringen og jobber videre med både forebyggende og tekniske tiltak. I PVC-fabrikken var det 3% av VCM-eksponeringene over norm i 2022 mot 0 i 2021. Tallene ansees å være akseptable, men det jobbes systematisk for å minimalisere risiko for overskridelse av grenseverdier for alle relevante stoffer og kjemikalier i arbeidsmiljøet.

3.3 Kvalitet

Kvalitetssystemet er en integrert del av ledelsessystemet i INOVYN Norge AS.

Bedriftens kvalitetssystem ble revidert i 2022. Bedriften er sertifisert etter kvalitetsstandarden ISO 9001:2015 og miljøstandarden ISO 14001:2015.

4 Forskning og utvikling

INOVYN Norge AS har lokale ressurser for utviklingsaktiviteter innenfor VCM og PVC teknologi. Disse aktivitetene er nært knyttet til selskapets produksjonsapparat, med overordnet mål om å bidra til økt konkurransedyktighet. Dette innebærer deltakelse i

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kontinuerlig utvikling av produksjonen gjennom økt produktivitet, redusert energiforbruk, sikker drift med minimale utslipp, produktkvalitet, samt også betydelig fokus på utviklingsplaner for fabrikkene på lenger sikt. I tillegg har INOVYN Norge AS nytte av INOVYN sin sentrale avdeling for forskning og utvikling. Denne samhandler også godt med både de lokale FoU-medarbeiderne, og også fabrikkenes ressurser.

De lokale forsknings- og utviklingsressursene har, sammen med de sentrale teknologi ressursene i INOVYN, stor betydning for INOVYN Norges evne til å identifisere, utvikle, forberede og gjennomføre større investeringsprosjekter.

Lokale forsknings- og utviklingsressurser brukes også for utvikling av nye PVC-typer som kan produseres i Porsgrunn. Disse ressursene brukes også i utviklingsarbeid for andre INOVYN-siter.

INOVYN Norge AS er engasjert i eksterne FoU-prosjekter, og har et samarbeid bl.a med NTNU. Dette omfatter først og fremst prosjekter rettet mot prosessforbedringer gjennom grunnleggende forståelse av de kjemiske prosessene involvert i produksjonen.

5 Organisasjonelle forhold

Selskapet hadde 309 fast ansatte pr. 31.12.2022, i tillegg kommer 23 lærlinger. Bedriftens satsing på lærlinger er strategisk viktig og inngår i vårt arbeid for å sikre ettervekst av kritisk kompetanse på sikt.

Medarbeidersamtaler inkludert oppdatering av kompetanse skal gjennomføres og dokumenteres for alle ansatte. Vi gjennomfører en organisasjonsutviklingsprosess i etterkant av årets medarbeidersamtaler hvor vi ser på ressurs- og kompetansebehov. Dette gjennomføres i forkant av budsjettprosessen og er et viktig og anerkjent organisasjonsutviklingsverktøy i vår bedrift. Vi gjennomfører linjeledersamlinger hvert kvartal. I tillegg deltar alle nye ledere på grunnkurs ledelse i regi av Norsk Industri. Våre årlige dagssamlinger for alle ansatte fordelt på 4 samlinger, fikk vi ikke gjennomført i 2022 på grunn av pandemien. Møteaktivitet med fysisk tilstedeværelse ble gjenopptatt utover året. I etterkant av pandemien og restriksjonene det medførte hadde vi «well being» som et fokusområde i vår organisasjon i 2022. Det ble satt krav til alle ledere om å gjennomføre minst 2 sosiale aktiviteter med sine ansatte i løpet av året.

Vi har et velfungerende samarbeid med våre fagforeninger med kvartalsvise møter i Arbeidsmiljøutvalget og Bedriftsutvalget, samt uformelle møter i kontaktutvalget i forkant av hvert AMU/BU og ved behov. 90% av våre ansatte er organisert i en fagforening.

Selskapet har som mål å være en arbeidsplass der det råder full likestilling mellom kvinner og menn. Vår kvinneandel er 22 prosent. Kvinneandelen i ledergruppen er 56 %. Vi har 0,6% kvinner og 1,2% menn i midlertidige stillinger. Det gjennomsnittlige antall uker foreldrepermisjon for kvinner og menn regnet om til hele uker er 27,2 uker for kvinner og 11,7 uker for menn.

INEOS konsernet er et globalt selskap som verdsetter mangfold og alle våre medarbeidere anerkjennes som en viktig del av teamet vårt. Vi jobber aktivt for å fremme likestilling og vi respekterer rettighetene, verdiene og verdigheten til alle medarbeidere, kunder, entreprenører, leverandører og andre interessenter. Hver og en av oss har en plikt til å forsikre at våre beslutninger når det gjelder valg, utvikling og forfremmelse av medarbeidere er basert på meritter, kvalifiserte, demonstrerte ferdigheter og prestasjoner. Vi har som

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prinsipp å praktisere like muligheter uten hensyn til rase, hudfarge, religion, kjønn, alder, nasjonalt opphav, seksuell legning, kjønnsidentitet, sivilstatus, funksjonshemming eller politisk tilknytning, «INEOS Code of conduct».

Vi vil ikke tillate at rase, hudfarge, religion, kjønn, alder, nasjonalt opphav, seksuell legning, kjønnsidentitet sivilstatus, funksjonshemming eller politisk tilknytning påvirker vår vurdering eller behandling av andre.

INOVYN oppmuntrer sine ansatte til å melde fra dersom de blir vitne til alvorlig misligheter, diskriminering eller trakassering i selskapet. Vi har en etablert og lett tilgjengelig varslingskanal.

Bedriften har gjennom drøftinger med tillitsvalgte og hovedverneombud besluttet å utarbeide en plan for hvordan vi skal arbeide for å legge til rette for at vi kan få en større bredde i etnisitet blant våre ansatte. Blant annet vil dette bli et tema på våre AMU møter og kontaktmøter.

Bedriften har videreført prinsippene i IA avtalen hvor en av de overordnede målsettingene er å skape et arbeidsliv med plass til alle gjennom å forebygge sykefravær og frafall, og på den måten bidra til å øke sysselsettingen. Bedriften jobber godt med forebygging av sykefravær i linja og har tre velfungerende attføringsutvalg. Alle ansatte gjennomfører helsekontroll hvert 3. år.

Fra 1. juli 2022 trådte den nye Åpenhetsloven i kraft i Norge. Formålet med loven er å fremme virksomheters respekt for grunnleggende menneskerettigheter og anstendige arbeidsforhold hos forretningsforbindelser og leverandører. En vesentlig del av loven er sikre allmennheten tilgang til informasjon om hvordan virksomheter håndterer faktiske og potensielle negative konsekvenser for grunnleggende menneskerettigheter og anstendige arbeidsforhold.

INEOS Inovyn omfattes av Åpenhetsloven og plikter å utføre aktsomhetsvurderinger i tråd med OECDs retningslinjer for flernasjonale selskaper.

INEOS Inovyn erkjenner sitt ansvar og respekterer Den internasjonale menneskerettighetsloven (The International Bill of Human Rights) og Den internasjonale arbeidsorganisasjonen (ILO) erklæring om grunnleggende prinsipper og rettigheter på arbeidsplassen.

Bedriften viser til sin bærekrafts rapport både sentralt i INEOS Inovyn og lokal bærekrafts rapport i INOVYN Norge når det gjelder aktsomhetsvurderinger. Videre har bedriften gull score i Ecovadis som er en ledende uavhengig global leverandør av bærekrafts vurderinger basert på miljø, arbeid og menneskerettigheter, etikk og bærekraftige anskaffelser. Bærekrafts rapportene er gjort tilgjengelig via våre nettsider; ineos.no; ineos.com. Selskapet benytter et leverandørgodkjenningssystem som gjennomfører en kartlegging av potensielle leverandører før de blir godkjent. Her er det spesifikke spørsmål som går på grunnleggende menneskerettigheter og anstendige arbeidsforhold. For å bli godkjent leverandør må disse kravene være oppfylt.

Styre- og styreansvarsforsikring

INEOS har en styreansvarsforsikring som dekker konsernet og dets datterselskaper.

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6 Produksjon

INOVYN Norge AS produserer Lut, VCM og PVC.

Klorfabrikken produserte 234 788 tonn Lut i 2022, mens det i 2021 ble produsert 332 367 tonn Lut. Det ble produsert 343 958 tonn VCM, mot 539 924 tonn året før.

PVC-fabrikken produserte 103 336 tonn S-PVC og 35 219 tonn P-PVC i 2022. I 2021 ble det produsert 147 950 tonn S-PVC og 45 084 tonn P-PVC.

Etylen er sammen med klor hoved råstoff i selskapets VCM-produksjon. Til produksjonen i Klor/VCM fabrikkene medgikk det 369 457 tonn salt og 635 895 GWh elektrisk kraft.

7 Redegjørelse for årsregnskapet

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk.

Selskapet har to pågående skattesaker som er beskrevet i note 8 i årsregnskapet. Overordnet gjelder sakene henholdsvis skattemessig behandling av reorganisering av selskapet i 2017, samt renter på overskuddslikviditet for årene 2014-2021.

7.1 Investeringer

Investeringene for 2022 endte på 425 MNOK. 2022 var et år med revisjonsstans og periodisk vedlikehold som utgjorde 164 MNOK. Flere store prosjekter er igangsatt, bl.a URANUS som ble endelig godkjent i 2022, 46 MNOK er påløpt. Renseanleggsprosjektet i PVC jobbet seg mot ferdigstillelse planlagt sommeren 2023, påløpt 23 MNOK i 2022.

Investeringene for 2021 var på 145 MNOK, et år uten revisjonsstans for periodisk vedlikehold.

7.2 Finansiell stilling

Selskapet har siden 1. juli 2015 vært en del av det britiske kjemiselskapet INOVYN Limited, og har siden 1. juli 2016 vært heleid av INEOS-konsernet.

Selskapet er sammen med de øvrige selskapene innenfor INOVYN finansiert gjennom et selskap i INOVYN strukturen, INOVYN Finance plc. Det ultimate morselskapet er INEOS Limited, registrert på Isle of Man.

INEOS Limited inkluderer flere separat finansierte selskapsstrukturer. Alle disse har egne langsiktige finansieringsordninger, uten mulighet for finansielle transaksjoner mellom dem, utover kjøp og salg av produkter på armlengdes basis.

31.januar 2021 ble INOVYN Gruppen tilsluttet INEOS Quattro Group sammen med enkelte andre forretningsområder i INEOS konsernet. Gjennom denne refinansieringen bedømmes selskapets finansielle stilling som styrket i et langsiktig perspektiv.

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Likviditetssituasjonen pr 31.12.2022 er tilfredsstillende.

Styret vurderer INOVYN Norge AS finansielle stilling til å være god.

7.3 Resultat

Driftsresultatet (resultat før finans og skatt) ble 188 MNOK i 2022 mot 292 MNOK i 2021. Bedriften har stort fokus på driftskostnader. Energi og råstoff er i stor grad sikret gjennom langsiktige kontrakter. Bedriftens kostnader er stabilisert på et nivå som gjør det mulig å drive med overskudd også i en periode med lavkonjunktur og dermed sikre fremtidig inntjening. Med hensyn til avsetningsforhold og prisutvikling, er det ikke noe å bemerke ut over det som framgår av årsregnskapet.

Årsresultatet etter skatt ble på 78 MNOK mens det var 198 MNOK i 2021.

Etter styrets oppfatning gir fremlagt årsregnskap et riktig bilde av selskapets eiendeler, gjeld, finansielle stilling og resultat.

7.4 Kontantstrømoppstilling

Selskapet hadde en positiv kontantstrøm på 401 MNOK fra operasjonelle aktiviteter mot 551 MNOK i 2021.

Netto investeringsaktiviteter svekket kontantstrømmen med 143 MNOK i 2022, mot styrking på 1 443 MNOK i 2021. Investeringer i bl.a vedlikeholds – og HMS prosjekter svekket kontantstrømmen med 425 MNOK, tilsvarende 145 MNOK i 2021, mens netto endring på konsernkontoordningen styrket kontantstrømmen med 282 MNOK, tilsvarende 1 588 MNOK i 2021.

Finansieringsaktiviteter ga en netto kontantstrøm på -260 MNOK i 2022, mot -2.000 MNOK i 2021.

For detaljer vises det til kontantstrømoppstillingen i årsregnskapet.

7.5 Finansiell risiko

7.5.1 Markedsrisiko

Selskapet er eksponert for endringer i valutakurser, spesielt i EURO, da en vesentlig del av selskapets kostnader er i utenlandsk valuta. Selskapet sikrer ikke valuta.

7.5.2 Kredittrisiko

Risikoen for at motparter ikke har økonomisk evne til å oppfylle sine forpliktelser anses for lav, da det historisk sett har vært små tap på fordringer. Ingen vesentlig økning som følge av finanskrisen.

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7.5.3 Likviditetsrisiko

Selskapet styrer likviditetsrisiko gjennom løpende overvåkning av fremtidige og faktiske kontantstrømmer, og ved å matche forfallprofilen til finansielle eiendeler og forpliktelser. Likviditetsrisikoen i selskapet er lav.

8 Framtidig utvikling og drift

Petrokjemi er en global industri og det er stor konkurranse om markedet. Dette markedet er preget av sykliske svingninger. Prisene på produktene svinger som følge av den globale konjunkturutviklingen. Etterspørsel og priser, spesielt i Europa, har betydning for konsernets forventede inntjening, men siden INOVYN Norge AS kun driver produksjonsvirksomhet har dette liten betydning for resultatet i INOVYN Norge i et enkelt år. Lønnsomheten til bedriften og konsernet var tilfredsstillende i 2022.

Produktiviteten til INOVYN Norge AS var preget av flere utfordringer i 2022. Vi hadde noen uforutsette fabrikkstanser i klor- og VCM-fabrikkene som reduserte produktiviteten vår noe. I tillegg gjennomførte vi en revisjonsstans i klor- og VCM-fabrikkene som varte lenger enn planlagt, primært styrt av eksterne forhold, men også grunnet et større vedlikeholdsbehov enn forutsatt og tekniske utfordringer ved oppstart. Fra sommeren av og ut året så var etterspørselen etter våre produkter noe redusert, som medførte at vi i perioder kjørte noe redusert i alle fabrikkene våre.

Samtidig ser vi at vi nå er i god posisjon for å produsere på maksimal kapasitet så snart markedet skulle tilsi det, og anleggene våre har aldri hatt høyere kapasitet enn de har i dag. Som følge av kontinuerlig forbedringsarbeid og utvidelsesprosjekter ferdigstilt i årene 2020 og 2021, er bedriften i en god konkurranseposisjon, noe som gjør at vi er godt rustet også for å kunne sikre drift i perioder med svekkede konjunkturer. Gjennom vårt årlige strategiarbeid har vi også i 2022 jobbet for videre utvikling av bedriften, og arbeider videre for både nødvendige vedlikeholds-investeringer, kapasitetsøkninger og bærekrafts-prosjekter.

9 Årsresultat og disponering

Årets overskudd som er 77 961 KNOK er disponert på følgende måte :

Overført til / fra annen egenkapital	-172 039
Avsatt til utbytte	<u>250 000</u>
Årsresultat	77 961

Etter styrets oppfatning vil selskapet etter utdelingen ha forsvarlig egenkapital og likviditet jf. aksjeloven § 8-1 fjerde ledd, jf. § 3-4.

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Styret for INOVYN Norge AS

Stenungsund, 14. juni 2023

Rodney Ishak
Daglig leder

Nils Eirik Stamland
Styreleder

Paul Mark Daniels
Styremedlem

John Øivind V. Selmer
Styremedlem

Otto Johannes A Grolig
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David James Horrocks
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Geir Trygve Alfsen
Styremedlem

Ulf Magnus Røös
Styremedlem



Styret for INOVYN Norge AS

Stenungsund, 14. juni 2023

Rodney Ishak
Daglig leder

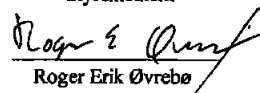
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Styret for INOVYN Norge AS

Stenungsund, 14. juni 2023

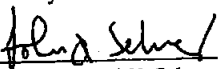
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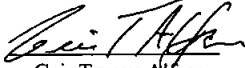
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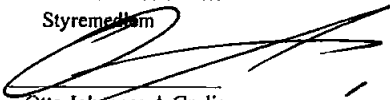
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Styremedlem



Årsregnskap

INOVYN Norge AS

2022



INOVYN Norge AS

Resultatregnskap

(tall i hele tusen)

	2022	2021
NOTE DRIFTSINNEKTER OG DRIFTSKOSTNADER		
2, 3 Salgsinntekt	2 269 386	2 236 251
Sum driftsinntekter	2 269 386	2 236 251
3,4 Varekostnad	1 197 827	1 088 408
5 Lønnskostnad	434 122	387 702
6 Ordinær avskrivning	229 822	228 884
3,6 Annen driftskostnad	219 439	239 670
Sum driftskostnader	2 081 210	1 944 664
Driftsresultat	188 176	291 587
FINANSINNEKTER OG FINANSKOSTNADER		
Annen renteinntekt	1 067	117
7 Annen finansinntekt	8 988	9 203
3,7 Rentekostnad til foretak i samme konsern	-17 877	-737
7 Annen rentekostnad	-8 301	-4 386
7 Annen finanskostnad	-69 979	-40 261
Netto finansresultat	-86 103	-36 064
Resultat før skattekostnad	102 073	255 523
8 Skattekostnad	24 112	57 032
ÅRSRESULTAT	77 961	198 491
OVERFØRINGER		
9 Overført til/fra annen egenkapital	-172 039	-61 509
9 Avsatt til utbytte	250 000	260 000
	77 961	198 491



INOVYN Norge AS
Balanse pr 31. desember
(tall i hele tusen)

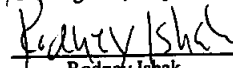
NOTE	EIENDELER	2022	2021
	Anleggsmidler		
	Immaterielle eiendeler		
4	CO2 kvoter	71 598	67 035
8	Utsatt skattefordel	0	4 221
	Sum immaterielle eiendeler	71 598	71 256
	Varige driftsmidler		
6,10	Tomter, bygninger og annen fast eiendom	149 785	159 646
6,10	Maskiner og anlegg, samt øvrig driftsløsøre	1 400 676	1 336 890
6,10	Anlegg under utførelse	290 162	150 712
	Sum varige driftsmidler	1 840 622	1 647 248
	Finansielle anleggsmidler		
11	Investering i andre aksjer	120 100	120 850
	Sum finansielle anleggsmidler	120 100	120 850
	Sum anleggsmidler	2 032 320	1 839 354
	Omløpsmidler		
10,12	Varer	70 086	56 037
	Fordringer		
10,13	Kundefordringer	641 756	848 713
10,13	Andre fordringer	96 139	58 702
	Sum fordringer	737 894	907 415
10	Bankinnskudd, kontanter o.l.	19 771	22 092
	Sum omløpsmidler	827 751	985 544
	SUM EIENDELER	2 860 071	2 824 899




INOVYN Norge AS
Balanse pr 31. desember
(tall i hele tusen)

NOTE	EGENKAPITAL OG GJELD	2022	2021
	Egenkapital		
	Innskutt egenkapital		
9,14	Aksjekapital (294 192 699 aksjer á kr 1,-)	294 193	294 193
9	Overkurs	255 907	255 907
	Sum innskutt egenkapital	550 100	550 100
	Opptjent egenkapital		
9	Annen egenkapital	327 775	494 641
	Sum opptjent egenkapital	327 775	494 641
	Sum egenkapital	877 875	1 044 741
	Gjeld		
	Avsetning for forpliktelser		
15,16	Pensjonsforpliktelser	115 714	136 825
8	Utsatt skatt	21 350	0
16	Andre avsetninger for forpliktelser	14 629	15 358
	Sum avsetninger for forpliktelser	151 693	152 183
	Annen langsiktig gjeld		
13	Gjeld til konsernselskaper	29 465	29 465
	Sum langsiktig gjeld	29 465	29 465
	Kortsiktig gjeld		
13	Leverandørgjeld	240 975	228 568
16	Andre avsetninger for forpliktelser	19 980	14 826
8	Betalbar skatt	220 640	248 035
	Skyldige offentlige avgifter	121 702	152 563
9	Avsatt utbytte	250 000	260 000
13,16	Annen kortsiktig gjeld	947 741	694 518
	Sum kortsiktig gjeld	1 801 039	1 598 510
	Sum gjeld	1 982 197	1 780 158
	SUM EGENKAPITAL OG GJELD	2 860 071	2 824 899

Stenungsund, 14. juni 2023

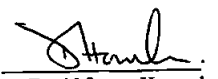

Rodney Ishak
Daglig leder


Nils Erik Stamland
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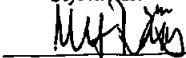
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	Egenkapital		
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	Gjeld		
	Avsetning for forpliktelser		
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NOVYN Norge AS
Balanse pr 31. desember
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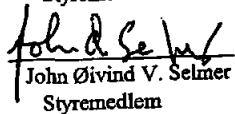
NOTE	EGENKAPITAL OG GJELD	2022	2021
	Egenkapital		
	Innskutt egenkapital		
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	Sum innskutt egenkapital	550 100	550 100
	Opptjent egenkapital		
9	Annen egenkapital	327 775	494 641
	Sum opptjent egenkapital	327 775	494 641
	Sum egenkapital	877 875	1 044 741
	Gjeld		
	Avsetning for forpliktelseser		
15,16	Pensjonsforpliktelseser	115 714	136 825
8	Utsatt skatt	21 350	0
16	Andre avsetninger for forpliktelseser	14 629	15 358
	Sum avsetninger for forpliktelseser	151 693	152 183
	Annen langsiktig gjeld		
13	Gjeld til konsernselskaper	29 465	29 465
	Sum langsiktig gjeld	29 465	29 465
	Kortsiktig gjeld		
13	Leverandørgjeld	240 975	228 568
16	Andre avsetninger for forpliktelseser	19 980	14 826
8	Betalbar skatt	220 640	248 035
	Skyldige offentlige avgifter	121 702	152 563
9	Avsatt utbytte	250 000	260 000
13,16	Annen kortsiktig gjeld	947 741	694 518
	Sum kortsiktig gjeld	1 801 039	1 598 510
	Sum gjeld	1 982 197	1 780 158
	SUM EGENKAPITAL OG GJELD	2 860 071	2 824 899

Stenungsund, 14. juni 2023

Rodney Ishak
Daglig leder

Nils Eirik Stamland
Styreleder

Paul Mark Daniels
Styremedlem


John Øivind V. Selmer
Styremedlem

Otto Johannes A Grolig
Styremedlem

David James Horrocks
Styremedlem

Roger Erik Øvrebø
Styremedlem

Geir Trygve Alfisen
Styremedlem

Ulf Magnus Røøs
Styremedlem



INOVYN Norge AS
Balanse pr 31. desember
(tall i hele tusen)

NOTE	EGENKAPITAL OG GJELD	2022	2021
	Egenkapital		
	Innskutt egenkapital		
9,14	Aksjekapital (294 192 699 aksjer á kr 1,-)	294 193	294 193
9	Overkurs	255 907	255 907
	Sum innskutt egenkapital	550 100	550 100
	Opptjent egenkapital		
9	Annen egenkapital	327 775	494 641
	Sum opptjent egenkapital	327 775	494 641
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Stenungsund, 14. juni 2023

Rodney Ishak
Daglig leder

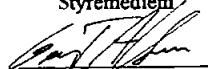
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INOVYN Norge AS
Balanse pr 31. desember
(tall i hele tusen)

NOTE	EGENKAPITAL OG GJELD	2022	2021
	Egenkapital		
	Innskutt egenkapital		
9,14	Aksjekapital (294 192 699 aksjer á kr 1,-)	294 193	294 193
9	Overkurs	255 907	255 907
	Sum innskutt egenkapital	550 100	550 100
	Opptjent egenkapital		
9	Annen egenkapital	327 775	494 641
	Sum opptjent egenkapital	327 775	494 641
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Stenungsund, 14. juni 2023

Rodney Ishak
Daglig leder

Nils Eirik Staraland
Styreleder

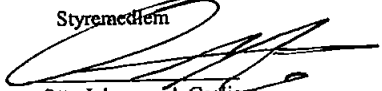
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Styremedlem

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Styremedlem



INOVYN Norge AS

Kontantstrømoppstilling

	2022 TNOK	2021 TNOK
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER:		
Ordinært resultat før skattekostnad	102 073	255 523
Periodens betalte skatt og mottatt skatt på tidligere år	-27 395	-47 938
Ordinære avskrivninger	229 822	228 884
Avgang anleggsmidler	2 568	28 969
Forskjell mellom kostnadsført pensjon og inn-/utbet. i pensjonsordning	-15 208	-8 864
Tilgang tildeelte utslippkvoter (uten kontanteffekt)	-4 562	-40 326
Endring i varer	-14 048	-2 982
Endring i kundefordringer	206 957	12 304
Endring i leverandørgjeld	12 407	11 497
Endring i andre omløpsmidler og andre gjeldsposter	-91 754	114 024
Netto kontantstrømmer fra operasjonelle aktiviteter	400 860	551 090
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER:		
Investert i varige driftsmidler	-425 014	-145 394
Endring balanse i konsernkontoordning	281 833	1 588 271
Netto kontantstrøm fra investeringsaktiviteter	-143 181	1 442 877
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER:		
Utbetalt utbytte	-260 000	-2 000 000
Netto kontantstrøm fra finansieringsaktiviteter	-260 000	-2 000 000
Netto endring i bankinnskudd, kontanter og lignende	-2 321	-6 033
Beholdning av bankinnskudd, kontanter og lignende pr 01.01.	22 092	28 125
Beholdning av bankinnskudd, kontanter og lignende pr 31.12.	19 771	22 092



INOVYN NORGE AS Noter til regnskapet 2022 (tall i hele tusen)

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapskikk.

INOVYN Norge AS er en del av INOVYN konsernet. Konsernspiss der INOVYN Norge AS blir konsolidert, INOVYN Limited, har forretningskontor i Runcorn, United Kingdom og adressen hvor en kan få konsernregnskapet utlevert er :

INOVYN Limited
Banks Lane Office
PO Box 9
Runcorn
Cheshire
WA7 4JE
United Kingdom

Hovedregel for vurdering og klassifisering av eiendeler og gjeld

Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Andre eiendeler er klassifisert som omløpsmidler. Fordringer som skal tilbakebetales innen et år er klassifisert som omløpsmidler. Ved klassifisering av kortsiktig og langsiktig gjeld er tilsvarende kriterier lagt til grunn.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi når verdifallet forventes ikke å være forbigående. Varige anleggsmidler som forringes i verdi avskrives lineært over forventet økonomisk levetid.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominell mottatt beløp på etableringsstidspunktet. Kortsiktig gjeld oppskrives ikke til virkelig verdi som følge av rentendring.

Enkelte poster er vurdert etter andre prinsipper og redegjøres for nedenfor.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives lineært over driftsmidlets forventede levetid dersom de er ment for varig eie og bruk. Ved revisjonssjans aktiveres vedlikeholdsbeløp og fordeles lineært frem til neste planlagte revisjonssjans. Øvrig løpende vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader. Påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Skillet mellom vedlikehold og påkostninger/ forbedringer regnes i forhold til driftsmidlets stand ved kjøp av driftsmidlet.

Anlegg under utførelse

Anlegg under utførelse aktiveres fortløpende basert på progresjon og utført arbeid. Når anlegget tas i bruk, overføres anleggene til sine respektive driftsmiddelgrupper. Avskrivning påbegynnes ved ferdigstilling og overføring til driftsmiddelgruppene.

Nedskrivning av anleggsmidler

Ved indikasjon på at balanseført verdi av et anleggsmiddel er høyere enn virkelig verdi, foretas test for verdifall. Testen foretas for det laveste nivå av anleggsmidler som har selvstendige kontantstrømmer. Hvis balanseført verdi er høyere enn både salgsverdi og gjenvinnbart beløp (nåverdi ved fortsatt bruk/ eie), foretas det nedskrivning til det høyeste av salgsverdi og gjenvinnbart beløp. Tidligere nedskrivninger reverseres hvis forutsetningene for nedskrivningene ikke lenger er til stede (med unntak av blant annet nedskrivning av goodwill).

Utslippsrettigheter

Som følge av EU's regelverk vedrørende klimagasser mottar selskapet årlige vederlagsfrie utslippsrettigheter. Disse rettighetene kan nyttes til å innfri selskapets forpliktelser som oppstår som følge av faktiske utslipp av CO₂. Anskaffelseskost for de vederlagsfrie utslippsrettighetene beregnes ved å benytte et årlig gjennomsnitt av observerte markedspriser på utslippsrettighetene i tildelingsåret omregnet til en årlig gjennomsnittskurs EURO/NOK. Innløste vederlagsfrie utslippsrettigheter høsten 2022 for utslipp realisert i 2021 tilsvarer TNOK 61 000. Eiendel knyttet til utslippsrettigheter og motsvarende utslippsforpliktelse per 31.12.2022 fra regnes når kvoteforpliktelsen gjøres opp våren 2023. Per 31.12.2022 er eiendel og utslippsforpliktelse presentert brutto henholdsvis under immaterielle eiendeler og annen kortsiktig gjeld.

Investering i datterselskap og tilknyttede selskap klassifisert som anleggsmidler

Investeringer i datterselskap og tilknyttede selskap er vurdert etter kostmetoden. Investeringene nedskrives til virkelig verdi ved verdifall som forventes ikke å være forbigående. Mottatt utbytte fra selskapene inntektsføres som annen finansinntekt.

Inntekter

Ved varesalg:
Inntekt regnskapsføres når den er oppjent, altså når både risiko og kontroll er overført til kunden. Dette vil normalt være tilfellet når varen er levert til kunden. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet.

Ved tjenestestalg:

Inntekt regnskapsføres når den er oppjent, altså når krav på vederlag oppstår. Dette skjer når tjenesten ytes, i takt med at arbeidet utføres. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet.

I oktober 2017 startet selskapet med ren prosesseringsvirksomhet. Det betyr at produksjonskostnader blir viderefakturert til konsernintern oppdragsgiver med et påslag.

Forskning og utviklingskostnader

Utviklingskostnader er vurdert og de kvalifiserer ikke for inngregning som immateriell eiendel.



Leieavtaler

Driftsmidler som leies på betingelser som i det vesentlige overfører økonomisk risiko og kontroll til selskapet (finansiell leasing), balanseføres under varige driftsmidler og tilhørende leieforpliktelse medtas som forpliktelse under rentebærende langsiktig gjeld til nåverdien av leiebetalningene. Driftsmiddelet avskrives planmessig, og forpliktelsen reduseres med betalt leie etter fradrag for beregnet rentekostnad.

Øvrige leieavtaler kostnadsføres løpende.

Varer

Varer vurderes til det laveste av et veid gjennomsnitt av anskaffelseskost og virkelig verdi.

Fordringer

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringer.

Kontanter og kontantekvivalenter

Kontanter inkluderer kontanter i kasse og bankbeholdning. Kontantekvivalenter er kortsiktige likvide investeringer som omgjøende kan konverteres til kontanter med et kjent beløp, og med maksimal løpetid på 3 måneder.

Størrelse på kontantbeholdningen reflekterer at de fleste eksterne bankkonti er tilknyttet (NOVYN Treasury Ltd som formidler kontanter til selskapene som inngår i konsernet. De bør derfor sees i sammenheng med konserninterne fordringer og gjeld.

Avsetninger

En avsetning regnskapsføres når selskapet har en forpliktelse (retslig eller selvpålagt) som følge av en tidligere hendelse, og det er sannsynlig (mer sannsynlig enn ikke) at det vil skje et økonomisk oppgjør som følge av denne forpliktelsen og beløpet størrelse kan måles pålitelig. Hvis effekten er betydelig, beregnes avsetningen ved å neddiskontere forventede fremtidige kontantstrømmer med en diskonteringsrente for skatt som reflekterer markedets prissetting av tidsverdien av penger og - hvis relevant - risikoer spesifikt knyttet til forpliktelsen.

Avsetninger for tapsbringende kontrakter innregnes når selskapets forventede inntekter fra en kontrakt er lavere enn uunngåelige kostnader som er påløpt for å innfri forpliktelsen etter kontrakten.

Valuta

Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balanse dagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på balansetidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden.

Pensjoner

Selskapet har pensjonsordninger som gir de ansatte rett til avtalte fremtidige pensjonsytelser.

Selskapet har to forskjellige pensjonsordninger for alderspensjon:

- 1) Innskuddspensjon: Ansatte som er født 1. januar 1964 og senere, og alle som er ansatt etter 01.01.2016
- 2) Ytelsepensjon: Ansatte som er født før 1. januar 1964 og som er ansatt før 01.01.2016

For innskuddsordningen betaler selskapet inn faste bidrag. Innskuddet kostnadsføres når det påløper

Ved regnskapsføring av pensjon som er ytelsesplan, kostnadsføres forpliktelsen over oppjeningstiden i henhold til planens oppjeningsformel. Allokeringsmetode tilsvarende planens oppjeningsformel med mindre det vesentlige av oppjeningen skjer mot slutten av oppjeningsperioden. Linear oppjenning legges da til grunn. Estimatavvik og virkningen av endrede forutsetninger, etter justering for skatt, føres løpende direkte mot egenkapitalen i tråd med at selskapet anvender adgangen i NRS 6 til å benytte løsninger slik de fremkommer i IAS 19.

Virkningen av planendringer med tilbakevirkende kraft, innregnes i resultatregnskapet umiddelbart. Netto pensjonsforpliktelse er differansen mellom nåverdien av pensjonsforpliktelsene og verdien av pensjonsmidler som er avsatt for betaling av ytelsene. Pensjonsmidlene vurderes til virkelig verdi. Måling av pensjonsforpliktelse og pensjonsmidler gjennomføres på balanse dagen. Arbeidsiveravgift er inkludert i tallene, og er beregnet av netto faktisk underfinansiering. Netto pensjonsforpliktelser på underfinansierte ordninger er balanseført som langsiktig rentefri gjeld, mens netto pensjonsmidler på overfinansierte ordninger er balanseført som langsiktig rentefri fordring dersom det er sannsynlig at overfinansieringen kan utnyttes. Netto pensjonskostnad klassifiseres som ordinær driftskostnad, og er presentert sammen med lønn og andre ytelser.

Skatter

Skattekostnad består av betalbar skatt og endring utsatt skatt. Utsatt skatt/skattefordel er beregnet på alle forskjeller mellom regnskapsmessig og skattemessig verdi på eiendeler og gjeld.

Utsatt skattefordel er regnskapsført når det er sannsynlig at selskapet vil ha tilstrekkelige skattemessige overskudd i senere perioder til å nyttiggjøre seg skattefordelen. Selskapene regnskapsfører tidligere ikke regnskapsført utsatt skattefordel i den grad det har blitt sannsynlig at selskapet kan benytte seg av den utsatte skattefordelen. Likeledes vil selskapet redusere utsatt skattefordel i den grad selskapet ikke lenger anser det som sannsynlig at det kan nyttiggjøre seg av den utsatte skattefordelen.

Utsatt skatt og utsatt skattefordel føres opp til nominell verdi og er klassifisert som immatriell eiendel (langsiktig forpliktelse) i balansen.

Betalbar skatt og utsatt skatt er regnskapsført direkte mot egenkapitalen i den grad skattepostene relaterer seg til egenkapitaltransaksjoner.

Kontantstrømpoppstilling

Kontantstrømpoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kontantbeløp og med forfallsdato kortere enn tre måneder fra anskaffelsesdato.



Note 2 Salgsinntekt	2022	2021
(Tall i 1 000)		
Pr virksomhetsområde:		
Produkter	469 595	123 301
Avtale om tolling/leveranse på produksjon	1 799 791	2 112 950
Sum	2 269 386	2 236 251
Pr geografisk marked:		
Norge	469 595	123 301
EU-land	1 799 791	2 112 950
Sum	2 269 386	2 236 251

Note 3 Transaksjoner med nærstående parter
(Tall i 1 000)
Ytelser til ledende ansatte er omtalt i note 5, og mellomværende med konsernselskaper er omtalt i note 13.

Selskapets transaksjoner med nærstående parter:

	2022	2021
a) Salg av varer og tjenester		
Salg av varer:		
INEOS Rafines AS	39 050	41 512
INEOS Bamble AS	7 732	8 065
INEOS Europe AG (O&P EU)	68 747	73 723
Sum salg av varer	115 530	123 302
Salg av tjenester:		
INOVYN Europe Ltd	1 792 835	2 106 274
INOVYN Europe Ltd Norwegian Branch	6 957	6 676
Sum salg av tjenester	1 799 791	2 112 950
Sum totalt salg	1 915 321	2 236 252
b) Viderefakturering av tjenester		
INEOS Rafines AS	51 572	39 862
INOVYN Europe Ltd	93 684	91 529
INEOS Bamble AS	14 693	11 674
INEOS Upstream Holdings Ltd	102 53	25 62
Norward AS	1 070	830
INOVYN Chlor Vinyls LTD	190	197
INOVYN Sverige AB	937	104
INOVYN Manufacturing Belgium	53	53
INEOS Group AG	0	12
Sum viderefakturering av tjenester	172 451	146 823
c) Kjøp av varer og tjenester		
Kjøp av varer:		
INEOS Rafines AS	111 683	66 594
INEOS Sales Norge AS	163 577	177 873
INEOS Vinyls Belgium NV	20 119	5 216
INOVYN Manufacturing Belgium SA	760	0
INEOS Technologies SA	0	8 892
INOVYN Deutschland GmbH	0	3 156
Sum kjøp av varer	296 139	261 731
Kjøp av tjenester:		
INOVYN Europe Ltd	21 298	0
Norward AS	17 804	14 015
INOVYN Group Treasury Ltd	8 276	7 871
INOVYN Chlor Vinyls LTD	1 037	1 455
INEOS Rafines AS	177	170
INEOS Sverige AB	125	0
INOVYN France	8	0
INEOS Bamble AS	0	117
Sum kjøp av tjenester	48 726	23 629
Sum totalt kjøp	344 865	285 360
d) Finansielle tjenester		
INOVYN Group Treasury Ltd	17 877	737
Sum	17 877	737

Konsernintern valutagevinst og valutatap er ikke fordelt på selskap, se note 7.
Det er ingen i styret eller ledelsen eller nærstående til disse som har eierinteresser hos kunder eller leverandører til INOVYN Norge AS



Note 4 CO2 - kvoter	2022	2021
(Tall i 1 000)		
Anskaffelseskost 1.1	67 035	26 710
Tilgang frikvoter	44 264	122 195
Kjøp kvoter	21 298	815
Avgang innleverte kvoter	-61 000	-82 685
Sum	71 598	67 035

Selskapet hadde pr 31.12.2021 en kvote beholdning med verdi tilsvarende TNOK 67 035, og en tilsvarende kvoteforpliktelse på TNOK 82 685. I 2022 har selskapet CO2 kvoter innregnet som immateriell eiendom med TNOK 71 598, og med en tilhørende utslippsforpliktelse innregnet i annen kortsiktig gjeld med TNOK 61 000. Det er i 2022 kjøpt kvoter for TNOK 21 298. Nettoeffekten er innregnet i varekostnad i resultatregnskapet.

Note 5 Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m.	2022	2021
(Tall i 1 000)		
Lønnskostnad		
Lønn	347 465	308 865
Arbeidsgiveravgift	54 603	48 724
Pensjonskostnader ytelsespensjon	14 530	14 986
Pensjonskostnader innskuddspensjon	16 879	14 583
Andre ytelser	644	544
Sum	434 121	387 702

Gjennomsnittlig antall årsverk: 337 326

Selskapet har kautionert for lån til ansatte. Sikkerhetsstillelsen overfor Danske Bank beløper seg totalt til TNOK 2.015.

	Daglig leder 1.1.-31.12	Styret
Ytelser til ledende personer		
Lønn	2 862	0
Pensjonskostnader	460	0
Annen godtgjørelse	16	0

Det er ikke gitt lån eller stilt sikkerhet for daglig leder, styremedlemmer eller aksjeiere som utgjør mer enn 3% av egenkapitalen.

Det foresligger ingen avtale om tilleggskompensasjon til daglig leder ved opphør av ansattelsesforholdet.

Daglig leder er som alle ansatte en del av INOVVNs bonusprogram.

Pensjonskostnad for daglig leder utgjøres av terminpremie og engangspremie betalt til forsikringselskapet.

Revisor (Alle beløp er eksklusive mva.)	2022	2021
Deloitte AS	1 526	1 262
Lovpålagt revisjon	50	43
Andre attestasjonstjenester	60	187
Skatterådgivning	336	0
Andre tjenester utenfor revisjon	1 972	1 492
Sum	1 972	1 492

Note 6 Varige driftsmidler
(Tall i 1 000)

	Tomter	Bygn. og annen fast eiendom	Maskiner, anlegg og driftsløsere	Anlegg under utførelse	Totalt
Anskaffelseskost 01.01.2022	7 008	478 206	3 949 474	150 712	4 585 400
Tilgang driftsmidler	-	-	285 564	139 450	425 014
Avgang driftsmidler	-	-	59 072	-	59 072
Anskaffelseskost 31.12.2022	7 008	478 206	4 175 966	290 162	4 951 342
Akkumulerte avskrivninger 31.12.2022	0	335 429	2 775 290	-	3 110 719
Baldert verdi pr. 31.12.2022	7 008	142 777	1 400 675	290 162	1 840 622
Herav årets avskrivninger		9 862	219 960		229 822
Økonomisk levetid		30 - 40 år	3-20 år		
Avskrivningsplan		Lineær	Lineær		
Operasjonelle leieavtaler 2022			Bygninger, Maskiner, biler, kontorlokaler inventar		Totalt
Årlig leie ikke balanseførte driftsmidler			2 810	7 054	9 864
Fremtidig minimumsleie (udiskontert) knyttet til ikke-kansellerbare leieavtaler forfaller som følger:					
Innen 1 år:			3 698	7 054	10 752
2 til 5 år			14 790	6 902	21 692
Etter 5 år			14 863	-	14 863
Fremtidig minimumsleie			33 351	13 956	47 307



Note 7 Spesifikasjon finansinntekter og finanskostnader

(Tall i 1 000)

	2022	2021
Annen finansinntekt	3 300	3 774
Konserniintern valutagevinst	5 689	5 428
Ekstern valutagevinst	8 988	9 203
Totalt	14 977	18 405
Annen finanskostnad	62 643	37 774
Konserniintern valutatap	7 277	2 404
Ekstern valutatap	58	82
Annen finanskostnad	69 979	40 261
Annen rentekostnad	8 301	4 386
Annen rentekostnad	17 877	737
Rentekostnad til foretak i samme konsern	26 178	5 123
Totalt	34 059	9 450

Note 8 Skatter

(Tall i 1 000)

Beregning av utsatt skatt/utsatt skattefordel	2022	2021
Midlertidige forskjeller		
Pensjoner og andre avsetninger for forpliktelser	-130 343	-152 183
Drittmidler	296 058	105 285
Varelager	-8 800	-8 800
Avsetninger etter god regnskapsikk	-19 980	-14 826
Andre fordringer	0	50 000
Gevinst-/ tapkonto	1 071	1 338
Netto midlertidige forskjeller	138 005	-19 185
Underskudd til fremføring	-40 960	0
Grunnlag for utsatt skattefordel	97 046	-19 185
Utsatt skatt(+)/skattefordel(-) i balansen	21 350	-4 221

Utsatt skattefordel er innregnet med basis i at det er høyst sannsynlig at denne vil kunne motregnes fremtidige skattemessige overskudd

	2022	2021
Årets skattekostnad fremkommer slik	0	55 890
Betalbar skattekostnad	24 112	1 142
Endring utsatt skatt (over resultatet)	24 112	57 032
Skattekostnad resultat	24 112	57 032

Skattekostnaden relaterer seg i sin helhet til Norge.

Betalbar skatt fremkommer som følger	2022	2021
Betalbar skattekostnad	0	55 890
Betalbar skattekostnad 2013	21 913	0
Avsetning til skattesk 2014-2021	198 727	192 145
Betalbar skatt i balansen	220 640	248 035

Avstemming fra nominell til faktisk skattesats:	2022	2021
Resultat før skattekostnad	102 073	255 523

Forventet inntektskatt etter nominell skattesats (22%)	22 456	56 215
Skatteeffekt av følgende poster:		
Andre ikke fradragsberettigede poster	1 656	817
Skattekostnad	24 112	57 032
Effektiv skattesats	23,62 %	22,32 %

Størrelsen på utsatt skatt knyttet til poster ført direkte mot egenkapitalen:

Selskapet har i 2022 innregnet aktuariell gevinst direkte mot egenkapitalen pålydende TNOK 6 632. Skatteeffekten relatert til dette utgjør TNOK 1 459

Ligningsmyndighetene kom 06.12.2019 med en anmodning om opplysninger, herunder interprisingsdokumentasjon for inntektsåret 2017. Overordnet gjelder saken skattemessig behandling av reorganisering av selskapet, og skattermyndighetene varslet den 12.09.2022 om at de vurderer å endre selskapets egenfastsettelse for 2017 med en inntektøkning i størrelsesorden MNOK 3 500. Selskapet er i dialog med skatteetaten, og mener at argumentene deres ikke gir tilstrekkelig substans. Selskapets klare syn er at skatteetatens argumentasjon ikke vil føre fram, og selskapet har følgelig ikke avsatt skatt relatert til dette pr 31.12.2022.

Ligningsmyndighetene kom 19.11.2015 med varsel om endring av ligning for årene 2012 og 2013. Saken bygger på at skattermyndighetene anser at selskapets overskuddslikviditet på konsernkontoer er en langsiktig fordring og skulle den avhett en høyere rentesats. Selskapet responderte på varselet 02.03.2016, og opprettholdt at overskuddslikviditeten har vært håndtert med riktig rentesats i samsvar med konsernkontoavtalen

Ligningsmyndighetene kom 07.04.2017 med utkast til vedtak og mente fortsatt at selskapets inntekter burde økes med til sammen 275 millioner kroner for årene 2012 og 2013. Selskapet valgte da å gjøre en avsetning i henhold til mottatt utkast til vedtak fra ligningsmyndighetene med til sammen 284 millioner kroner for årene 2012-2016. I 2018 ble henholdsvis TNOK 21 940 og TNOK 55 173 innbetalt for årene 2012 og 2013. Vedtaket ble påklaget til Skatteklagenemda i februar 2018.

Skatteklagenemdas sekretariat kom den 6. mai 2022 med utkast til innstilling til vedtak i Skatteklagenemda der selskapet ble gitt delvis medhold. Endelig vedtak ble mottatt august 2022. Dette medførte en inntektøkning for inntektsåret 2012 på TNOK 2 582 sammenlignet med Skattekontorets vedtak, og tilsvarende inntektsreduksjon på TNOK 86 720 for 2013

Den 12.01.2023 mottok selskapet en anmodning om opplysninger i forbindelse med kontroll for inntektsårene 2014-2021, samt oppfølging av fristavbrytende varster for 2014-2020 og Skatteklagenemdas vedtak av 16.8.2022. Med utgangspunkt i Skatteklagenemdas vedtak, har selskapet avsatt 199 millioner for årene 2014-2021



Note 9 Egenkapital

(Tall i 1 000)

	Aksje- kapital	Overkurs	Innskutt EK	Annen EK	Total EK
Egenkapital 01.01.22	294 193	255 907	0	494 641	1 044 741
Årets resultat	0	0	0	77 961	77 961
Endring aktuariell gevinst pensjoner ført direkte mot egenkapital (78%)	0	0	0	5 173	5 173
Avsatt utbytte	0	0	0	-250 000	-250 000
Egenkapital 31.12.22	294 193	255 907	0	327 775	877 875

Note 10 Lån, pantebefølgelser, sikkerhetsstillelser og bundne midler

(Tall i 1 000)

Pantstillelse

Som et ledd i konsernets totale finansiering er det avlagt betingede pantstillelser til fordel for lån også til andre konsernselskaper av alle eiere, kontrakter, kundefordringer samt fordringer på øvrige konsernselskaper. Disse er gitt med forbehold om begrensningene knyttet til sikkerhetsstillelser overfor morselskap/aksjonær i under gjeldende norsk rett.

Bundne skattetreksmidler utgjør:	2022	2021
	15 873	15 701

Note 11 Datterselskaper

(Tall i 1 000)

Investeringer i aksjer og andeler

INOVYN Norge AS har eierandeler i følgende selskaper:

Firma	Ansk.tidspunkt	Forretnings- kontor	Stemme og Eierandel	I valuta	Resultat 2022	Egenkapital 31.12 2022	Balansført verdi per 31.12.2022 (TNOK)
INEOS ChlorVinyls Holding BV*	01.01.2020	Rotterdam	100 %	TEUR	14	11 996	120 000
Sum							120 000

* selskapet er unntatt for konsolidering jfr regnskapsloven §3-7

Note 12 Varer

(Tall i 1 000)

	2022	2021
Driftsrekvisita	70 086	56 037
Sum	70 086	56 037

Nedskrivning for ukurans i lagervarer pr. 31.12.2022 er TNOK 8 800. Tilsvarende pr. 31.12.2021 var TNOK 8 800.

Note 13 Mellomværende med selskap i samme konsern m.v.

(Tall i 1 000)

Spesifikasjon av konserninternt mellomværende

		Rentebærende	2022	2021
Kundefordringer	Kortsiktig	Nei	623 244	846 920
Sum			623 244	846 920
		Rentebærende	2022	2021
Leverandørgjeld	Kortsiktig	Nei	33 569	35 046
Sum			33 569	35 046
		Rentebærende	2022	2021
Gjeld til konsernselskaper	Langsiktig	Nei	29 465	29 465
INOVYN Bamble AS			29 465	29 465
Sum			29 465	29 465
		Rentebærende	2022	2021
Annen kortsiktig gjeld:	Kortsiktig			
Utbytte INOVYN Finance Plc		Nei	250 000	260 000
Konsernkontoordning INOVYN Group Treasury Ltd		Ja	774 307	492 474
Sum			1 024 307	492 474

Note 14 Aksjekapital og aksjonærførmisjon (TNOK)

(Tall i 1 000)

Aksjekapitalen i selskapet pr 31.12.2022 består av følgende aksjeklasser:

	Antall	Pålydende	Bokført
Aksjer	294 192 699	1	294 193
Sum	294 192 699		294 193

Eierstruktur

Eneste aksjonær i selskapet pr 31.12.2022 var INOVYN Finance Plc.



Note 15 Pensjonskostnader, -midler og -forpliktelser

(Tall i 000)

Selskapet har pensjonsordninger som omfatter i alt 345 personer, hvorav 286 er tilknyttet den innskuddsbaserte pensjonsordningen, og 59 er tilknyttet den ytelsesbaserte. Sistnevnte gir rett til bestemte fremtidige pensjonsytelser (ytelsesplan). Pensjonsytelsene er normalt basert på antall oppjeningsår og lønnsnivå ved pensjonsalder. I tillegg har ledende ansatte en tilleggspensjon utover den generelle ordningen. Selskapets ansatte og pensjonister har sine tjeneste- og driftspensjonsordninger i Storebrand Lysforstyrking AS.

Selskapets pensjonsordning tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

For detaljer knyttet til beavtete regnskapsprinsipper vises det til note 1.

	2022	2021
Nåverdi av årets pensjonsopptjening	10 399	10 895
Renetkostnad av pensjonsforpliktelsen	2 335	2 239
Netto pensjonskostnad (før arbeidsgiveravgift)	12 734	13 134
Periodisert arbeidsgiveravgift	1 796	1 852
Netto pensjonskostnad (etter arbeidsgiveravgift)	14 530	14 986
Beregnete pensjonsforpliktelser	-302 556	-359 907
Pensjonsmidler (til markedsverdi)	207 776	226 530
Ikke resultatført virkning av estimatavvik og planendringer	-19 314	0
Forskuddsbetalt pensjon (netto pensjonsforpliktelser)	-114 094	-133 377
Periodisert arbeidsgiveravgift	-16 249	-18 806
Netto pensjonsforpliktelser	-130 343	-152 183

I pensjonsforpliktelsen per 31.12.22 og 31.12.21 så inkluderer netto pensjonsforpliktelse også langsiktig avsetning iht note 16, da denne avsetningen blir aktuærberegnet. Denne avsetning utgjør 14.629 TNOK per 31.12.22 og 15.358 TNOK per 31.12.21.

Antall personer omfattet av ordningen 31.12:

	2022	2021
Aktive	59	72
Pensjonister	3	1

Økonomiske forutsetninger per 31.12 (for balansen):

	2022	2021
Diskonteringsrente	1,80 %	1,50 %
Forventet lønnsregulering	2,25 %	1,75 %
Forventet pensjonsøkning	0,00 %	0,00 %
Forventet G-regulering	2,25 %	1,75 %

Økonomiske forutsetninger per 01.01 (for resultatet):

	2022	2021
Diskonteringsrente	3,00 %	1,80 %
Forventet lønnsregulering	3,50 %	2,25 %
Forventet pensjonsøkning	0,00 %	0,00 %
Forventet G-regulering	3,50 %	2,25 %

Aktuærmessige forutsetninger:

	K2013BE	K2013BE
Anvendt dødelighetstabell	KLU	KU
Anvendt uføretarif		

Note 16 Andre avsetninger for forpliktelser

(Tall i 000)

	2022	2021
Avsetninger		
<i>Langsiktige avsetninger:</i>		
Avsetning for langsiktige ansattytelser	14 629	15 358
Sum	14 629	15 358
<i>Kortsiktige avsetninger:</i>		
Avsetning for rivning gammelt anlegg	3 645	4 293
Avsetning for miljøtiltak	16 335	10 533
Sum	19 980	14 826
	Langsiktige ansattytelser	Miljøtiltak
Periodens tillegg i avsetning og ny avsetning	0	6 000
Opplysning av avsetning i perioden	-729	-198
Avsetning pr. 31.12.2022	14 629	16 335

Langsiktig avsetning ansattytelser vedrører bonus til ansatte ved henholdsvis 25 og 40 års ansettelsestid. Beløpet inkluderer arbeidsgiveravgift. Selskapet har to avsluttede deponier, og et aktivt deponi for slam fra vannreanseanleggene og produksjonsavfall fra klor/VCM og etylenfabrikken. Deponiene er sikret i henhold til myndighetenes krav.



Note 17 Andre ikke balanseførte forpliktelser

(Tall i tus)

INOVYN Norge AS har inngått langsiktig kontrakt med faste betalingsforpliktelser for å sikre tilgang på elkraft.

Uoppsigelige kontraktsforpliktelser per 31.12.2022 er som følger:

<u>"Take-or-pay" og langsiktige kontraktsforpliktelser</u>	<u>2023</u>	<u>2024</u>
Kraftkontrakt	179 086	0

Beløpene angitt ovenfor er estimerte, nominelle beløp i tusk.

Kraftkontrakten stiller krav til selskapets egenkapital størrelse. Selskapet oppfyller dette kravet pr. 31.12.2022

Note 18 Hendelser etter balansedagen

INOVYN Norge AS har i 2023 inngått ny langsiktig kontrakt med faste betalingsforpliktelser for å sikre tilgang på elkraft.



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Til generalforsamlingen i Inovyn Norge AS

UAVHENGIG REVISORS BERETNING

Konklusjon

Vi har revidert årsregnskapet for Inovyn Norge AS som består av balanse per 31. desember 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2022, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

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side 2
Uavhengig revisors beretning -
Inovyn Norge AS

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betyggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Skien, 14. juni 2023
Deloitte AS

Kenneth Karlsen
statsautorisert revisor



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INEOS Inovyn Limited

(formerly INOVYN Limited)

Annual report and financial statements

Registered number 08696245

Year ended – 31 December 2022



INEOS INOVYN LIMITED

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Section 1 – Strategic Report and Directors’ Report



INEOS INOVYN LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report of INEOS Inovyn Limited (the “Company”) and its subsidiary undertakings (together the “Group”) for the year ended 31 December 2022.

On 3 February 2023 the Company changed its name from INOVYN Limited to INEOS Inovyn Limited. The Company herein will be referred to as INEOS Inovyn Limited and the Group as INEOS Inovyn.

Results for the year

The results of the Group are set out in the consolidated income statement on page 24 which shows a profit for the year of €737.6 million (2021: €453.9 million).

The position of the Group for the year ended 31 December 2022 is set out in the consolidated balance sheet on page 26, which shows total assets increased to €3,358.6 million from €3,168.4 million in 2021. As at 31 December 2022, the Group had net assets of €452.8 million (2021: €156.6 million).

Review of the business and future developments

Review of trading results

Revenue from continuing operations was €5,136.2 million for the year ended 31 December 2022 (2021: €4,225.6 million) and earnings before interest, tax, depreciation, amortisation, exceptional items and net fair value gains and losses on commodity derivatives and after the share of profit/(loss) of associated undertakings and joint ventures using the equity method (“EBITDA before exceptional items”) was €1,176.0 million for the year ended 31 December 2022 (2021: €974.4 million). A reconciliation of EBITDA before exceptional items to profit before tax can be found in note 2 to the financial statements.

Revenue for the Group increased by €910.6 million, or 21.5%. Total volumes were lower than the prior year period, but absolute revenues increased due to extremely high pricing of our key products. Production and sales volumes of general purpose PVC, specialty PVC and caustic soda were lower than the prior year as high inflation and the energy crisis in Europe resulted in weaker demand in the second half of 2022. European producers also faced more competition from US and Asian imports. Moreover, in the second quarter of 2022, production was restricted by key turnaround events at our facilities in Norway and the Feyzin cracker in France, both of which experienced delays in start-up following the completion of planned maintenance activities. Average sales prices of general purpose and specialty PVC in Europe reached record levels in 2022 due to very high ethylene feedstock and energy costs. Trims to chlorine production (and hence co-produced caustic soda production) due to high electricity prices and low PVC demand led to very tight caustic soda markets in Europe despite a weaker demand environment, with price records being broken in each successive quarter of 2022. The European contract price of caustic soda (as reported by Chemical Market Analytics) reached €2,407 per tonne in the fourth quarter of 2022, whilst the average annualised European contract price of caustic soda in 2022 was 194% higher than 2021. The current year also benefited from significantly higher prices of caustic potash, and chlorine derivatives such as Cereclor, chloromethanes and epichlorohydrin.

EBITDA before exceptional items for the Group increased by €201.6 million, or 20.7%. Business profitability in 2022 was the highest annual performance since the formation of the Group in 2015, despite the energy crisis in Europe and the aforementioned reduction in sales volumes of general purpose PVC, specialty PVC and caustic soda. This was mainly due to the unprecedentedly high pricing of caustic soda, which despite the weakening demand environment in the second half of 2022, reached record levels in Europe. The primary driver was low chlorine production rates across Europe, as a consequence of high electricity prices and low PVC demand. On an annualised basis, the achieved spread of general purpose and specialty PVC prices over ethylene were also higher than the prior year with demand remaining resilient in the first half of the year. However, by the second half of the year, demand and therefore spreads had weakened considerably which forced European PVC producers to reduce plant operating rates. Sales volumes of our other products such as caustic potash, chloromethanes, epichlorohydrin and salt were lower than 2021 but absolute margins achieved increased due to healthy market conditions for most of the year.

Key exceptional items

No exceptional items have been recognised in 2022 (2021: €145.5 million). See note 3 for further details on exceptional items.



INEOS INOVYN LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of the business and future developments (continued)

Group reorganisations, acquisitions and disposals

There were no significant group reorganisations, acquisitions and disposals in the year ended 31 December 2022.

Financing arrangements

There were no major changes to the Group's debt structure in the year ended 31 December 2022. Gross borrowings at 31 December 2022 mainly consist of long-term loans of €1,064.3 million (2021: €1,064.3 million) and €41.7 million (2021: €39.8 million) with INEOS Quattro Financing Limited and INEOS Enterprises Holdings Limited respectively, both of which are INEOS related party entities. Interest of €24.2 million (2021: €17.1 million) was paid on the long-term loan of €1,064.3 million with INEOS Quattro Financing Limited in the year.

The Group funds its working capital requirements with cash generated from operations and drawings under a securitisation facility (see note 15). As at 31 December 2022 the Group had availability under the undrawn securitisation facility of €240.0 million. No drawdowns or repayments were made during the year.

Total net debt as at 31 December 2022 was €842.7 million (31 December 2021: €836.5 million), excluding lease liabilities of €67.4 million (31 December 2021: €73.4 million) and net leverage was 0.7 times (31 December 2021: 0.9 times). The Group held net cash balances of €263.4 million as at 31 December 2022 (31 December 2021: €267.8 million) which included restricted cash of €13.4 million (31 December 2021: €13.1 million) used as collateral against bank guarantees and letters of credit.

During the year ended 31 December 2022, the Group received €2.7 million (2021: €6.7 million) from INEOS Runcorn (TPS) Limited, an associated undertaking, as part repayment of a shareholder loan.

The Group lent €150.0 million (2021: £nil) to INEOS Quattro Financing Limited as a short-term loan in December 2022.

Other material events

In December 2022, the Group published its 2021 Sustainability report outlining the significant progress that INEOS Inovyn has made across a wide range of sustainability programmes focused on our four pillars: responsible production, carbon neutrality, circularity and value to society. The report uses the international framework established by the Global Reporting Initiative, which is the independent body that sets the benchmark for transparent sustainability reporting. The report is publicly available on the Group's external website: <https://www.inovyn.com/about/sustainability/>.

In October 2022, the Group announced that it would rename itself as INEOS Inovyn with the new name and logo being unveiled at the INOVYN Awards 2022 opening ceremony on 20 October 2022. The new branding marks the beginning of a new era for the Group and capitalises on the reputational and business benefits granted by the INEOS brand.

Looking forward

The Group's corporate strategy is to continue growing profitability and cash flows by optimising the cost base of the businesses, increasing the focus on high margin products, further product diversification, and leveraging existing resources to expand sales.

The Group will continue to pursue its sustainability agenda and has committed to reducing its carbon emissions by 33%, (compared to 2019 levels) by 2030 and be Net Zero by 2050 in line with EU policy. These commitments are supported by comprehensive Net Zero carbon roadmaps for all our sites, which are centred around four key approaches; improving efficiency, switching fuel, electrification and carbon capture. The Group intends to capitalise on increasing demand for sustainable products by expanding its offering of BIOVYN™, a range of PVC that is produced with 100% substitution of fossil feedstock with biomass, enabling a greenhouse saving of over 90% compared to conventional PVC. In parallel and complimentary to our support to Pathway 1 of the VinylPlus® 2023 commitment (which includes European PVC recycling targets of 1 million tonnes by 2030), the Group is committed to further increasing the circularity of PVC by playing an active role in the development of advanced recycling technologies to treat PVC from various post-consumer waste streams. The Group also plans to include recycled PVC into its PVC product range as our experience in this technology develops.



INEOS INOVYN LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of the business and future developments (continued)

Looking forward (continued)

After the establishment of a new Hydrogen business in 2020, the Group intends to continue investigating and appraising potential clean hydrogen projects with a view to making investments to develop and build first intent production projects. The Group and INEOS is in a unique position to lead the transition to a hydrogen-powered economy, with INEOS Inovyn and the wider INEOS group already producing about 50,000 and 400,000 tonnes of hydrogen per annum, respectively. Moreover, the Group is Europe's largest operator of electrolysis cellrooms, which is the critical technology necessary to split water into hydrogen and oxygen using renewable energy. The business will focus on ramping up production of clean hydrogen, not only for INEOS' own sites, but critically for other industries seeking affordable, low-carbon energy. INEOS' approach will not only play a key role in Europe's Green Deal and the UK's Hydrogen Strategy, but it will help to create an economy that is sustainable, workable, and profitable. INEOS has already announced plans to invest more than €2 billion into water electrolysis projects to make zero-carbon, green hydrogen across Europe. Within the INEOS Inovyn business, the construction of a 20MW green hydrogen electrolyser at Rafnes in Norway, powered by zero-carbon electricity is planned to start in 2024. This project will lead to a minimum reduction of an estimated 22,000 tonnes of CO₂ per year by reducing the carbon footprint of our operations in Norway and serving as a hub to provide hydrogen to the Norwegian transport sector. At Antwerp, INEOS Inovyn is part of a power-to-methanol consortium providing the expertise for a 5MW green hydrogen electrolyser plant. In the UK, INEOS Inovyn through the HyNet consortium in the North-West of England, is planning to develop the largest hydrogen storage project in the world, capable of storing 1,300 gigawatt hours of hydrogen. In France, INOVYN plans to deploy in 2023 Europe's first hydrogen-fuelled truck for the transport of PVC from its Tavaux plant to Benvic's PVC compounding plant in Dijon.

The Group will continue its strategy of replacing our lowest margin general purpose PVC sales with higher value specialty PVC sales. This will mainly be achieved by capital expenditure projects focused on the conversion of general purpose PVC capacity to specialty PVC capacity.

Principal risks and uncertainties

The management of the business and execution of the Group's strategy are subject to a number of risks. Management undertakes an annual risk identification and assessment process to identify the key business risks affecting the Group. The key business risks affecting the Group which were identified within this risk assessment process are set out below:

- The chemical and PVC industries are cyclical – changing market demands and prices may negatively affect the Group's operating margins and impair its cash flow which, in turn, could affect its ability to make payments on its debt or to make further investments in the business.
- Raw materials and suppliers – if the Group is unable to pass on increases in raw material prices, or to retain or replace its key suppliers, its results of operations may be negatively affected.
- International operations and currency fluctuations – the Group is exposed to currency fluctuation risks as well as to economic downturns and local business risks in several different countries that could adversely affect its profitability.
- Competition – significant competition in the Group's industries, whether through efforts of new and current competitors or through consolidation of existing customers, may adversely affect its competitive position, sales and overall operations.
- Inability to maximise utilisation of assets – the Group may be adversely affected if it is unable to implement its strategy to maximise utilisation of assets.
- Synergies – the Group may not realise anticipated revenue and cost synergies, benefit from anticipated business opportunities or experience anticipated growth from any of its acquisitions.
- Outbreaks of disease – the outbreak of contagious diseases may have a negative impact on the Group's business and performance, and an adverse impact on the global economy generally. During the course of 2021 and into 2022, the Group has managed the outbreak of the COVID-19 coronavirus by implementing various measures to ensure the safety of employees and the ongoing operation of the plants.
- Substantial debt – the Group's substantial debt could adversely affect its financial position and prevent it from fulfilling its debt obligations.
- Cyber security risks – a cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.
- Climate change – existing and proposed regulations to address climate change by limiting greenhouse gas emissions may cause the Group to incur significant additional operating and capital expenses. In addition compliance with new regulation could limit the useful economic life of our plants, lead to a reduction in demand for fossil fuel derived products and result in a lack of competitiveness if our competitors develop new technologies.
- Regulation – the Group is highly regulated and may have significant obligations and liabilities arising from health, safety, security and environmental ("HSSE") laws, regulations and permits applicable to its operations.



INEOS INOVYN LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

- Customers — the Group is subject to the risk of loss resulting from non-payment or non-performance by its customers. The credit procedures and policies may not be adequate to minimise or mitigate customer credit risk. The Group's customers may experience financial difficulties, including bankruptcies, restructurings and liquidations.
- Employees — the success of the Group depends on the continued service of certain key personnel and on good relations with its workforce as any significant disruption could adversely affect the Group.
- Joint operations — some of the Group's facilities are owned and operated through joint operations with third parties. The Group does not control these joint operations, and actions taken by its joint operations partners in respect of these joint operations could materially adversely affect the Group's business.

Section 172(1) statement

The Directors have the duty under section 172 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. 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.

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, which are discussed below.

Long term factors (a)

The Group's principal objectives are to maintain its position as a key global supplier of its products and to increase the value of INEOS Inovyn by generating strong, sustainable and growing cash flows across industry cycles. To achieve these objectives, the Company has the following key strategies:

- a) Maintain health, safety, security and environmental excellence;
- b) Maintain and grow the Company's leadership positions to enhance competitiveness;
- c) Reduce costs and realise synergies;
- d) Maximise utilisation of assets;
- e) Access advantaged feedstock and energy opportunities; and
- f) Develop and implement a sustainable business.

The Company aims to operate and develop its business in a way that supports both the current and future needs, taking into account relevant economic, environmental and social factors. This enables the Company to sustain the business for the long term. The Directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Company's leading position in the market and also in a circular world. The Directors ensure that the Company has sufficient resources to support its long-term growth strategy and to fund its investments. An important element is the Company's long term cash and operational planning in relation to the capital requirements needed to grow and to extend the life span of the assets. The Directors consider available and required funds as a basis for any dividend under its distribution policy.

Stakeholder considerations (b-e)

Engaging stakeholders and developing meaningful partnerships is essential for long-term business success. The Company engages in regular, open and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns and needs. For example, in many instances suppliers are located on the same chemical parks which helps develop partnerships, facilitate discussions as well as reduce waste and inefficiency. The Company also works with trade unions and have open and constructive discussions as well as investing in training programmes to continue to develop employees at all levels of the organisation. In this way, the Company is able to integrate stakeholder's considerations into business decision-making processes. Dialogue with stakeholders gives the Company the opportunity to explain its clear and committed approach to sustainability as well as the value of the Company's work, products and services for society.



INEOS INOVYN LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

Stakeholder considerations (b-e) (continued)

Key stakeholders contribute to the Company's economic, social and environmental performance. Stakeholders include customers, suppliers, employees, investors, financial experts and rating agencies, local communities, industry associations, NGOs, scientific institutions, universities, government and value chain partners. The Company is very conscious of having a sustainable business and produces an annual sustainability report which aligns with the Global Reporting Initiative (GRI) framework and focuses on the issues most material to the Company and its stakeholders. The report focuses on four key areas, being:

1. Responsible production – striving for zero incidents and taking an industry leading approach on the health of our workers and our impact on the environment;
2. Carbon neutrality – accelerating the transition to a Net-Zero carbon economy;
3. Circular economy – advancing circular solutions to maximise efficient use of resources and ensure the long-term value of our products;
4. Value to society:
 - a. Products – ensuring that our products continue to bring huge value to society;
 - b. People – ensuring that our employees are valued and INEOS Inovyn has a positive impact on society and the communities in which it operates.

These matters are considered by the Directors in making decisions and in assessing the long-term viability of the business.

The Company is committed to maintaining a workplace that is safe, professional and supportive of teamwork and trust. The Company is committed to creating and sustaining a work environment of mutual trust where all employees are treated with respect and dignity, compensated fairly based on local market conditions and are entitled to adequate working hours. The Company value diversity of its people and each of its employees is recognised as an important member of the team.

The Company is committed to protecting and maintaining the quality of the environment and to promoting the health and safety of its employees, contractors, suppliers, customers, visitors and the communities in which it operates. For example INEOS Inovyn is a signatory to the International Council of Chemical Associations' (ICCA) Responsible Care Global Charter which demonstrates the Company's commitment to strengthening chemicals management systems, safeguarding people and the environment, and working towards sustainable solutions through our value chain. Compliance with all legislation intended to protect people, property and the environment is one of the Group's fundamental priorities and applies to its products as well as to its processes. Management lead by example and allocate the required resources to achieve excellence in SHE performance.

The need to act fairly as between members of the Company (f)

The Company has a single shareholder and a single ultimate controlling party. Their interests are taken into account by the Directors to promote fairness in decision making.

Principal decisions

Below outlines the principal decisions made by the Board over the past year and explains how the Directors have engaged with, or in relation to, the key shareholder groups and how stakeholder interests were considered in decision-making. The principal decisions are defined to be decisions taken in INEOS Inovyn Limited that are of a strategic nature and significant to any of the Group's key stakeholder groups.

- In October 2022, the Group announced on its public website that it would rename itself as INEOS Inovyn. The new name and logo was unveiled at the INOVYN Awards 2022 opening ceremony on 20 October 2022, which was an event attended by many of the key players in the European PVC industry. The new branding marks the beginning of a new era for the Group and capitalises on the reputational and business benefits granted by the INEOS brand. Although, an announcement of the rebranding was made in 2022, the roll-out of many of the external facing changes (website, letterheads, invoicing, purchase orders) was not implemented until February 2023. Customers and suppliers were formally informed of the change in late January 2023 by letter.



INEOS INOVYN LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

Principal decisions (continued)

- In October 2022, the Group announced plans via its public website to increase the capacity of its specialty PVC grades by 220 kilo tonnes by 2027. This increase builds on the technological and commercial success of previous investments, and will be delivered through expansions across our entire specialty PVC production network, further cementing the Group's unrivalled production capability. The additional volumes will underpin ongoing security of supply for customers served by INEOS Inovyn's PVC plants in Germany, Norway, Belgium, Sweden and France. Co-ordinated through its world-class R&D centres in Belgium and Norway, the Group's ongoing strategy is driven by evolving market demand, particularly for sustainable PVC in high-end applications across the automotive, energy and building and construction sectors.
- In October 2022, the Group announced via its public website Project Electra, building on the sustainability investments announced in prior years. Project Electra involves the development and installation of new world leading technology to electrify the production of vinyl chloride monomer at the Rafnes site in Norway, making it possible to replace fossil fuel energy with renewable electricity. The project is expected to reduce CO₂ emissions by up to 21,000 tonnes per year and, together with Project Aquarius (green hydrogen production from a new 20MW water electrolyser plant, announced in 2021), will allow for a 40% reduction of the Group's CO₂ emissions in Norway.

Key performance indicators

The Group uses a number of financial and non-financial key performance indicators ("KPIs") to measure performance, which are monitored against budget and the prior year.

The main financial KPI for the business is earnings before interest, taxation, depreciation, amortisation, exceptional items and net fair value gains and losses on commodity derivatives and after the share of profit/(loss) of associated undertakings and joint ventures using the equity method ("EBITDA before exceptional items"). EBITDA before exceptional items for the Group for the year ending 31 December 2022 was €1,176.0 million (2021: €974.4 million). The Group also closely monitors fixed costs against budget and prior year.

The Group uses a number of other non-financial key performance indicators to measure performance including health, safety and environmental ("SHE") metrics such as Occupational Safety and Health Administration ("OSHA") incident and injury rates to measure the safe working of employees and contractors. Other KPIs include monitoring the reliability of operating assets and working capital ratios of the Group.

Approved by the Board and signed on its behalf by:

D J Horrocks
Director



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited consolidated financial statements of INEOS Inovyn Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 December 2022.

Principal activities

The principal activities of the Group are the manufacture and sale of a range of chemicals used in a variety of applications. The principal activity of the Company is to act as a holding company.

Dividends

Total interim dividends of €368.8 million were declared during the year (2021: €514.4 million), of which €350.0 million was paid to INEOS Quattro Financing Limited and €18.8 million remains payable to INEOS Intermediate ChlorVinyls Limited. The Directors do not recommend the payment of a final dividend (2021: £nil).

Future developments

Future developments are discussed in the Strategic Report.

COVID-19 and the Ukraine conflict

The Company and its fellow subsidiaries continue 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 Company and its fellow subsidiaries 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 Company and its fellow subsidiaries. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Company does not have operations in Belarus, Russia or Ukraine. During 2021 and 2022 revenue generated in these countries was not material to the Company and its fellow subsidiaries. The Company and its fellow subsidiaries are not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Company and its fellow subsidiaries products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Company's ability to operate as a going concern.

Going concern

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom ("Adopted IFRSs") effective 31 December 2022 and with the Companies Act as applicable to companies using Adopted IFRSs.

The Group meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries' operations. The Group held cash balances of €263.4 million at 31 December 2022 (2021: €267.8 million) and gross loans and borrowings of €1,106.1 million at 31 December 2022 (2021: €1,104.3 million) in which £nil (2021: £nil) is due to be repaid within 12 months of signing the financial statements. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €452.8 million as at 31 December 2022 (2021: €156.6 million) and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Research and development

The Group's research and development team develops new applications for its higher margin and less cyclical speciality chemicals, provides support to the Group's customers and seeks to improve the efficiency of the Group's manufacturing processes. The research and development team also leads the Group's efforts with respect to the development and capacity expansions of the plants and maintaining and improving safety and environmental standards. The Group spent approximately €14.5 million (2021: €14.4 million) on research and development in the year, of which €13.4 million (2021: €13.4 million) was expensed to the income statement.

Donations

The Group made no political contributions (2021: €nil).

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, currency fluctuation risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group where appropriate. The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the cost of managing exposure to such risk exceeds any potential benefits. The Group manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The Group's exposure to market risk for changes in interest rates relates primarily to its short term borrowings upon which interest is paid at variable rates and its cash resources which are invested at variable rates. Again, the cost of managing exposure to such risk exceeds any potential benefits. This policy is continually reviewed. See Note 23 of the financial statements for information on financial instruments, interest risk, liquidity risk and foreign currency risk.

Directors

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

G Tuft
F MF Constant (resigned 1 March 2022)
P M Daniels
J D Taylorson (resigned 4 January 2022)
D J Horrocks
D H D Clerk (appointed 4 January 2022)
A G Valenduc (appointed 1 March 2022)
A Moorcroft (appointed 1 December 2022)
J W Allman (appointed 1 December 2022)
A Hogan (appointed 1 December 2022)

Employees

The Group places considerable importance on communication with employees. This is to ensure that employees at all levels of the organisation are kept aware of key business developments, and in particular financial performance, so as to focus attention on key performance metrics. Town hall sessions hosted by members of the Executive Committee, regional leadership teams and site management are held at various points in the year. Business news items are also communicated in local language to the organisation either via cascade or direct to individuals via email, Bulletin Boards and Intranet facilities. Work groups in the manufacturing areas have daily "toolbox talks" that cover SHE, critical operational items for the day and business developments. The Group undertakes employee surveys on a regular basis and there are action plans in place to address issues arising. INEOS is committed to an environment where open, honest communications are the expectation, not the exception. There is encouragement to discuss issues with line managers or other managers. In addition, there is an "INEOS Speak UP!" service for those employees wishing to report more serious unethical or improper behaviours. The Group has regard to employees' interests and take employee views into account when making decisions.

The Group operates in full accordance with prevailing employment legislation including information and consultation with employees and their representatives on matters affecting their interests. Outside of any necessary formal consultation process, there are regular briefings between the Group and the Works Councils/Trade Union bodies in each region.

The Group facilitates a number of schemes designed to encourage employees to deliver key business targets. This includes a discretionary Short Term Incentive Plan and a Long Term Incentive Plan, both of which are designed to focus attention on key areas of performance such as SHE, EBITDA before exceptional items, working capital, plant reliability and fixed costs.



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Employees (continued)

It is the Group's practice to give full and fair consideration to applications for employment received from disabled persons, subject to the Group's requirements and to the qualifications, ability and aptitude of the individual in each case. In the event of staff becoming disabled, every effort is made to ensure their continued employment with the Group and to provide suitable adjustments to the workplace where appropriate.

The Group continually strives to meet, and where possible, exceed all relevant legal requirements applying to safety, health and the environment. It is committed to continuous improvement in all aspects of its operations. Through its Safety, Health, Environment and Quality ("SHEQ") Policy, the Group aims to be amongst the chemical industry leaders in health, safety, environmental protection and customer satisfaction, ensuring that products meet society's increasing environmental requirements. Specifically the Group works to two guiding principles. The first being to protect the health and safety of its employees; the communities in which it operates; and the users of its products. Secondly, the Group seeks to minimise the effects on the environment from its operations; storage; transport; use and disposal of its products. The Group manages Safety, Health and the Environment ("SHE") as an integral part of its activities through a formal management system that sets clear SHE standards/targets and monitors performance against them. It requires all members of staff (and others who work on its behalf) to adhere to the standard in the SHE Management System and to exercise personal responsibility to prevent harm to themselves, others and the environment. Comprehensive SHE information and training is provided to all employees, with SHE objectives set for every individual each year through the performance appraisal process. SHE targets also feature in the Group's discretionary Business Bonus Scheme. Appropriate SHE information and training is also provided to others who work for the Group, handle its products or operate its technologies. The Group also participates in industry wide responsible care and sustainable development activities.

Streamlined Energy and Carbon Reporting

The Group is classified as a large unquoted group due to its size and shareholding structure. Disclosures under the Streamlined Energy and Carbon Reporting requirements for the Group are contained in the Strategic Report of the consolidated financial statements of INEOS Industries Limited, an intermediate parent undertaking. This reporting covers the Group's UK operations. The consolidated financial statements of INEOS Industries Limited are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

Health and safety

The Group's facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations in all of the jurisdictions in which it operates. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of the Group's operations require permits and controls to monitor or prevent pollution. The Group has incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

The Group's operations are currently in material compliance with all HSSE laws, regulations and permits. The Group actively addresses compliance issues in connection with its operations and properties and believe that it has systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on the Group.

Sustainability

Improving the sustainability of our business and operations is central to the way we work. It is of critical importance to our employees, to our partners and customers, to the communities in which we operate, and to our investors.

The Group's sustainability strategy is to develop and safely manufacture the products needed to address the evolving challenges of climate change, public health, resource scarcity, urbanisation and waste in a way which drives us all towards a net-zero emissions economy by 2050. We will do so whilst reducing the impact of our operations. It is built on four key pillars:



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

1. Responsible production – striving for zero incidents and taking an industry leading approach on the health of our workers and our impact on the environment;
2. Climate change and carbon neutrality – accelerating the transition to a Net-Zero carbon economy;
3. Circular economy – advancing circular solutions to maximise efficient use of resources and ensure the long-term value of our products;
4. Value to society:
 - a. Products – ensuring that our products continue to bring huge value to society;
 - b. People – ensuring that our employees are valued and INEOS Inovyn has a positive impact on society and the communities in which it operates.

The Group's efforts on sustainability, including our targets, our reporting of Greenhouse Gas (GHG) and other emissions, of energy and water usage, and of waste generation, are published in our 2022 Sustainability Report (<https://www.inovyn.com/about/sustainability/>), which is aligned with the framework described in the Global Reporting Initiative (GRI) and UN sustainable development goals. Two key priorities, Climate Change and the Circular Economy, are summarized below.

Climate Change and Carbon Neutrality

Following the Paris Climate Agreement of 2015, most nation states have recognised the threat posed by climate change and have set the goal to achieve a net-zero emission economy by 2050 and are adopting regulations and legislation to support this objective.

In response, the Group is continuously assessing the risks posed by climate change and the potential new business opportunities and threats arising from the transition. The assessments will be regularly updated in the context of three Intergovernmental Panel on Climate Change (IPCC) climate change scenarios in which temperature rise compared to the pre-industrial period is limited to 2°C or less, 2-4.5°C, and 5-8.5°C respectively (see for example: https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_Chapter03.pdf). An INEOS-wide target has been set to achieve 33% reduction in GHG emissions by 2030 (compared to 2019) and net-zero emissions by 2050. In line with this, INEOS Inovyn has developed a roadmap which outlines plans and key actions required to deliver the 2030 target of 33% reduction. The INEOS group as a whole has earmarked over €6 billion capital investment to support the delivery of targets.

Actions include the following:

- *Continuous improvement of energy and process efficiency* – We are working aggressively to make important reductions in energy use and associated GHG emissions. Example projects include a salt plant upgrade project in Tavaux, France which utilises best-in-class mechanical vapour recompression unit technology. The project is expected to be completed in 2024 and will reduce steam consumption by 360 kilo tonnes per annum which is equivalent to reducing the Tavaux site's footprint by 16%. The North Star project in Norway was commissioned in 2020 and consisted of major debottlenecking activities across both the electrochemical and VCM assets. This project has reduced steam consumption by 80 kilo tonnes annually.
- *Investment in green hydrogen as a fuel on sites and as a feedstock* – The Group hopes to approve plans to build a new 20MW electrolyser to produce clean hydrogen through the electrolysis of water, powered by zero-carbon electricity in Norway. This project will lead to a minimum reduction of an estimated 22 kilo tonnes of CO₂ per year by reducing the carbon footprint of the Group's operations at Rafnes and serving as a hub to provide hydrogen to the Norwegian transport sector. We are also carrying out a feasibility study to make green hydrogen for use at our Köln, Germany site and are participating with partners in Antwerp, Belgium to develop an open access hydrogen network.
- *Increased purchase of renewable energy to substitute for fossil derived energy of renewable energy* – The INEOS Group as a whole has already signed renewable energy power purchase agreements for about 570 MW to reduce our dependence on fossil-based energy sources.
- *Use of bio-based feedstocks to reduce dependency on fossil-based materials and deliver bio-based products* – The Group is developing certified bio-attributed vinyl resins (Biovyn™) as well as bio-based epichlorohydrin (Reodrin™) used for the manufacture of epoxy resins. These products, whilst still relatively niche, can provide almost carbon neutral products when compared with conventional materials and volumes are expected to grow in the coming years.



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

Circular economy

The Group believes that its products already make a critical contribution to society by providing the most sustainable options for a wide range of societal needs. Our chlor-alkali products are used in the treatment of water, in cleaning and sanitation, in the preparation of pulp/paper and purification of aluminium. Our vinyl products are used in numerous construction applications, such as window frames, pipes, wind turbines, cables, flooring, tarpaulins, various medical devices, clothing and in the construction of lighter and more fuel-efficient automotive applications. Studies suggest that if polymers and plastics were to be replaced to the maximum extent in applications where they can be substituted, overall life-cycle greenhouse gas emissions would increase by more than 50% (<https://denkstatt.eu/download/15971/>).

However, it is generally accepted that a move towards a more circular economy, in which materials are reused and recycled to their maximum extent, is an important component of a more sustainable climate neutral economy. In certain regions, for example Europe and the UK, legislation is under development to incentivize recycling of materials, with the initial focus on packaging products.

INEOS Inovyn continues to have a pivotal role in the European-wide VinylPlus® voluntary industry initiative which commits to 900 and 1,000 kilo tonnes of PVC recycling across Europe by 2025 and 2030, respectively. We have also launched Project Circle which aims to treat PVC from various post-consumer waste streams that are difficult, if not impossible to recycle mechanically. These technologies will enable waste polymers containing PVC-rich waste to be broken down to their constituent components and then reformed back into polymers. This will enable a much wider range of waste materials to be re-incorporated into polymer manufacturing, reduce GHG emissions and provide an improved outlet for waste polymers. We are also working with partners to implement new technologies to enable easier sorting of end-of-life polymers.

Sustainability Governance

The Chief Executive of the Group is accountable for the development of a strategy and plans to ensure that the business remains sustainable in the longer term. The strategy is reviewed annually with the shareholders. Each business sets targets annually based on its business plan. Progress against targets is reported and reviewed at Executive Committee (EXCO) meetings with the shareholders at least six times per year.

In addition to the above, the Group is subject to INEOS wide targets set by the Shareholders for Safety, Health & Environment, Greenhouse Gas reductions, and, for the Polymers businesses, recycling targets.

In addition to formal governance processes, INEOS operates a Climate and Energy Network (CEN) which helps ensure coordination across all INEOS businesses (including INEOS Inovyn) on carbon, energy and resource matters. Cross business CEN teams share information and best practice on policy, advocacy, external developments, new business opportunities and innovation. The network also assembles data from the different businesses to provide business and INEOS wide views on GHG emissions, energy usage, water usage, and waste. The network has more than 1,000 active members across all INEOS group businesses.

Summary of Risks

Management has in place a number of actions to mitigate against climate and climate related risks, as well as other risks associated with developing legislation on sustainability and reporting. A summary of responses to key risks is summarized below.



INEOS INOVYN LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Sustainability (continued)

Summary of Risks continued)

PERCEIVED RISKS	ACTIONS
Transition to net-zero risks	<ol style="list-style-type: none"> 1. Management has committed to net-zero and intermediate targets based on practical business roadmaps which contain actions to reduce GHG emissions whilst sustaining business profitability. 2. Management has identified new business opportunities, eg green and blue hydrogen, bio-based products and recycled products. 3. Management is investing in technologies for new products such as recycled products and bio-based products to meet growing consumer demand for these lower carbon materials. 4. Management is acquiring more renewable energy and is investing in new assets, technologies, and infrastructure to reduce the carbon footprint of its products in line with evolving customer and consumer demands.
Policy and Legal transition risks	<ol style="list-style-type: none"> 1. Management monitors evolving government policies and regulations, both independently and through its membership of industry associations, to ensure that plans and actions stay ahead of developing legislation. 2. Management has in place strict policies on ethical and legislative matters, and has implemented the appropriate governance and training mechanisms to ensure full compliance.
Market transition risks e.g. changing consumer trends resulting in products and services becoming obsolete	<ol style="list-style-type: none"> 1. Management believes that its current chemical and polymer portfolio provides products which are essential to support the transition to a net-zero economy by providing the most sustainable options for a wide number of industrial and consumer applications. 2. Management has set business wide targets consistent with legislation intended to drive the development of a circular economy. 3. Management is investing in technologies for new products such as recycled products and bio-based products to meet growing consumer demand for these materials. Management has a policy for sustainable procurement to ensure that it acquires feedstocks and other materials of increasingly lower carbon footprint. 4. Management has a policy for sustainable procurement to ensure that it acquires feedstocks and other materials of increasingly lower carbon footprint. 5. Management is acquiring more renewable energy and is investing in new assets, technologies, and infrastructure to reduce the carbon footprint of its products in line with evolving customer and consumer demands.



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited consolidated financial statements of INEOS Inovyn Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 December 2022.

Principal activities

The principal activities of the Group are the manufacture and sale of a range of chemicals used in a variety of applications. The principal activity of the Company is to act as a holding company.

Dividends

Total interim dividends of €368.8 million were declared during the year (2021: €514.4 million), of which €350.0 million was paid to INEOS Quattro Financing Limited and €18.8 million remains payable to INEOS Intermediate ChlorVinyls Limited. The Directors do not recommend the payment of a final dividend (2021: €nil).

Future developments

Future developments are discussed in the Strategic Report.

COVID-19 and the Ukraine conflict

The Company and its fellow subsidiaries continue 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 Company and its fellow subsidiaries 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 Company and its fellow subsidiaries. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Company does not have operations in Belarus, Russia or Ukraine. During 2021 and 2022 revenue generated in these countries was not material to the Company and its fellow subsidiaries. The Company and its fellow subsidiaries are not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Company and its fellow subsidiaries products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Company's ability to operate as a going concern.

Going concern

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom ("Adopted IFRSs") effective 31 December 2022 and with the Companies Act as applicable to companies using Adopted IFRSs.

The Group meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries' operations. The Group held cash balances of €263.4 million at 31 December 2022 (2021: €267.8 million) and gross loans and borrowings of €1,106.1 million at 31 December 2022 (2021: €1,104.3 million) in which €nil (2021: €nil) is due to be repaid within 12 months of signing the financial statements. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €452.8 million as at 31 December 2022 (2021: €156.6 million) and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.



INEOS INOVYN LIMITED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Subsequent events

In January 2023, the Group lent a further €100.0 million to INEOS Quattro Financing Limited. The loan has a term of twelve months, unless the lender agrees to extend the facility for a further twelve months at each maturity date. Interest is equivalent to one month EURIBOR.

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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "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 the parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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. This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Independent 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.



INEOS INOVYN LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Registered address

INEOS Inovyn Limited
Banks Lane Office
Banks Lane
P.O. Box 9, Runcorn
Cheshire, WA7 4JE
United Kingdom

Approved by the Board and signed on its behalf by:

D J Horrocks
Director



Section 2 – Consolidated Financial Statements



INEOS INOVYN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS INOVYN LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of INEOS Inovyn Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 30;
- the parent company income statement;
- the parent company balance sheet;
- the parent company statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 group and the parent 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, 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 group's and parent 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.



INEOS INOVYN LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS INOVYN LIMITED

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. 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.

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, environmental legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists including tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.



As a result of performing the above, we identified the greatest potential for fraud in the following areas:

- Occurrence of non-standard (manual) revenue transactions; and
- Allocation and valuation of utilised costs against provisions.

Our specific procedures performed to address the occurrence of non-standard (manual) revenue transactions are described below:

- Assessed the design and implementation of the key controls in place around the revenue recognition process;
- Performed an analytical test to match revenue transactions through to receivables and cash postings; and
- Performed testing over the reports used in the matching analytic. For items that did not match, a substantive test of detail was performed with agreement through to invoice, payment and an understanding of the transaction was obtained, in particular to understand the reason the transaction didn't directly agree and was flagged from the analytic.

Our specific procedures performed to address the allocation and valuation of utilised costs against provisions are described below:

- Assessed the design and implementation of the key controls in place around the provisions recognition and monitoring process;
- Performed substantive tests of details over the valuation and allocation of utilised costs against the provisions within the year. Agreed samples through to third party evidence such as invoices and payments made, proving that the costs were accurately recorded and were correctly allocated against the provision.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and other tax authorities.

Report on other legal and regulatory requirements

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 group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

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.

Matthew Hughes

Matthew Hughes BSc(Hons) ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
17 April 2023



INEOS INOVYN LIMITED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021 (As restated)*
		€m	
Revenue	2	5,136.2	4,225.6
Cost of sales		(3,639.5)	(2,942.9)
Exceptional cost of sales	3	-	(140.6)
Total cost of sales		(3,639.5)	(3,083.5)
Gross profit		1,496.7	1,142.1
Distribution costs		(363.9)	(351.7)
Administrative expenses before exceptional items		(146.8)	(162.4)
Exceptional administrative income	3	-	0.8
Total administrative expenses		(146.8)	(161.6)
Other operating expenses*		(21.6)	(41.9)
Operating profit	4	964.4	586.9
Share of profit/(loss) of associates and joint ventures using the equity method	11	1.6	(0.5)
Impairment of investments	11	-	(1.0)
Loss on sale of investments		(0.1)	-
Profit on disposal of property, plant and equipment		0.9	1.5
Profit before net finance costs		966.8	586.9
Finance income	7	15.1	11.3
Finance costs before exceptional items	7	(39.7)	(36.5)
Exceptional finance costs	3, 7	-	(5.7)
Total finance costs		(39.7)	(42.2)
Net finance costs*		(24.6)	(30.9)
Profit before tax		942.2	556.0
Tax charge	8	(204.6)	(102.1)
Profit for the year		737.6	453.9

All activities of the Group relate to continuing operations.

The notes on pages 30 to 84 are an integral part of these consolidated financial statements.

** The comparative financial information for 2021 has been restated to reflect the reclassification of losses on commodity derivative financial instruments within other operating expenses rather than finance costs (see note 1.28 'Prior year adjustment due to change in accounting policy' for further details).*



INEOS INOVYN LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2022

	Note	2022	2021
		€m	
Profit for the year		<u>737.6</u>	<u>453.9</u>
Other comprehensive (expense)/income:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefit obligations	18	(58.1)	20.0
Deferred taxes on remeasurement of post-employment benefit obligations.....	12	13.9	(3.4)
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign exchange translation differences of subsidiaries		(28.4)	20.4
Total other comprehensive (expense)/income for the year, net of tax		<u>(72.6)</u>	<u>37.0</u>
Total comprehensive income for the year		<u>665.0</u>	<u>490.9</u>

The notes on pages 30 to 84 are an integral part of these consolidated financial statements.



INEOS INOVYN LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
Non-current assets			
		€m	
Property, plant and equipment	9	1,485.3	1,433.8
Intangible assets	10	58.7	14.5
Investments in equity-accounted investees	11	16.1	14.3
Other investments.....	11	4.7	4.6
Other receivables.....	14	65.2	47.6
Deferred tax assets	12	120.4	161.0
Employee benefits.....	18	18.4	56.9
Total non-current assets		1,768.8	1,732.7
Current assets			
Inventories.....	13	421.7	374.6
Trade and other receivables.....	14	896.9	789.9
Tax receivables for current tax.....		7.8	3.4
Cash and cash equivalents.....	24	263.4	267.8
Total current assets		1,589.8	1,435.7
Total assets		3,358.6	3,168.4
Equity attributable to owners of the parent			
Share capital.....	21	-	-
Share premium reserve.....		84.5	84.5
Merger reserve	22	(434.8)	(434.8)
Retained earnings.....		772.4	403.6
Other reserves		30.7	103.3
Total equity		452.8	156.6
Non-current liabilities			
Interest-bearing loans and borrowings	15	1,105.9	1,104.0
Lease liabilities.....	16	42.2	45.9
Trade and other payables.....	17	115.3	123.7
Employee benefits.....	18	158.4	178.0
Provisions.....	19	135.6	163.4
Deferred tax liabilities.....	12	82.0	83.0
Total non-current liabilities.....		1,639.4	1,698.0
Current liabilities			
Lease liabilities.....	16	25.2	27.5
Trade and other payables.....	17	1,162.1	1,175.6
Tax liabilities for current tax.....		-	7.4
Other financial liabilities.....	20	46.3	52.8
Provisions.....	19	32.8	50.5
Total current liabilities		1,266.4	1,313.8
Total liabilities		2,905.8	3,011.8
Total equity and liabilities		3,358.6	3,168.4

The notes on pages 30 to 84 are an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on 17 April 2023 and were signed on its behalf by:

D J Horrocks
Director

INEOS Inovyn Limited

G Tuft
Director

Registered number: 08696245



INEOS INOVYN LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022

	Note	Share capital	Share premium reserve	Merger reserve	Retained earnings	Other reserves	Total equity
Balance at 1 January 2021		-	84.5	(434.8)	465.1	66.3	181.1
Profit for the year		-	-	-	453.9	-	453.9
Other comprehensive income/(expense):							
Remeasurement of post-employment benefit obligations	18	-	-	-	-	20.0	20.0
Deferred taxes on remeasurement of post-employment benefit obligations	12	-	-	-	-	(3.4)	(3.4)
Foreign exchange translation differences of subsidiaries		-	-	-	-	20.4	20.4
Total other comprehensive income		-	-	-	-	37.0	37.0
Transactions with owners, recorded directly in equity:							
Dividends	21	-	-	-	(515.4)	-	(515.4)
Balance at 31 December 2021		-	84.5	(434.8)	403.6	103.3	156.6
Profit for the year		-	-	-	737.6	-	737.6
Other comprehensive (expense)/income:							
Remeasurement of post-employment benefit obligations	18	-	-	-	-	(58.1)	(58.1)
Deferred taxes on remeasurement of post-employment benefit obligations	12	-	-	-	-	13.9	13.9
Foreign exchange translation differences of subsidiaries		-	-	-	-	(28.4)	(28.4)
Total other comprehensive expense		-	-	-	-	(72.6)	(72.6)
Transactions with owners, recorded directly in equity:							
Dividends	21	-	-	-	(368.8)	-	(368.8)
Balance at 31 December 2022		-	84.5	(434.8)	772.4	30.7	452.8

The notes on pages 30 to 84 are an integral part of these consolidated financial statements.



INEOS INOVYN LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022

Analysis of other reserves:

	<u>Note</u>	<u>Translation reserve</u>	<u>Actuarial reserve</u>	<u>Total other reserves</u>
		€m		
Balance at 1 January 2021		(26.6)	92.9	66.3
Remeasurement of post-employment benefit obligations.....	18	-	20.0	20.0
Deferred taxes on remeasurement of post-employment benefit obligations	12	-	(3.4)	(3.4)
Foreign exchange translation differences of subsidiaries		<u>20.4</u>	<u>-</u>	<u>20.4</u>
Balance at 31 December 2021		(6.2)	109.5	103.3
Remeasurement of post-employment benefit obligations.....	18	-	(58.1)	(58.1)
Deferred taxes on remeasurement of post-employment benefit obligations	12	-	13.9	13.9
Foreign exchange translation differences of subsidiaries		<u>(28.4)</u>	<u>-</u>	<u>(28.4)</u>
Balance at 31 December 2022		<u>(34.6)</u>	<u>65.3</u>	<u>30.7</u>

The notes on pages 30 to 84 are an integral part of these consolidated financial statements.



INEOS INOVYN LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2022

	Note	2022	2021 (As restated)*
€m			
Cash flows from operating activities			
Profit for the year		737.6	453.9
Adjustments for:			
Depreciation and impairment	9	186.4	204.4
Amortisation	10	2.0	1.9
Net finance costs*	7	24.6	30.9
Share of (profit)/loss of associated undertakings.....	11	(1.6)	0.5
Profit on disposal of fixed assets		(0.9)	(1.5)
Impairment of investment.....	11	-	1.0
Loss on sale of investment		0.1	-
Tax charge	8	204.6	102.1
Decrease/(increase) in trade and other receivables.....		3.9	(267.8)
Increase in inventories.....		(50.7)	(122.0)
(Decrease)/increase in trade and other payables*.....		(54.8)	500.4
(Decrease)/increase in provisions and employee benefits		(71.2)	68.5
Tax paid.....		(88.1)	(120.1)
Net cash from operating activities.....		891.9	852.2
Cash flows from investing activities			
Interest and other finance income received		1.4	0.7
Proceeds from sale of property, plant and equipment		1.3	2.4
Acquisition of other investments	11	(0.2)	(0.7)
Loans from related parties		2.7	6.7
Acquisition of intangible assets.....		(73.0)	(1.5)
Acquisition of property, plant and equipment		(242.3)	(175.6)
Net cash used in investing activities		(310.1)	(168.0)
Cash flows from financing activities			
Repayment of Senior Secured Term Loan.....	15	-	(1,064.3)
Cash (outflows)/inflows to INEOS Group#		(150.0)	1,066.1
Other loans		(0.1)	(0.1)
Interest paid.....		(27.7)	(23.8)
Capital element of lease payments		(30.0)	(28.9)
Dividend paid	21	(376.3)	(489.1)
Net cash used in financing activities		(584.1)	(540.1)
Net (decrease)/increase in cash and cash equivalents.....	24	(2.3)	144.1
Cash and cash equivalents at 1 January	24	267.8	118.3
Effect of exchange rate fluctuations on cash held	24	(2.1)	5.4
Cash and cash equivalents at 31 December.....	24	263.4	267.8

On 29 January 2021, the aggregate principal amount of Term Loan B outstanding of €1,064.3 million plus accrued interest was repaid in full using the proceeds from a long-term loan of €1,064.3 million from the Group's 94.9% shareholder, INEOS Quattro Financing Limited (see note 24). A further €1.8 million was received from INEOS Quattro Financing Limited in 2021 in the form of short-term funding. In December 2022, the Group lent €150.0 million to INEOS Quattro Financing Limited as a short-term loan (see note 14).

* The comparative financial information for 2021 has been restated to reflect the reclassification of losses on commodity derivative financial instruments within other operating expenses rather than finance costs (see note 1.28 'Prior year adjustment due to change in accounting policy' for further details).

The notes on pages 30 to 84 are an integral part of these consolidated financial statements.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1 ACCOUNTING POLICIES

1.1 Overview

INEOS Inovyn Limited (“the Company”) is a private company, limited by shares, incorporated in the United Kingdom, registered in England and Wales, and has its registered office at Bankes Lane Office, Bankes Lane, P.O. Box 9, Runcorn, Cheshire, United Kingdom, WA7 4JE.

1.2 Basis of accounting

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”) and equity account the Group’s interest in associated undertakings and recognise its joint arrangements as joint operations or joint ventures. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (“Adopted IFRSs”) effective 31 December 2022 and with the Companies Act as applicable to companies using Adopted IFRSs.

In preparing the financial statements, the directors have considered the impact of climate change, particularly in the context of the principal risk identified on page 6. There has been no material impact identified on the financial reporting judgements and estimates. The directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the group’s financial statements.

The Group meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries’ operations. The Group held cash balances of €263.4 million at 31 December 2022 (2021: €267.8 million) and gross loans and borrowings of €1,106.1 million at 31 December 2022 (2021: €1,104.3 million). The Directors have considered the Company’s projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA before exceptional items, cash flow and debt. The stress tests show that the Group will be compliant with its debt covenants and will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €452.8 million as at 31 December 2022 (2021: €156.6 million) the Directors have concluded that the Group can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in response to the IAS regulation (EC 1606/2002) effective as of 31 December 2022 and have been approved for issuance by the Board of Directors on 17 April 2023.

The notes below provide a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments classified at fair value through the profit or loss.

1.4 Functional and presentation currency

The presentation currency of the Group is the Euro, which is the functional currency of the majority of operations. The functional currency of the Company and its subsidiaries is determined in line with IAS 21 The Effects of Changes in Foreign Exchange Rates.

All financial information presented in Euro has been rounded to the nearest €0.1 million, except when otherwise stated.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1.5 Changes in accounting policies

The Group changed its accounting policy in the current year with respect to the classification of gains and losses in the consolidated income statement on the remeasurement to fair value of derivative financial instruments (see note 1.28 for further details). Besides this, the Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2022 with effect from 1 January 2022, although there has been no material effect on the Group's financial statements:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract.

The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- Amendments to References to the Conceptual Framework in IFRS 3.

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use.

Under the amendments, proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

- Annual Improvements to IFRS Standards 2018-2020:

IFRS 1: Subsidiary as a first-time Adopter – The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities – The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1.6 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Special purpose entities ("SPE")

A special purpose entity is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPEs' risks and rewards, the Group concludes that it controls the SPE.

The Group has established an SPE, INEOS Norway Finance Ireland Limited, for a debt securitisation programme. The Group does not have any direct or indirect shareholdings in this SPE. INEOS Norway Finance Ireland Limited is controlled by the Group as it was established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retains the majority of the residual or ownership risks related to the SPE and its assets. INEOS Norway Finance Ireland Limited is therefore regarded as an SPE and has been consolidated in these financial statements.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1.6 Basis of consolidation (continued)

Associated undertakings

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

Under IFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them all to be joint operations.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

The Group has a 50% interest in a joint arrangement called Runcorn MCP Limited, which was set-up together with VYNOVA Runcorn Limited in 2015 to provide toll production of chlorine and caustic soda to the two shareholders. The joint venture agreements in relation to Runcorn MCP Limited require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

The Group, via a joint partnership ("Convention d'Indivision"), owns a 42.5% minority interest in the Feyzin ethylene cracker in France. The other partner is TOTAL Petrochemicals. As the arrangement is not structured through a vehicle that is separate from both partners, the joint arrangement is classified as joint operation under IFRS 11 "Joint Arrangements".

The Group has a 50% share in GIE Cansel-Bresse, a French *Groupement d'Interet Economique* which owns brine infrastructure assets at Etrez, France, and provides solution mining services. The holder of the remaining 50% is Storengy. As the assets and liabilities, capital expenditure, financing costs and operating expenses are shared evenly between both shareholders the Group has classified GIE Cansel-Bresse as a joint operation.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1.7 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange 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.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in OCI, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

1.8 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) They include no contractual obligation upon the Group 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 Group; 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.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in debt and equity securities, trade and other receivables, cash and cash equivalents, 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 satisfy the criteria for cash flow characteristics test and business model test 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 or at fair value through other comprehensive income.

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.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1.8 Classification of financial instruments issued by the Group (continued)

Non-derivative financial instruments (continued)

Investments in debt and equity securities

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

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

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the consolidated income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits.

Cash flows entered into by a third party on behalf of the Group (as its 'agent') are presented 'gross'. These are typically cash flows arising from financing activities, undertaken by agent banks.

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.

Debt restructuring

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent remeasurement to fair value is recognised immediately in the consolidated income statement as other operating income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

1.8 Classification of financial instruments issued by the Group (continued)

Derivative financial instruments and hedging (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of the hedge is recognised immediately in the consolidated income statement as finance income or expense.

Where the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss, e.g. when interest income or expense is recognised.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and included in the consolidated income statement as an adjustment to revenue and cost of sales in the same period or periods during which the hedged forecast transaction affects revenue and cost of sales in the consolidated income statement.

When a hedging instrument expires, is sold, terminated, exercised, or the hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the consolidated income statement immediately.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

Buildings	10 to 50 years
Plant and Equipment:	
Major items of plant	10 to 30 years
Major plant overhauls	2 to 4 years
Motor vehicles	5 years
Computer hardware and major software	2 to 4 years
Fixtures and fittings	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



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1.9 Property, plant and equipment (continued)

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

1.10 Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in retained earnings within a distributable merger reserve. The Group has elected not to include the results of businesses acquired under common control transactions within the Group income statement for any periods prior to the date of acquiring control.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are 5 to 10 years. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date.

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

1.11 Research and development

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.



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1.12 Impairment

Impairment of financial assets

A financial asset not classified at fair value through profit and loss is assessed at each reporting date to determine whether there is evidence that it is impaired.

Trade and other receivables

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

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

Investments in debt and equity securities

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through profit or loss.

Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of fair value less cost to sell 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



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1.13 Inventories

Inventories (excluding engineering stocks and maintenance spares) are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

Engineering stocks and maintenance spares are valued at moving average price. Catalysts, which are part of the chemical reaction and are consumed in the production process, are held as raw materials and consumables within inventories. These are consumed over a certain period, depending on their renewal cycles, according to normal production levels.

Cost of sales includes direct costs of raw material, distribution and handling costs.

1.14 Commodities

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

1.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16 *Leases*.

Group as a lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.



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1.15 Leases (continued)

Lease liabilities (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.16 Government grants and similar deferred income

Government grants and similar deferred income are shown in the balance sheet as deferred income. This income is amortised on a straight-line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

1.17 Employee benefits

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan 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 liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.



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1.17 Employee benefits (continued)

Defined benefit plans (continued)

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses;
- net finance costs and,
- in net expense recognised directly in equity, the remeasurements of post-employment benefit obligations.

Certain of the Group's pension plans include multi-employer schemes for employees of the Group and other INEOS or third-party companies. The method used to split the results between the Group and the other participating employers is as follows:

- Most members are allocated to a specific company, but where this was not possible members are allocated to the largest employer within the Group.
- Active scheme liabilities are allocated pro-rata based on the relative value of accrued pensions for active members. Deferred and pensioner members are allocated to the largest employer within the Group.
- Total assets and cash flows are allocated in proportion to accrued pensions.
- The allocation of total scheme liabilities is based on data collected at the last valuation date and this proportionate split has been applied consistently in the calculations.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.18 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change. Provisions are determined by discounting the expected future cash flows at risk free pre-tax rates based on country specific government bond yields which match the maturity of the expected future cash flows. The unwinding of the discount is recognised in finance costs.

Estimated direct costs to be incurred in connection with restructuring measures are provided for when the Group has a constructive obligation, which is generally the same as the announcement date. The announcement date is the date on which the plan is announced in sufficient detail such that employees have valid expectations that the restructuring will be carried out.

The Group is exposed to environmental and remediation liabilities relating to its past operations. Provision for these costs is made when the Group has a legal or constructive obligation to carry out remediation works and costs can be estimated within a reasonable range of possible outcomes.

1.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.20 Revenue

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.



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1.20 Revenue (continued)

The timing of the satisfaction of a performance obligation varies depending on the individual terms of the sales agreement. Payment terms vary across the Group dependent on geographical location of each operating company. Transfer of control can occur when the product is received at the customer's warehouse, or loading the goods onto the relevant carrier, or when the product leaves the production site, depending on the international shipping terms that the product is sold under.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

The Group applies the five-step model for revenue recognition, introduced by IFRS 15 *Revenue from Contracts with Customers*. This model allows the Group to identify the contract with a customer; to determine the performance obligations in the contract; to establish the transaction price, which is later allocated to the performance obligations in the contract; and to recognise revenue when, or as, the entity satisfies a performance obligation, that is, that the control of the asset is transferred to the customer.

The Group has a small number of contracts that include distinct performance obligations. This results, in a limited number of cases, that revenue for certain performance obligations (being primarily separate shipping obligations) is recognised later in time. Additionally, certain customer contracts offer various forms of volume or early payment discount. These variable considerations might have as a consequence timing differences, but since the majority of contracts have terms of less than one year, the differences are solved within the period. Revenue is recognised to the extent that it is highly likely that a significant reversal in the amount of cumulative revenue recognised will not occur.

Additionally, certain customer contracts offer various forms of variable consideration in the form of early settlement discount or retrospective volume discounts. If it is highly probable that an early settlement discount will be taken and the amount is not expected to reverse when the variability is resolved, the discount is recognised as a reduction of revenue as the sales are recognised. If a volume discount applies retrospectively to all sales under the contract once a certain threshold is achieved, an estimate of the volumes to be sold and the resulting discount is calculated in determining the transaction price and this calculation is updated throughout the term of the contract.

Certain time and location swap contracts with third parties for commodities and finished goods are excluded from turnover and cost of sales.

Services provided to third parties include administrative and operational services provided to other companies with facilities on the Group's sites. Revenue is recognised at a point in time or over-time depending on whether the over-time revenue recognition criteria is met.

No assets related to costs to obtain or fulfil a contract have been recognised. Its impact, if any, is deemed immaterial.

1.21 Finance income and costs

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a net basis.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net interest on employee benefit liabilities and net foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans and net foreign exchange gains.

1.22 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.



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1.22 Taxation (continued)

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 end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

1.23 Segmental analysis

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committee who report into the shareholder, INEOS Quattro Financing Limited.

Details of the Group operating segments and the segmental analysis of revenue and EBITDA before exceptional items are shown in note 2.

1.24 Exceptional items

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

1.25 Securitisation

Certain Group companies are parties to a receivables securitisation programme in which various subsidiaries sell trade receivables to INEOS Norway Finance Ireland Limited ("INFIL"), a special purpose vehicle, for a discounted rate. INFIL pledges the receivables as security for borrowings from conduit lenders. The cash borrowed by INFIL from the conduit lenders, less a financing cost, is lent to the Group companies. The financing cost is recognised in interest payable. The risks and rewards of ownership of the receivables are retained by the Group and therefore INFIL has been included in the financial statements as a quasi-subsiary.

1.26 Emissions Trading schemes

The Group participates in the EU and UK Emissions Trading Schemes. The Schemes encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU and UK Emissions Trading Schemes are recognised in the consolidated income statement within cost of sales as a reduction of energy costs once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. Any additional emission permits that are purchased are recognised as intangible assets. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.



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1.27 Accounting standards not applied

A number of new standards and amendments are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).
- Amendments to IFRS 16: Lease liability in a sale and leaseback (effective date 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective date 1 January 2024).

1.28 Prior year adjustment due to change in accounting policy

The Group changed its accounting policy in the current year with respect to the classification of gains and losses in the consolidated income statement on the remeasurement to fair value of derivative financial instruments. The presentation of gains and losses were previously recognised in the consolidated income statement as finance income or expense, but this was changed in the current year to other operating income or expense, since this presentation more accurately reflects the operating characteristics of the financial instruments. This is consistent with the requirements of IFRS 9 and IAS 7. The impact of the change in policy results in a reduction in operating profit of €41.9 million and a reduction in finance costs of €41.9 million (see notes 4 and 7 respectively). The impact on the profit for the year ended 31 December 2021 is nil, as shown in the table below:

<i>Statement of comprehensive income</i>	For year ended 31 December 2021 as previously stated	Reclassification of net fair value derivative losses	As restated for year ended 31 December 2021
	€m		
Other operating expenses	-	(41.9)	(41.9)
Operating profit	628.8	(41.9)	586.9
Finance costs before exceptional items	(78.4)	41.9	(36.5)
Profit for the year	453.9	-	453.9

The gain or loss on the remeasurement to fair value of derivative financial instruments is not included within EBITDA.

There is no impact on the consolidated balance sheet. There is no impact on the consolidated statement of cash flows for the year ended 31 December 2021, except for the derivation of net cash from operating activities using the indirect method.



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2 OPERATING SEGMENTS

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

The Group divides its operations into five businesses:

- *General Purpose Vinyls*, consisting of a portfolio of Suspension PVC products and PVC Resins, and output that the Group both consumes and sells from its interest in the Feyzin cracker.
- *Specialty Vinyls*, consisting of Emulsion PVC and specialty grade Suspension PVC products.
- *Organic Chlorine Derivatives*, consisting of various chlorine derivatives including chlorinated paraffins, chloromethanes, allyl chloride and epichlorohydrin, plus sulphur chemicals.
- *Chlor-Alkali*, consisting of caustic soda and caustic potash, chlorine and chlorine by-products, brine and water, salt and hydrochloric acid.
- *Hydrogen*, consisting of Hydrogen.

However, the Group's financial reporting is limited to three Business segments; General Purpose Vinyls, Specialty Vinyls, and Other Chemicals. The Other Chemicals segment includes the Organic Chlorine Derivatives and Hydrogen businesses, plus all products in the Chlor-Alkali business excluding caustic soda and caustic potash. Revenues from caustic soda and caustic potash are then attributed to the three Business Segments based on the quantities of chlorine contained in the respective products.

For segmental reporting of revenue, caustic soda and caustic potash revenues are shown both before and after allocation to three business segments.

The revenue attributable to each business segment is as follows:

	2022		2021		Revenue after caustic soda/potash allocation	
	Revenue before caustic soda/potash allocation	Caustic soda/potash revenue allocation	Revenue after caustic soda/potash allocation	Revenue before caustic soda/potash allocation	Caustic soda/potash revenue allocation	Revenue after caustic soda/potash allocation
	€m					
General Purpose Vinyls	2,072.1	709.8	2,781.9	2,202.2	375.6	2,577.8
Specialty Vinyls.....	612.3	228.7	841.0	558.6	107.5	666.1
Other Chemicals	802.4	710.9	1,513.3	693.0	288.7	981.7
Caustic soda and caustic potash.....	1,649.4	(1,649.4)	-	771.8	(771.8)	-
	5,136.2	-	5,136.2	4,225.6	-	4,225.6

The EBITDA before exceptional items attributable to each business segment is as follows:

	2022	2021
	€m	
EBITDA before exceptional items		
General Purpose Vinyls	644.7	721.7
Specialty Vinyls.....	274.6	204.8
Other Chemicals	256.7	47.9
	1,176.0	974.4

Reconciliation of earnings before operating exceptional items, interest, taxation, impairment, depreciation, amortisation, exceptional items and net fair value gains and losses on commodity derivatives and after the share of profit/(loss) of associated undertakings and joint ventures using the equity method ("EBITDA before exceptional items") to profit before tax:



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2 OPERATING SEGMENTS (continued)

	2022	2021 (As restated)*
	€m	
EBITDA before exceptional items.....	1,176.0	974.4
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets.....	(188.4)	(206.3)
Exceptional items (excluding items relating to impairment and financing)	-	(139.8)
Profit on disposal of property, plant and equipment.....	0.9	1.5
Net fair value loss on commodity derivatives*.....	(21.6)	(41.9)
Loss on sale of investments	(0.1)	-
Impairment of investments	-	(1.0)
Net finance costs* (note 7)	(24.6)	(30.9)
Profit before tax	942.2	556.0

* See note 1.28 for further details.

Geographical analysis - revenues

Geographical information by location of customers	2022	2021
	€m	
UK.....	1,018.0	625.4
Rest of Europe.....	3,661.0	3,053.2
Rest of World.....	457.2	547.0
Total.....	5,136.2	4,225.6

Geographical information by location of trading legal entity	2022	2021
	€m	
UK.....	3,774.0	2,937.0
Rest of Europe.....	1,290.4	1,233.8
Rest of World.....	71.8	54.8
Total.....	5,136.2	4,225.6

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and registered address of the Group's trading legal entities.

Revenues from external customers for each product and service or each group of similar products and services and a geographic analysis of segment assets are not presented as the necessary information is not available and the Directors are of the opinion that the cost to develop it would be excessive.



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3 EXCEPTIONAL ITEMS

	<u>2022</u>	<u>2021</u>
	<u>€m</u>	
Exceptional items included in cost of sales:		
Plant closure costs ⁽¹⁾	-	19.0
Environmental costs ⁽²⁾	-	121.6
	-	140.6
Exceptional items included in administrative expenses:		
Other ⁽³⁾	-	(0.8)
	-	-
Exceptional items excluding finance costs	<u>-</u>	<u>139.8</u>
Exceptional finance costs:		
Charge on early settlement of debt ⁽⁴⁾	-	5.7
	-	-
Total exceptional expenses	<u>-</u>	<u>145.5</u>

Exceptional cost of sales and administrative expenses:

- (1) In March 2021, the Group announced the closure of the sulphur chemicals plant at Runcorn, United Kingdom and its withdrawal from the United Kingdom sulphur chemicals market. As a consequence, exceptional provisions of €11.9 million were recognised to cover the cost of exiting certain commercial agreements and the safe decommissioning of the plant. A further exceptional charge of €2.1 million was incurred in respect of redundant stock write-downs.

Remediation activities are continuing at Wilhelmshaven, Germany following the closure of the mercury cell room in 2013. In 2021, a further provision of €5.0 million was made to cover the extended operation of the waste water treatment plant until the demolition of the cell room is completed (see below).

- (2) In 2016, the Group's mercury cellroom at Runcorn, United Kingdom ceased production. Following a full review and assessment of scope and the availability of reliable cost estimates an exceptional provision of €25.8 million was recognised in 2021 to cover the demolition of the cellroom, including the safe disposal of hazardous waste and elemental mercury.

A €22.6 million provision was made at Runcorn in relation to the demolition of the redundant Weston Point Power Station after management approved plans in 2021 for the removal of asbestos from the structure. Moreover, a dismantling provision of €9.1 million was recognised at Runcorn in relation to the aforementioned closure of the sulphur chemicals plant.

The Group also approved plans in 2021 for the dismantling of the mercury cell room at Wilhelmshaven, Germany and related infrastructure, after atmospheric and groundwater mercury levels exceeded permissible limits, with total provisions of €25.0 million being recognised.

In order to ensure compliance with the obligations of the EU Waste Water Directive at Tavaux, France, and having successfully demonstrated the feasibility and operational aspects of a pilot plant and sealed cell technology in order to achieve this, a further exceptional provision of €18.5 million (€21.8 million of new provisions less €3.3 million of grants receivable) was recognised in 2021 to fund an industrial scale waste water treatment plant and the sealing of sedimentation basins.

In addition to the above, further exceptional charges of €20.6 million (€23.4 million of new provisions less €2.8 million of grants receivable) were created in 2021 at the Group's sites at Lillo, Belgium; Zandvliet, Belgium; Tavazzano, Italy; Ferrara, Italy; Tavaux, France; and Runcorn, United Kingdom for various remediation related projects mostly associated with mercury contamination.

- (3) The exceptional credit of €0.8 million in 2021 relates to the release of provisions made in prior years for legal claims and commercial disputes.



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3 EXCEPTIONAL ITEMS (continued)

Exceptional finance costs:

(4) Exceptional finance costs of €5.7 million in 2021 relate to the write-off of unamortised debt issue costs associated with the Senior Secured Term Loan B facility which was repaid early and in full on 29 January 2021.

There is no material effect on the tax charge due to exceptional items.

4 OPERATING PROFIT

Included in operating profit are the following:

	2022	2021 (As restated)*
	€m	
Research and development costs expensed as incurred.....	13.4	13.4
Amortisation of intangible assets	2.0	1.9
Amortisation of government grants.....	(3.9)	(4.0)
Net fair value loss on commodity derivatives*	21.6	41.9
Expenses relating to short-term leases.....	4.7	3.8
Expenses relating to leases of low value assets	0.2	0.2
Expenses relating to variable lease payments not included in the measurement of the lease liability.....	5.2	5.2
Depreciation and impairment of property, plant and equipment - within cost of sales, distribution costs and administrative expenses		
Owned assets - depreciation	156.4	153.5
Right-of-use assets	30.0	29.3
	186.4	182.8
Owned assets - impairment	-	21.6
	186.4	204.4

* The comparative financial information for 2021 has been restated to reflect the reclassification of losses on commodity derivative financial instruments within other operating expenses rather than finance costs (see note 1.28 'Prior year adjustment due to change in accounting policy' for further details).

	2022	2021
	€m	
Auditor's remuneration		
Audit of these financial statements.....	0.3	0.2
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation.....	1.3	1.0
All other services - tax.....	0.2	0.2
	1.8	1.4

The audit fee above includes the audit fee of €8,011 (2021: €5,977) for the parent Company.



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5 STAFF NUMBERS AND COSTS

The monthly average number of persons including Directors employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

	2022	2021
	Number	
Research and development	93	90
Administration	580	597
Production, engineering and distribution	3,495	3,432
	4,168	4,119

The aggregate payroll costs of these persons were as follows:

	2022	2021
	€m	
Wages and salaries	340.6	325.4
Social security costs	75.2	70.8
Contributions to defined contribution plans	22.1	16.8
Items related to defined benefit plans:		
Current service cost (note 18)	10.3	12.1
	448.2	425.1

6 DIRECTORS' REMUNERATION

	2022	2021
	€m	
Salaries and other short term benefits	7.0	6.5
Company contributions to money purchase schemes	0.1	0.4
	7.1	6.9

Highest paid Director

	2022	2021
	€m	
Aggregate emoluments	3.0	2.3

Four Directors have benefits accrued under defined benefit schemes (2021: two). Five Directors have benefits accruing under defined contribution schemes (2021: two). In respect of the highest paid Director, there is €nil (2021: €nil) of accrued pension at the end of the year.



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7 FINANCE INCOME AND COSTS

	2022	2021
		(As restated)*
	€m	
Finance income		
Interest receivable from associated undertakings	1.5	2.0
Interest receivable from related parties	0.1	0.2
Other interest income	0.6	-
Total interest income on financial assets not at fair value through profit or loss ..	2.2	2.2
Net change of rate and unwind of discount on long term provisions	12.9	0.2
Net exchange movements.....	-	8.9
Total finance income	15.1	11.3
Finance costs		
Interest payable on Senior Secured Term Loans	-	2.1
Interest payable on securitisation facility	1.2	1.2
Interest payable to parent undertaking.....	29.2	26.8
Interest payable to related parties	1.9	1.8
Amortisation of debt issue costs.....	0.1	-
Interest payable on right-of-use assets.....	2.4	2.7
Net exchange movements.....	3.5	-
Interest expense on pension schemes	0.7	1.0
Other interest expense	0.7	0.9
Total finance costs before exceptional items	39.7	36.5
Exceptional finance costs (note 3).....	-	5.7
Total finance costs	39.7	42.2
Net finance costs	24.6	30.9

* The comparative financial information for 2021 has been restated to reflect the reclassification of losses on commodity derivative financial instruments within other operating expenses rather than finance costs (see note 1.28 'Prior year adjustment due to change in accounting policy' for further details).

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

Net gains and losses on financial instruments are included in note 23.



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8 TAX CHARGE

Recognised in the consolidated income statement

	2022	2021
	€m	
Current tax expense		
Current tax expense	160.1	131.8
Adjustments in respect of prior years	(5.1)	(1.0)
Current tax expense	<u>155.0</u>	<u>130.8</u>
Deferred tax expense		
Origination and reversal of temporary differences	41.5	(0.9)
Change in tax rates applied to temporary differences	(0.6)	(27.9)
Adjustments in respect of prior years	8.7	0.1
Deferred tax charge/(credit) (note 12)	<u>49.6</u>	<u>(28.7)</u>
Total tax charge	<u>204.6</u>	<u>102.1</u>

Reconciliation of effective tax rate

	2022	2021
	€m	
Profit before taxation	<u>942.2</u>	<u>556.0</u>
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	179.0	105.6
Effect of tax rates in foreign jurisdictions	28.8	17.6
Permanent differences	(5.4)	11.7
Change in tax rate applied to temporary differences	(0.6)	(27.9)
Current year losses not recognised	-	(0.2)
Recognition of previously unrecognised deferred tax	(0.8)	(3.8)
Adjustments in respect of prior years	3.6	(0.9)
Associated undertakings results, reported net of tax	-	-
Total tax charge	<u>204.6</u>	<u>102.1</u>

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxes in the United Kingdom at 31 December 2022 and 31 December 2021 are measured at 25%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Taxation recognised in other comprehensive (expense)/income

	2022			2021		
	Gross	Tax	Net	Gross	Tax	Net
	€m					
Remeasurement of post-employment benefit obligations net of taxes	(58.1)	13.9	(44.2)	20.0	(3.4)	16.6
Foreign exchange translation differences of subsidiaries	(28.4)	-	(28.4)	20.4	-	20.4
	<u>(86.5)</u>	<u>13.9</u>	<u>(72.6)</u>	<u>40.4</u>	<u>(3.4)</u>	<u>37.0</u>



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9 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and equipment, fixtures and fittings	Under construction	Right-of- use assets	Total
	€m				
Cost					
At 1 January 2021	542.8	3,986.9	259.0	133.5	4,922.2
Additions.....	4.1	34.6	123.9	5.9	168.5
Lease modifications and reassessments	-	-	-	6.9	6.9
Reclassification.....	42.4	92.7	(135.1)	-	-
Aborted capital expenditure.....	-	-	(1.2)	-	(1.2)
Disposals.....	(2.3)	(125.9)	-	(2.6)	(130.8)
Effects of movements in foreign exchange...	1.2	30.0	5.9	1.3	38.4
At 31 December 2021	588.2	4,018.3	252.5	145.0	5,004.0
Additions.....	3.2	87.0	153.9	11.6	255.7
Lease modifications and reassessments	-	-	-	16.6	16.6
Reclassification.....	24.8	153.3	(178.2)	-	(0.1)
Disposals.....	(0.1)	(22.9)	-	(6.4)	(29.4)
Effects of movements in foreign exchange...	(5.7)	(37.1)	(4.3)	(1.2)	(48.3)
At 31 December 2022	610.4	4,198.6	223.9	165.6	5,198.5
Accumulated depreciation and impairment					
At 1 January 2021	352.0	3,082.8	-	48.4	3,483.2
Depreciation charge for the year.....	10.0	143.5	-	29.3	182.8
Impairment charge for the year.....	-	21.6	-	-	21.6
Disposals.....	(1.6)	(125.7)	-	(2.6)	(129.9)
Effects of movements in foreign exchange...	0.2	11.8	-	0.5	12.5
At 31 December 2021	360.6	3,134.0	-	75.6	3,570.2
Depreciation charge for the year.....	11.3	145.1	-	30.0	186.4
Reclassification.....	3.2	(3.2)	-	-	-
Disposals.....	-	(22.5)	-	(6.4)	(28.9)
Effects of movements in foreign exchange...	(0.8)	(13.0)	-	(0.7)	(14.5)
At 31 December 2022	374.3	3,240.4	-	98.5	3,713.2
Net book value					
At 31 December 2021	227.6	884.3	252.5	69.4	1,433.8
At 31 December 2022	236.1	958.2	223.9	67.1	1,485.3

Impairment charge for the prior year

In December 2017, the Group closed its mercury cellroom at Martorell, Spain pursuant to EU legislation mandating the closure of mercury-based chlor-alkali cellrooms. In the preceding years the Group investigated the economic viability of a cellroom conversion project at Martorell utilising membrane technology and had capitalised costs related to preliminary studies and basic engineering works. In 2021, the project was aborted resulting in an impairment charge of €9.1 million. In addition, an impairment charge of €12.5 million was recognised in 2021 in respect of plant and equipment for the sulphur chemicals plant at Runcorn, United Kingdom following the Group's decision to close the business in March 2021.



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9 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment under construction

In the year ended 31 December 2022, the Group acquired €255.7 million of property, plant and equipment. The majority of the spend was in respect of general SHE/sustenance expenditure and plant turnaround projects, including at the VCM facility in Grenland, Norway and the ethylene cracker in Feyzin, France. In terms of capacity additions, the Group completed the 200 kilo tonnes expansion of its general purpose PVC capacity at Jemeppe, Belgium in the fourth quarter of 2022 and invested in new brine borehole capacity at Holford, United Kingdom. The Group also incurred initial spend on a salt plant upgrade project in Tavaux, France which utilises best-in-class mechanical vapour recompression unit technology. The project is expected to be completed in 2024 and will reduce steam consumption by 360 kilo tonnes per annum.

The most significant capital expenditures in the prior year consisted of general SHE/sustenance expenditure, the aforementioned general purpose PVC capacity expansion project at Jemeppe, Belgium, a brine borehole drilling program at Northwich, United Kingdom, and a new office complex at Runcorn, United Kingdom.

No borrowing costs were capitalised during the year (2021: €nil).

Leased plant and machinery

The Group leases many assets including land and buildings, vessels, storage and transportation infrastructure, machinery and motor vehicles which are classified as right-of-use assets. More information regarding right-of-use assets is presented below.

Right-of-use assets

	Land and buildings	Plant and equipment, fixtures and fittings	Total
	€m		
Cost			
At 1 January 2021.....	10.0	123.5	133.5
Additions	-	5.9	5.9
Lease modifications and remeasurements	0.1	6.8	6.9
Disposals	(0.1)	(2.5)	(2.6)
Effect of movement in foreign exchange.....	0.3	1.0	1.3
At 31 December 2021.....	10.3	134.7	145.0
Additions	0.1	11.5	11.6
Lease modifications and remeasurements	0.2	16.4	16.6
Disposals	-	(6.4)	(6.4)
Effects of movement in foreign exchange	(0.4)	(0.8)	(1.2)
At 31 December 2022.....	10.2	155.4	165.6
Accumulated depreciation and impairment			
At 1 January 2021.....	1.5	46.9	48.4
Depreciation charge for the year	0.6	28.7	29.3
Disposals	(0.1)	(2.5)	(2.6)
Effects of movement in foreign exchange	-	0.5	0.5
At 31 December 2021.....	2.0	73.6	75.6
Depreciation charge for the year	0.7	29.3	30.0
Disposals	-	(6.4)	(6.4)
Effects of movement in foreign exchange	-	(0.7)	(0.7)
At 31 December 2022.....	2.7	95.8	98.5
Net book value			
At 31 December 2021.....	8.3	61.1	69.4
At 31 December 2022.....	7.5	59.6	67.1

See note 16 for lease obligations related to right-of-use assets.



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10 INTANGIBLE ASSETS

	Develop- ment costs	Intellectual property rights	Regulatory licences	Software	Environmental certificates	Other	Total
	€m						
Cost							
At 1 January 2021.....	6.8	4.2	5.1	11.1	29.5	3.3	60.0
Additions	1.0	-	-	0.2	0.3	-	1.5
Disposals	-	-	-	-	(25.2)	-	(25.2)
At 31 December 2021.....	7.8	4.2	5.1	11.3	4.6	3.3	36.3
Additions	1.1	-	-	0.1	71.8	-	73.0
Reclassification	-	-	-	0.1	-	-	0.1
Disposals	-	-	-	-	(26.8)	-	(26.8)
Effects of movements in foreign exchange	-	-	-	-	(0.1)	-	(0.1)
At 31 December 2022.....	8.9	4.2	5.1	11.5	49.5	3.3	82.5
Accumulated amortisation and impairment							
At 1 January 2021.....	4.4	1.1	4.8	9.6	-	-	19.9
Amortisation for the year.....	1.2	0.4	0.1	0.2	-	-	1.9
At 31 December 2021.....	5.6	1.5	4.9	9.8	-	-	21.8
Amortisation for the year.....	1.3	0.4	-	0.2	-	0.1	2.0
At 31 December 2022.....	6.9	1.9	4.9	10.0	-	0.1	23.8
Net book value							
At 31 December 2021.....	2.2	2.7	0.2	1.5	4.6	3.3	14.5
At 31 December 2022.....	2.0	2.3	0.2	1.5	49.5	3.2	58.7

Environmental certificates are in respect of costs associated with the purchase of EU and UK Emissions Trading Scheme allowances. The emissions allowances are subject to impairment under the indefinite-lived intangible asset impairment model.

Other intangible assets mainly relate to costs incurred with obtaining access to pipelines owned by third parties.

Amortisation

The amortisation charge is recognised in administrative expenses in the consolidated income statement.



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11 INVESTMENTS

11(a) Investments in subsidiary undertakings

As at 31 December 2022, the Group has the following investments in subsidiaries:

<u>Company</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Class of shares held</u>	<u>Ownership 2022</u>	<u>Ownership 2021</u>	<u>Registered office reference</u>
INOVYN Holdings Limited* # ⁽¹⁾	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Finance Limited [#]	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Group Treasury Limited*.....	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Europe Limited*.....	UK	Group entrepreneur	Ordinary	100%	100%	(A)
INOVYN Norge AS*.....	Norway	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(B)
INOVYN Sverige AB*.....	Sweden	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(C)
INEOS ChlorVinyls Holdings BV.....	Netherlands	Holding company	Ordinary	100%	100%	(D)
INOVYN Newton Aycliffe Limited.....	UK	Non-trading	Ordinary	100%	100%	(A)
INEOS Newton Aycliffe Trustees Limited.....	UK	Pension trustee	Ordinary	100%	100%	(A)
INOVYN Services Limited.....	UK	Non-trading	Ordinary	100%	100%	(A)
INOVYN Enterprises Limited*.....	UK	Extraction and supply of brine and water	Ordinary	100%	100%	(A)
INOVYN ChlorVinyls Holdings Limited*.....	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Newco 2 Limited*.....	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN ChlorVinyls Limited*.....	UK	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(A)
INEOS Enterprises Group Limited.....	UK	Manufacture of salt	Ordinary	100%	100%	(A)
Keuper Gas Storage Limited.....	UK	Gas storage	Ordinary	100%	100%	(A)
INEOS Chlor Atlantik GmbH.....	Germany	Non-trading	Ordinary	100%	100%	(E)
INOVYN Americas Inc.....	USA	Purchase and resale of chemicals	Ordinary	100%	100%	(F)
INOVYN Sales International Limited ⁽²⁾	UK	Non-trading	Ordinary	100%	100%	(A)
INEOS Chlor Trustees Limited.....	UK	Pension trustee	Ordinary	100%	100%	(A)
INEOS Vinyls UK Ltd ⁽³⁾	UK	Non-trading	Ordinary	100%	100%	(A)
INEOS Vinyls GmbH & Co KG.....	Germany	Holding company	Ordinary	100%	100%	(E)
INOVYN Schkopau GmbH.....	Germany	Non trading	Ordinary	100%	100%	(E)
INOVYN Sales GmbH.....	Germany	Non trading	Ordinary	100%	100%	(E)
EVC Pension Trustees Limited.....	UK	Pension trustee	Ordinary	100%	100%	(A)
INOVYN Energy Limited.....	UK	Holding company	Ordinary	100%	100%	(A)
Kerling Newco 1 Limited*.....	UK	Holding company	Ordinary	100%	100%	(A)
Kerling Newco 2 Limited*.....	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Deutschland GmbH*.....	Germany	Manufacturer of chlor-alkali and PVC products	Ordinary	100%	100%	(E)
INOVYN Espana S.L.....	Spain	Manufacture of PVC	Ordinary	100%	100%	(G)



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11 INVESTMENTS (continued)

11(a) Investments in subsidiary undertakings (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INOVYN Osterreich GmbH ⁽¹⁾	Austria	Sales office	Ordinary	100%	100%	(H)
INOVYN Belgium SA*.....	Belgium	Manufacture of chlor-alkali and EDC products	Ordinary	100%	100%	(I)
INOVYN Olefines France SAS*.....	France	Operation of ethylene cracker	Ordinary	100%	100%	(J)
INOVYN Portugal Lda.....	Portugal	Sales office	Ordinary	100%	100%	(K)
INOVYN Trade Services SA*.....	Belgium	Purchase and resale of chemicals	Ordinary	100%	100%	(I)
INOVYN Manufacturing Belgium SA*.....	Belgium	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(I)
INOVYN France SAS*.....	France	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(J)
INOVYN Italia S.p.A.....	Italy	Commercial services	Ordinary	100%	100%	(L)
INOVYN Produzione Italia S.p.A*.....	Italy	Manufacture of chlor-alkali products	Ordinary	100%	100%	(M)
INOVYN Quimica Espana S.L.....	Spain	Waste treatment	Ordinary	100%	100%	(G)
Vinyloop Ferrara S.p.A ⁽²⁾	Italy	PVC Recycling	Ordinary Limited by	100%	100%	(L)
TTE Training Limited.....	UK	Training company	Guarantee Limited by	100%	100%	(O)
TTE Apprenticeship Training Agency Limited.....	UK	Apprenticeship company	Guarantee	100%	100%	(O)
INEOS Norway Finance Ireland Limited.....	Ireland	Securitisation vehicle	Ordinary	n/a	n/a	(N)

* In addition to INOVYN Finance Limited, a guarantor of the Senior Secured Term Loans before their redemption on 29 January 2021. Subsequent to this date, the entities became guarantors of debt issued by companies of the wider Quattro group including INEOS Quattro Finance 1 plc, INEOS Quattro Finance 2 plc, INEOS Quattro Holdings UK Limited and INEOS US Petrochem LLC.

Shares held directly by INEOS Inovyn Limited. All other subsidiaries listed are held indirectly.

(1) In the process of being liquidated.

(2) Dissolved in January 2023 following liquidation.



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11 INVESTMENTS (continued)

11(b) Investments in equity-accounted investees, joint operations and other investments

Details of the Group's investments in associated undertakings, joint operations and other investments:

Investment	Country of registration or incorporation	Principal activity	Class/ percentage of shares held	Registered office reference
Associated undertakings:				
INEOS Runcorn (TPS) Holdings Limited.....	UK	Thermal Power Station operator	Ordinary/ 60% ⁽¹⁾	(A)
Joint operations:				
Runcorn MCP Limited.....	UK	Cell room operator Brine solution mining services	Ordinary/ 50% ⁽²⁾	(A)
GIE Cansel-Bresse.....	France	Brine solution mining services	Ordinary/ 50% ⁽³⁾	(V)
Other investments:				
IndustriEI AS.....	Norway	Energy consultancy	Ordinary/ 12.5%	(P)
Sociedad Española de Materiales Plásticos SEMAP S.A.....	Spain	Plastic waste management	Ordinary/8%	(Q)
Societe Intercommunale D'Amenagement et d'Equipement Economique.....	Belgium	Economic development of province of Namur Plastic recycling association	Ordinary/0.17%	(R)
BKV GmbH.....	Germany	Plastic recycling association	Ordinary/2.0%	(S)
Industrins Räddningstjänst i Stenungsund AB.....	Sweden	Fire and rescue service	Ordinary/25.0%	(T)
API PVC - u. Umweltberatung GesmbH.....	Austria	PVC technology solutions	Ordinary/73.2%	(U)
Hållbar Kemi i Stenungsund.....	Sweden	Sustainable production association	Ordinary/20.0%	(W)
Energy For Growth Societa' Consortile A Responsabilita' Limitata.....	Italy	Energy consortium	Ordinary/7.3%	(X)
Power to Methanol Antwerp B.V.....	Belgium	Sustainable methanol production consortium	Ordinary/14.3%	(Y)
Consorzio Polo Tecnologico Magona	Italy	Decarbonisation consortium	Ordinary/6.8%	(Z)

- (1) The Group owns shares entitling it to 60% of the voting rights but only 25% of the economic benefits.
- (2) The Group has a 50% interest in Runcorn MCP Limited, a joint venture company which provides a toll manufacturing service for the production of chlorine and caustic soda to its shareholders. The holder of the remaining 50% interest is VYNOVA Runcorn Limited.
- (3) The Group has a 50% share in GIE Cansel-Bresse, a French Groupement d'Interet Economique which owns brine infrastructure assets at Etrez, France, and provides solution mining services. The holder of the remaining 50% is Storengy.

None of the above other investments are held directly by INEOS Inovyn Limited.

	Associated undertakings	Other investments	Total
	€m		
At 1 January 2021.....	14.9	4.9	19.8
Share of retained earnings.....	(0.5)	-	(0.5)
Additions.....	-	0.7	0.7
Impairments.....	-	(1.0)	(1.0)
Reductions.....	(0.1)	-	(0.1)
At 31 December 2021.....	14.3	4.6	18.9
Share of retained earnings.....	1.6	-	1.6
Additions.....	-	0.2	0.2
Disposals.....	-	(0.1)	(0.1)
Exchange.....	0.2	-	0.2
At 31 December 2022.....	16.1	4.7	20.8



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11 INVESTMENTS (continued)

11(b) Investments in equity-accounted investees, joint operations and other investments (continued)

Set out below is the summarised financial information of INEOS Runcorn (TPS) Holdings Limited and its subsidiaries ("Runcorn TPS"), which the Group considers to be a material associated undertaking as at 31 December 2021 and 2022. Runcorn TPS is the owner and operator of a waste to energy plant in the United Kingdom.

Summarised balance sheet

	2022	2021
	Runcorn TPS	
	€m	
Current assets	7.8	6.2
Non-current assets	25.1	28.2
Current liabilities	(1.6)	(1.7)
Non-current liabilities	(15.2)	(18.4)
Net assets	16.1	14.3

Summarised income statement

	2022	2021
	Runcorn TPS	
	€m	
Revenue	11.1	10.8
Expenses	(9.5)	(11.3)
Profit/(loss) for the year	1.6	(0.5)

Other investments primarily consist of the Group's 7.3% shareholding in Energy For Growth Societa' Consortile A Responsabilita' Limitata and 14.3% shareholding in Power to Methanol Antwerp B.V.

Energy For Growth Societa' Consortile A Responsabilita' Limitata is a consortium of Italian chemical companies which contributes to the funding of new interconnector construction projects between Italy and neighbouring countries, whilst Power to Methanol Antwerp B.V. is a consortium of seven partners who are investigating the feasibility of producing methanol from a combination of captured carbon dioxide and sustainably generated hydrogen using a demonstration-scale production facility at Antwerp, Belgium. The Group made further capital injections totalling €0.2 million to these two projects in 2022.



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11 INVESTMENTS (continued)

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(A)	Bankes Lane Office, Bankes Lane, P.O. Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom
(B)	Rafnes Industriområde, 3966 Stathelle, Norway
(C)	444-83 Stenungsund, Sweden
(D)	Luna Arena, Herikerbergweg 238, Amsterdam, The Netherlands, 1101 CM
(E)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(F)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(G)	Calle Marie Curie 1-3-5, 08760 Martorell, Barcelona, Spain
(H)	Hohenstaufengasse 9 DG, A-1010 Wien, Austria
(I)	Rue Solvay 39, 5190 Jemeppe-sur-Sambre, Belgium
(J)	2 Avenue de la République, 39500 Tavaux, France
(K)	Rua do Centro Cultural nº 5 – R/C, sala 8, 1700-106 Lisboa, Portugal
(L)	Via Marconi 73, 44122 Ferrara (FE), Italy
(M)	Rosignano Marittimo (LI), Via Piave 6 CAP 57016, Italy
(N)	Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
(O)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT
(P)	Postboks 1367 – Vika, 0114 Oslo, Norway
(Q)	Calle Principe de Vergara 204 – Primero C – 28002, Madrid, Spain
(R)	Rue de la Religion, 10, 1400 Nivelles, Belgium
(S)	Mainzer Landstraße 55, 60329 Frankfurt am Main, Germany
(T)	Verkstadsvagen 11, 44431 Stenungsund, Sweden
(U)	Paniglgasse 24/I/19a, A-1040 Wien, Austria
(V)	12 Rue Raoul Nordling CS 7001, 92270 Bois Colombes, France
(W)	Fregatten 3, 444-30 Stenungsund, Sweden
(X)	Via Giovanni Da Procida, 11, 20149, Milan, Italy
(Y)	Scheldelaan 480, 2040 Antwerpen, Belgium
(Z)	Via Magona, 57023 Cecina, Italy

12 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022	2021	2022	2021
	Assets		Liabilities	
	€m			
Property, plant and equipment.....	30.8	40.6	(70.6)	(66.1)
Provisions.....	6.8	8.6	-	(1.1)
Tax value of loss carry-forwards.....	53.0	82.1	-	-
Employee benefits.....	25.7	24.0	(3.2)	(5.8)
Untaxed reserves.....	-	-	(7.7)	(9.4)
Other.....	4.1	5.7	(0.5)	(0.6)
Net tax assets/(liabilities).....	120.4	161.0	(82.0)	(83.0)



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12 DEFERRED TAX ASSETS AND LIABILITIES (continued)

Movement in deferred tax during the year

2022					
1 January	Recognised in income statement	Recognised in equity – translation exchange €m	Recognised in equity – actuarial	31 December	
Property, plant and equipment	(25.5)	(9.4)	(4.9)	-	(39.8)
Provisions	7.5	(0.7)	-	-	6.8
Tax value of loss carry-forwards	82.1	(29.0)	(0.1)	-	53.0
Employee benefits	18.2	(10.0)	0.4	13.9	22.5
Untaxed reserves.....	(9.4)	1.0	0.7	-	(7.7)
Other	5.1	(1.5)	-	-	3.6
	78.0	(49.6)	(3.9)	13.9	38.4

2021					
1 January	Recognised in income statement	Recognised in equity – translation exchange €m	Recognised in equity – actuarial	31 December	
Property, plant and equipment	(25.1)	1.0	(1.4)	-	(25.5)
Inventories	(0.3)	0.3	-	-	-
Provisions	-	7.5	-	-	7.5
Tax value of loss carry-forwards	52.3	29.8	-	-	82.1
Employee benefits	34.3	(12.7)	-	(3.4)	18.2
Untaxed reserves.....	(9.6)	-	0.2	-	(9.4)
Other	2.4	2.8	(0.1)	-	5.1
	54.0	28.7	(1.3)	(3.4)	78.0

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable based on an assessment of expected future profits modelled against the gross tax losses available over a period of 5 years. The Group did not recognise gross deductible temporary differences of €192.2 million (2021: €194.5 million), the majority of which relate to trading losses.

13 INVENTORIES

	2022	2021
	€m	
Raw materials and consumables.....	168.6	139.4
Work in progress	38.6	60.6
Finished goods.....	214.5	174.6
	421.7	374.6

Raw materials and consumables of €55.2 million (2021: €46.3 million) are expected to be recovered in more than 12 months.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €3,463.9 million (2021: €2,942.9 million). The write-down of inventories to net realisable value amounted to €1.1 million (2021: €nil). The reversal of previous write-downs of inventories to net realisable value amounted to €1.4 million (2021: €nil).



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14 TRADE AND OTHER RECEIVABLES

	2022	2021
	€m	
Current		
Trade receivables.....	536.6	546.8
Amount owed by parent undertaking	150.0	-
Amounts owed by related parties and associated undertakings.....	43.5	57.2
Other receivables.....	156.9	178.6
Prepayments and accrued income.....	9.9	7.3
	<u>896.9</u>	<u>789.9</u>
Non-current		
Amounts owed by related parties and associated undertakings.....	28.9	30.8
Other receivables.....	34.9	15.4
Prepayments and accrued income.....	1.4	1.4
	<u>65.2</u>	<u>47.6</u>

Amount owed by parent undertaking

In December 2022, the Group lent €150.0 million to INEOS Quattro Financing Limited. The loan has a term of twelve months, unless the lender agrees to extend the facility for a further twelve months at each maturity date. Interest is equivalent to one month EURIBOR.

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

	2022			2021		
	Gross €m	Impairment €m	ECLR %	Gross €m	Impairment €m	ECLR %
Not past due.....	518.1	-	-	537.9	-	-
Past due 0 – 30 days.....	18.2	-	-	8.5	-	-
Past due 31 – 90 days.....	0.1	-	-	0.1	-	-
Past due more than 90 days	5.8	(5.6)	96.6%	7.4	(7.1)	95.9%
	<u>542.2</u>	<u>(5.6)</u>	<u>1.0%</u>	<u>553.9</u>	<u>(7.1)</u>	<u>1.3%</u>

There were no allowances made against amounts owed by related parties and other receivables during the year (2021: €nil).

The amounts receivable not yet due after impairment losses as at the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of customers and external credit checks where appropriate for new customers (see note 23(c)). At 31 December 2021 and 2022 there were no significant trade, related party or other receivable balances classified as “not past due” that were subsequently impaired.

Due to the global activities and diversified customer structure of the Group, management considers that there is no significant concentration of credit risk (2021: nil). During 2021 and 2022 there were no significant trade balances that were subject to material renegotiation of terms.

Trade receivable balances totalling €248.6 million (2021: €243.2 million) have been pledged as security against amounts drawn under the Securitisation Facility, totalling €nil (2021: €nil). In accordance with IFRS 9 “Financial Instruments” the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

The movement in the allowance for impairment in respect of trade receivables (as per this note) during the year was as follows:

	2022	2021
	€m	
Balance at 1 January.....	(7.1)	(7.4)
Reversal of impairment	-	0.4
Utilised	1.4	-
Effects of movement in foreign exchange.....	0.1	(0.1)
Balance 31 December	<u>(5.6)</u>	<u>(7.1)</u>



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14 TRADE AND OTHER RECEIVABLES (continued)

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The Group applies the forward-looking ‘expected credit loss’ (ECL) model in line with IFRS 9 in assessing the recoverability of trade receivables. The ECL is calculated considering past experiences and management’s estimate of future developments. Management expects no considerable change in the future market situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Group reviews the assumptions of the ECL model on a yearly basis.

Credit risk of trade receivables

	2022	2021
	€m	
Low	536.4	546.5
Medium	0.4	2.9
High.....	5.4	4.5
Impairment allowance	(5.6)	(7.1)
	536.6	546.8

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency or dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

15 INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group’s interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group’s exposure to interest rate and foreign currency risk see note 23(e).

	2022	2021
	€m	
Non-current liabilities		
Loan from parent undertaking	1,064.3	1,064.3
Loan from related party	41.7	39.8
Securitisation facility	-	-
Other loans	0.1	0.2
Gross borrowings	1,106.1	1,104.3
Less: unamortised finance costs	(0.2)	(0.3)
Net borrowings	1,105.9	1,104.0



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15 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Gross debt and issue costs	2022		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
	€m		
Loan from parent undertaking	1,064.3	-	1,064.3
Loan from related party	41.7	-	41.7
Securitisation facility	-	(0.2)	(0.2)
Other loans	0.1	-	0.1
	1,106.1	(0.2)	1,105.9

Gross debt and issue costs	2021		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
	€m		
Loan from parent undertaking	1,064.3	-	1,064.3
Loan from related party	39.8	-	39.8
Securitisation facility	-	(0.3)	(0.3)
Other loans	0.2	-	0.2
	1,104.3	(0.3)	1,104.0

**Terms and debt repayment
schedule as at 31 December 2022**

	Currency	Nominal interest rate	Year of maturity
Loan from parent undertaking	€	2.7%	No fixed repayment date
Loan from related party	€	4.5%	No fixed repayment date
Securitisation facility	\$/€/£	Variable	2024

Loan from parent undertaking

On 29 January 2021, the aggregate principal amount of Senior Secured Term Loan B outstanding of €1,064.3 million plus accrued interest was repaid in full using the proceeds from a loan of €1,064.3 million from the Group's 94.9% shareholder, INEOS Quattro Financing Limited. The loan from INEOS Quattro Financing Limited bears interest at 2.70% per annum and has no fixed repayment date.

Loan from related party

Loan from related party represents a €41.7 million (2021: €39.8 million) loan from INEOS Enterprises Holdings Limited bearing interest at 4.5% per annum. The loan has no fixed repayment date.

Securitisation facility

INOVYN Group Treasury Limited and certain other INOVYN business' companies are party to a trade receivables securitisation programme (the "INOVYN Securitisation Programme") with Barclays Bank PLC, ING Belgium N.V. and HSBC Bank PLC who act as lenders, liquidity providers and programme agents. On 28 June 2021, the Group renegotiated its INOVYN Securitisation Programme. The maximum amount available under the INOVYN Securitisation Programme is €240.0 million subject to a borrowing limit that is adjusted periodically based on the amount of eligible trade receivables at that time. The facility is secured on certain of the Group's trade receivables and matures on 30 June 2024.

Up until 28 June 2021, for drawn amounts, the INOVYN Securitisation Programme facility bore interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 1.1%, except that if any lending was funded other than by issuing Commercial Paper then the applicable interest rate was EURIBOR / LIBOR plus 1.1%. For undrawn amounts, the facility bore interest of 0.5%. From 28 June 2021, for drawn amounts, the revised facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.95%, except that if any lending is funded other than by issuing Commercial Paper then the applicable interest rate is SONIA/SOFR plus 0.95%. For undrawn amounts, the facility bears interest of 0.5%.



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15 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Other facilities

The Group has on-demand letter of credit facilities with ING Bank N.V. and Barclays Bank PLC with an aggregate base currency amount of up to €40.0 million; €30.0 million of which is available under the ING Bank N.V. facility and €10.0 million of which is available under the Barclays Bank PLC facility. At 31 December 2022, €9.3 million (2021: €9.9 million) of certain bank guarantees and letters of credit of the Group were provided for under these facilities. Under the terms of each letter of credit facility, the Group will provide cash collateral of the value of outstanding letters of credit, bonds, guarantees and indemnities when provided. These facilities are uncommitted and there is no expiry date.

In addition, certain guarantees from banks and other financial institutions have been provided under non cash-backed arrangements with those institutions. The majority of these guarantees are to support energy purchasing arrangements and operating licenses from regulatory bodies. As at 31 December 2022, these amounted to €33.2 million (2021: €28.3 million).

16 LEASE OBLIGATIONS

Analysed as:

	2022	2021
	€m	
Current lease liabilities	25.2	27.5
Non-current lease liabilities	42.2	45.9
	<u>67.4</u>	<u>73.4</u>

Maturity analysis – contractual undiscounted cash flows:

	2022	2021
	€m	
Less than one year	27.5	29.4
Between one and five years	31.2	31.7
More than five years	20.9	24.9
Total undiscounted lease liabilities at 31 December	<u>79.6</u>	<u>86.0</u>

Amounts recognised in the statement of cash flows:

	2022	2021
	€m	
Lease capital payments	30.0	28.9
Lease interest payments	2.3	2.7
Short-term leases	4.7	3.8
Leases of low value assets	0.2	0.2
Total cash outflow for leases	<u>37.2</u>	<u>35.6</u>

The Group has entered into a number of significant lease arrangements relating to off-site storage capacity, rail cars, land and buildings, and air separation plants used for the generation of industrial gases.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.



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17 TRADE AND OTHER PAYABLES

	2022	2021
	€m	
Current		
Trade payables and accruals	655.1	723.3
Amounts owed to parent undertaking	14.8	9.7
Amounts owed to related parties and associated undertakings	231.9	184.2
Deferred income	7.1	7.4
Other payables and accruals	253.2	251.0
	1,162.1	1,175.6
Non-current		
Deferred income	104.7	112.2
Other payables and accruals	10.6	11.5
	115.3	123.7

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

18 EMPLOYEE BENEFITS

The Group operates a number of pension plans in Europe, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and are funded by payments to separately administered funds or insurance companies. The Group also operates a number of unfunded defined benefit pension schemes in the United Kingdom, Belgium, France, Germany, Italy, Norway, Spain and Austria.

The most recent full valuations of the significant defined benefit plans were carried out as follows:

Plan	Country	Valuation date
All Plans	United Kingdom	4 May 2022
All Plans	Norway	31 December 2022
All Plans	Belgium	31 December 2022
All Plans	France	31 December 2022
All Plans	Germany	31 December 2022
All Plans	Italy	31 December 2020
All Plans	Spain	31 December 2022
All Plans	Austria	31 December 2022

Where the most recent full valuations were carried out prior to the balance sheet date, these have been updated to 31 December 2022 by independent qualified actuaries.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in the United Kingdom and Other European countries (which includes Norway, Germany, Spain, Italy, Belgium, Austria and France).

The United Kingdom defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60, and are closed to new entrants and future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the United Kingdom plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The Other European defined benefit pension arrangements are primarily final salary in nature, the majority of which are closed to new entrants, or frozen to future accrual.

The Group also operates a number of post-retirement healthcare plans, which provide employees with other post-employment benefits in respect of health care. The plans are unfunded and the liability in respect of these benefits is assessed by qualified independent actuaries under the projected unit method.



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18 EMPLOYEE BENEFITS (continued)

Pension plan assumptions

The major actuarial assumptions (expressed as weighted averages or ranges) at year end were as follows:

	United Kingdom		Other European	
	2022	2021	2022	2021
			%	
Price inflation.....	3.20	3.20	2.00 – 2.50	1.50 – 2.00
Discount rate for scheme liabilities.....	5.00	1.90	3.40 – 3.80	0.50 – 2.25
Rate of increase in pensionable salaries.....	n/a	n/a	0.00 – 4.90	0.25 – 4.25
Rate of increase in pensions in payment.....	3.00 – 3.70	2.20 – 3.70	0.29 – 2.50	(2.90) – 2.00
Rate of increase for deferred pensioners.....	2.80 – 3.20	2.90 – 3.20	0.00 – 2.50	0.00 – 2.00
Healthcare medical trend rate (initial)	5.40	5.40	2.40	2.00
Healthcare medical trend rate (ultimate).....	5.40	5.40	2.40	2.00

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	United Kingdom		Other European	
	2022	2021	2022	2021
	(Years)			
Longevity at age 65 for current pensioners	21.8 – 21.9	21.8 – 22.2	20.6 – 25.0	20.4 – 24.9

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2022	
	United Kingdom	Other European
	€m	
Discount rate: 1% decrease	116.6	21.3
Rate of inflation: 0.5% increase ⁽¹⁾	25.0	7.0
Mortality: 1 year increase in longevity for a member currently aged 65...	24.3	4.6

	2021	
	United Kingdom	Other European
	€m	
Discount rate: 1% decrease	325.5	36.5
Rate of inflation: 0.5% increase ⁽¹⁾	110.8	10.4
Mortality: 1 year increase in longevity for a member currently aged 65...	57.3	7.0

⁽¹⁾ The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.



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18 EMPLOYEE BENEFITS (continued)

Pension assets

The disclosures relating to the net pension assets are disclosed below:

The amounts recognised in the consolidated balance sheet are as follows:

	2022	2021
	United Kingdom	
	€m	
Equities	0.8	89.5
Bonds.....	255.2	961.8
Property	-	14.0
Other.....	60.6	317.6
Fair value of plan assets	316.6	1,382.9
Present value of funded obligations.....	(298.2)	(1,326.0)
Net pension asset.....	18.4	56.9

Other investments largely consist of quoted instruments. There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the consolidated income statement are as follows:

	2022	2021
	United Kingdom	
	€m	
Current service cost ⁽¹⁾	(1.4)	(0.9)
Expected return on plan assets ⁽²⁾	25.5	8.2
Interest cost on obligation ⁽²⁾	(24.1)	(7.6)
Total.....	-	(0.3)

⁽¹⁾Included within operating profit

⁽²⁾Included within finance costs

Reconciliation of present value of scheme liabilities:

	2022	2021
	United Kingdom	
	€m	
At 1 January.....	(1,326.0)	(465.0)
Current service cost	(1.4)	(0.9)
Interest cost.....	(24.1)	(7.6)
Reclassification to/(from) pension liabilities	488.7	(862.8)
Benefits paid	78.2	26.4
Actuarial loss - experience.....	(4.4)	(0.7)
Actuarial gain/(loss) - assumptions.....	470.2	(5.4)
Exchange adjustments	20.6	(10.0)
At 31 December.....	(298.2)	(1,326.0)



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18 EMPLOYEE BENEFITS (continued)

Pension assets (continued)

Reconciliation of fair value of scheme assets:

	2022	2021
	United Kingdom	
	€m	
At 1 January	1,382.9	498.0
Expected return on scheme assets	25.5	8.2
Employer contributions	28.3	8.7
Reclassification (to)/from pension liabilities	(466.6)	875.0
Benefits paid	(78.2)	(26.4)
Actuarial (loss)/gain	(552.8)	6.9
Exchange adjustments	(22.5)	12.5
At 31 December	316.6	1,382.9

Pension liabilities

The disclosures relating to the net pension liabilities are disclosed below:

The amounts recognised in the consolidated balance sheet are as follows:

	2022	2021	2022	2021	2022	2021
	United Kingdom		Other European		Total	
	€m					
Equities	-	-	42.1	48.9	42.1	48.9
Bonds	153.1	1.2	34.1	34.8	187.2	36.0
Property	-	-	11.0	7.5	11.0	7.5
Other	281.3	0.7	24.2	29.7	305.5	30.4
Fair value of plan assets	434.4	1.9	111.4	120.9	545.8	122.8
Present value of funded obligations ...	(456.3)	(2.4)	(159.2)	(185.4)	(615.5)	(187.8)
Present value of unfunded obligations	(0.3)	(0.5)	(88.4)	(112.5)	(88.7)	(113.0)
Net pension liability	(22.2)	(1.0)	(136.2)	(177.0)	(158.4)	(178.0)

The majority of the assets invested in property are unquoted. All other investments are largely in quoted instruments. Equities comprise of well-diversified holdings over a wide range of global markets.

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

The amounts recognised in the consolidated income statement are as follows:

	2022	2021	2022	2021	2022	2021
	United Kingdom		Other European		Total	
	€m					
Current service cost ⁽¹⁾	-	(1.7)	(8.9)	(9.5)	(8.9)	(11.2)
Expected return on plan assets ⁽²⁾	-	12.7	1.5	0.9	1.5	13.6
Interest cost on obligation ⁽²⁾	-	(12.9)	(3.6)	(2.3)	(3.6)	(15.2)
Total	-	(1.9)	(11.0)	(10.9)	(11.0)	(12.8)

⁽¹⁾ Included within operating profit

⁽²⁾ Included within finance costs.



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18 EMPLOYEE BENEFITS (continued)

Pension liabilities (continued)

Reconciliation of present value of scheme liabilities:

	2022	2021	2022	2021	2022	2021
	United Kingdom		Other European		Total	
	€m					
At 1 January	(2.9)	(799.5)	(297.9)	(305.5)	(300.8)	(1,105.0)
Current service cost	-	(1.7)	(8.9)	(9.5)	(8.9)	(11.2)
Interest cost	-	(12.9)	(3.6)	(2.3)	(3.6)	(15.2)
Reclassification (from)/to pension assets	(488.7)	862.8	-	-	(488.7)	862.8
Benefits paid	-	51.5	17.8	14.0	17.8	65.5
Actuarial gain/(loss) - experience	0.2	1.2	(4.5)	(5.2)	(4.3)	(4.0)
Actuarial gain/(loss) - assumptions	1.3	(17.0)	47.5	9.3	48.8	(7.7)
Exchange adjustments	33.5	(87.3)	2.0	1.3	35.5	(86.0)
At 31 December	(456.6)	(2.9)	(247.6)	(297.9)	(704.2)	(300.8)

Reconciliation of fair value of scheme assets:

	2022	2021	2022	2021	2022	2021
	United Kingdom		Other European		Total	
	€m					
At 1 January	1.9	771.7	120.9	112.8	122.8	884.5
Expected return on scheme assets	-	12.7	1.5	0.9	1.5	13.6
Employer contributions	0.2	32.7	23.0	16.7	23.2	49.4
Reclassification from/(to) pension assets	466.6	(875.0)	-	-	466.6	(875.0)
Benefits paid	-	(51.5)	(17.8)	(14.0)	(17.8)	(65.5)
Actuarial (loss)/gain	(0.6)	25.0	(15.0)	5.9	(15.6)	30.9
Exchange adjustments	(33.7)	86.3	(1.2)	(1.4)	(34.9)	84.9
At 31 December	434.4	1.9	111.4	120.9	545.8	122.8

Depending on prevailing exchange rates, the Group expects to contribute approximately €34.5 million to its defined pension plans in 2023.



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19 PROVISIONS

	Severance and restructuring	Environmental	Plant closures	Other provisions	Total
	€m				
At 1 January 2022	1.3	197.1	12.8	2.7	213.9
Charged/credited to the consolidated income statement - non-exceptional items	0.1	(0.2)	-	0.4	0.3
Adjustment for change in discount rate, net of discount unwinding	-	(12.5)	(0.3)	(0.1)	(12.9)
Utilised in the year	(0.7)	(26.2)	(2.7)	(0.8)	(30.4)
Reclassifications	-	4.7	(4.0)	-	0.7
Effects of movement in foreign exchange.	(0.1)	(3.0)	(0.1)	-	(3.2)
At 31 December 2022	0.6	159.9	5.7	2.2	168.4
Non-current	0.2	157.0	6.2	-	163.4
Current	1.1	40.1	6.6	2.7	50.5
At 31 December 2021	1.3	197.1	12.8	2.7	213.9
Non-current	0.1	129.9	4.2	1.4	135.6
Current	0.5	30.0	1.5	0.8	32.8
At 31 December 2022	0.6	159.9	5.7	2.2	168.4

Severance and restructuring

Provisions of €0.1 million for severance payments were recognised in the year ended 31 December 2022 and cash of €0.7 million was spent in the year. The remaining provision of €0.6 million is expected to be fully utilised by 2025.

Environmental

Environmental provisions represent the expected cost of remediation works where there is a legal or constructive obligation for the works to be carried out and a reasonable estimate of the cost can be made. The majority of the provisions created in prior years relate to obligations associated with the remediation of mercury-based cell rooms at the Group's sites in Belgium, France, Sweden, Spain, Italy and United Kingdom, plus costs of complying with the EU Waste Water Directive in France.

In total, €26.2 million was spent on environmental-related provisions in the year and the remaining provisions of €159.9 million are expected to be utilised by 2047.

Plant closures

Plant closure provisions mainly relate to activities at Runcorn, United Kingdom in respect of the Sulphur Chemicals plant which closed in 2021 and Wilhelmshaven, Germany in respect of the mercury cell room which closed in 2013. The remaining provision of €5.7 million is expected to be fully utilised by 2027.

Other provisions

Other provisions relate to various miscellaneous legal claims and commercial disputes. An additional €0.4 million was recognised in the year. Cash of €0.8 million was spent in the year and the remaining provision of €2.2 million is expected to be fully utilised by 2027.



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20 OTHER FINANCIAL LIABILITIES

	2022	2021
	€m	
Current		
Derivative commodity contracts designated as fair value through profit or loss (note 23)	46.3	52.8

21 SHARE CAPITAL AND DIVIDENDS

Share capital

	As at 31 December 2022	As at 31 December 2021
	€	
10,001,001 (2021: 10,001,001) authorised and issued A Ordinary shares of £0.00001 each.....	117	117

As the reporting currency of the Group is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

The following dividends were recognised during the year:

	2022	2021
	€m	
Dividends declared.....	368.8	515.4

An interim dividend of €368.8 million was declared during the year (2021: €515.4 million declared). Of the €368.8 million declared in 2022, €350.0 million was settled in cash to the Group's 94.9% shareholder, INEOS Quattro Financing Limited in June 2022, whilst the €18.8 million payable to the minority 5.1% shareholder, INEOS Intermediate ChlorVinyls Limited is expected to be settled in 2023. Of the €515.4 million declared in 2021, €489.1 million was settled in cash to INEOS Quattro Financing Limited in November 2021, whilst the €26.3 million payable to INEOS Intermediate ChlorVinyls Limited was settled in June 2022.

The dividend declared equates to €36.9 per A Ordinary share (2021: €51.5 per A ordinary share).

22 MERGER RESERVE

On 1 July 2015, INEOS Group Investments Limited and a subsidiary of Solvay SA combined their European chlorvinyls activities in a joint venture headed by INEOS Inovyn Limited. INEOS Inovyn Limited acquired INOVYN Finance Limited and certain of its subsidiaries from INEOS Group Investments Limited, and acquired several legal entities from the Solvay group in exchange for a cash payment of €150.0 million. Solvay exited the joint venture and received €335.0 million for the redemption of their B ordinary shares. On 1 July 2015, €375.2 million was debited to a merger reserve, being the difference between the book value of the net assets acquired and the total consideration paid.

The merger reserve was further increased by €59.6 million in 2019 following the acquisition of INEOS Enterprises Group Limited and its subsidiary, Keuper Gas Storage Limited. The transaction was accounted for at book value since the acquisition involved two parties under common control.



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23 FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk (including currency and interest rate risk)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. They are responsible for developing and monitoring the Group's risk management policies. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

23(a) Fair values of financial instruments

Trade and other receivables

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short-term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Interest-bearing borrowings

The fair value of the Securitisation facility is the same as the carrying value excluding debt issue costs. The fair value of lease liabilities is determined by reference to market rates for similar lease agreements. The fair value of the related party and parent undertaking loans is the same as the carrying value.

Derivative financial instruments

The Group has entered into swap contracts designed to hedge floating electricity prices into a fixed price. The fair value is based on market or broker quotes.



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23 FINANCIAL INSTRUMENTS (continued)

23(a) Fair values of financial instruments (continued)

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	€m			
Financial assets held at amortised cost:				
Trade receivables	536.6	536.6	546.8	546.8
Amounts due from parent undertakings, related parties and associates	222.4	222.4	88.0	88.0
Other receivables (excluding prepayments and tax)	191.8	191.8	194.0	194.0
Other investments	4.7	4.7	4.6	4.6
Cash and cash equivalents	263.4	263.4	267.8	267.8
Total financial assets.....	1,218.9	1,218.9	1,101.2	1,101.2
Financial liabilities held for trading at fair value through profit or loss:				
Derivative commodity contracts	46.3	46.3	52.8	52.8
Financial liabilities carried at amortised cost:				
Securitisation facility	(0.2)	-	(0.3)	-
Loan from parent undertaking	1,064.3	1,064.3	1,064.3	1,064.3
Loan from related party	41.7	41.7	39.8	39.8
Other loans.....	0.1	0.1	0.2	0.2
Trade payables and accruals	655.1	655.1	723.3	723.3
Amounts due to parent undertaking	14.8	14.8	9.7	9.7
Amounts due to related parties and associated undertakings	231.9	231.9	184.2	184.2
Other payables and accruals.....	263.8	263.8	262.5	262.5
Lease liabilities	67.4	67.4	73.4	73.4
Total financial liabilities.....	2,385.2	2,385.4	2,409.9	2,410.2

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

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



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23 FINANCIAL INSTRUMENTS (continued)

23(a) Fair values of financial instruments (continued)

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	2022			
	Level			
	Fair value	1	2	3
	€m			
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(46.3)	-	(46.3)	-
	(46.3)	-	(46.3)	-
	2021			
	Level			
	Fair value	1	2	3
	€m			
Net financial assets and liabilities designated as fair value through profit or loss				
Derivative commodity contracts	(52.8)	-	(52.8)	-
	(52.8)	-	(52.8)	-

The derivative commodity contracts have been assigned to Level 2 since there are no market prices available. The fair value of derivatives is the value that the Group would receive or have to pay if the financial instrument were transferred to an external party at the reporting date. There have been no transfers from one level to another during 2021 and 2022.

23(b) Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of debt issue costs, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of debt issue costs, results from the translation of foreign currencies, interest expense and other financing related expenses.



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23 FINANCIAL INSTRUMENTS (continued)

23(b) Net gains and losses from financial instruments (continued)

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

	2022		
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial liabilities at amortised cost
	€m		
Gains from financial instruments			
Interest income.....	2.2	-	-
Foreign exchange gains.....	-	-	11.2
Net result.....	2.2	-	11.2
Carrying value at 31 December	1,218.9	-	-
Losses from financial instruments			
Interest cost.....	-	-	(35.4)
Amortisation of debt issue costs	-	-	(0.1)
Net fair value losses on derivatives.....	-	(21.6)	-
Foreign exchange losses.....	(9.7)	-	-
Net result.....	(9.7)	(21.6)	(35.5)
Carrying value at 31 December	-	(46.3)	(2,338.9)
	2021		
	Financial assets at amortised cost	Fair value recognised in profit or loss	Financial liabilities at amortised cost
	€m		
Gains from financial instruments			
Interest income.....	2.2	-	-
Foreign exchange gains.....	20.4	-	-
Net result.....	22.6	-	-
Carrying value at 31 December	1,101.2	-	-
Losses from financial instruments			
Interest cost.....	-	-	(35.5)
Amortisation of debt issue costs	-	-	(5.7)
Net fair value losses on derivatives.....	-	(41.9)	-
Foreign exchange losses.....	-	-	(13.0)
Net result.....	-	(41.9)	(54.2)
Carrying value at 31 December	-	(52.8)	(2,357.1)



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23 FINANCIAL INSTRUMENTS (continued)

23(c) Credit risk

Financial risk management

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

The Group's treasury policy and objectives in relation to credit risk is to minimise the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. No single customer accounts for more than 5% of revenue.

Investments, cash and cash equivalent

Surplus cash investments are only made with banks with which the Group has a relationship. Occasionally deposits are made with banking counterparties that provide financing arrangements, reducing the credit exposure of the Group.

Guarantees

Certain bank guarantees to support energy purchasing and operating licenses from regulatory bodies are provided via a combination of cash-backed bank guarantee facilities with Barclays Bank plc and ING Bank N.V and non-cash backed guarantees with other banks and financial institutions. As at 31 December 2022, the amount provided under cash-backed and non-cash backed guarantees was €9.3 million (2021: €9.9 million) and €33.2 million (2021: €28.3 million) respectively.

The Group has provided parental guarantees in favour of the trustees of certain closed defined benefit pension schemes in the United Kingdom in order to provide additional security. Besides this, the Group's general policy is to provide financial guarantees only to wholly-owned subsidiaries.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk, and the associated impairments recognised, are given in note 14.

23(d) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and has significant headroom on the Securitisation facility (see note 15).

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



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23 FINANCIAL INSTRUMENTS (continued)

23(d) Liquidity risk (continued)

The maturity profile of the Group's undrawn committed facilities at 31 December 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
	<u>Undrawn facilities</u>	<u>Undrawn facilities</u>
	€m	
In less than one year	-	-
In more than one year, but not more than two years.....	240.0	-
In more than two years, but not more than five years.....	-	240.0
	<u>240.0</u>	<u>240.0</u>

The undrawn committed facilities are in respect of the unused securitisation facility of €240.0 million (2021: €240.0 million). The securitisation facility was renegotiated during 2021 with the maximum available remaining unchanged at €240.0 million. The maturity date is 30 June 2024.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	<u>2022</u>					
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year or less</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>5 years and over</u>
	€m					
Non-derivative financial liabilities						
Securitisation facility	(0.2)	(1.8)	(1.2)	(0.6)	-	-
Loan from parent undertaking	1,064.3	(1,208.0)	(28.7)	(28.7)	(86.3)	(1,064.3)
Loan from related party	41.7	(51.9)	-	-	-	(51.9)
Other loans	0.1	(0.2)	-	(0.1)	(0.1)	-
Trade payables and accruals	655.1	(655.1)	(655.1)	-	-	-
Amounts due to parent undertaking..	14.8	(14.8)	(14.8)	-	-	-
Amounts due to related parties and associated undertakings	231.9	(231.9)	(231.9)	-	-	-
Other payables and accruals	263.8	(263.8)	(253.1)	(7.1)	(2.9)	(0.7)
Lease obligations	67.4	(79.6)	(27.5)	(12.4)	(18.8)	(20.9)
Derivative financial liabilities						
Commodity contracts.....	46.3	(46.3)	(46.3)	-	-	-
	<u>2,385.2</u>	<u>(2,553.4)</u>	<u>(1,258.6)</u>	<u>(48.9)</u>	<u>(108.1)</u>	<u>(1,137.8)</u>



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23 FINANCIAL INSTRUMENTS (continued)

23(d) Liquidity risk (continued)

Financial risk management (continued)

	Carrying amount	Contractual cash flows	2021			
			1 year or less	1 to 2 years	2 to 5 years	5 years and over
€m						
Non-derivative financial liabilities						
Securitisation facility	(0.3)	(3.0)	(1.2)	(1.2)	(0.6)	-
Loan from parent undertaking	1,064.3	(1,207.9)	(28.7)	(28.7)	(86.2)	(1,064.3)
Loan from related party	39.8	(49.6)	-	-	-	(49.6)
Other loans	0.2	(0.2)	-	(0.1)	(0.1)	-
Trade payables and accruals	723.3	(723.3)	(723.3)	-	-	-
Amounts due to parent undertaking..	9.7	(9.7)	(9.7)	-	-	-
Amounts due to related parties and associated undertakings	184.2	(184.2)	(184.2)	-	-	-
Other payables and accruals	262.5	(262.5)	(251.0)	(9.0)	(2.0)	(0.5)
Lease obligations	73.4	(86.0)	(29.4)	(13.6)	(18.1)	(24.9)
Derivative financial liabilities						
Commodity contracts	52.8	(52.8)	(52.8)	-	-	-
	2,409.9	(2,579.2)	(1,280.3)	(52.6)	(107.0)	(1,139.3)

23(e) Market risk

Financial risk management

Market risk reflects the possibility that changes in market prices, such as foreign exchange rates, interest rates, crude oil, key feedstocks and raw materials will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Market risk - Foreign currency risk

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

The Group benefits from natural hedging, to the extent that the vast majority of the Group's revenues are generated in Euros which is the same currency as the Group's borrowings. Moreover, most of the Group's key feedstocks and other raw material costs are denominated in Euros.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future.

The foreign currency exposure where the Group's financial assets/(liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the consolidated income statement.

	2022	2021
€m		
Euros	(3.7)	83.2
Pounds Sterling	28.6	16.7
Norwegian Krone	31.8	20.3
US Dollars	(0.3)	19.0
Others	1.3	2.6
	57.7	141.8



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

23 FINANCIAL INSTRUMENTS (continued)

23(e) Market risk (continued)

(i) Market risk - Foreign currency risk (continued)

Sensitivity analysis

A 10% per cent weakening of the following currencies at 31 December 2022 and 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative year.

	2022	2021	2022	2021
	Equity		Profit or loss	
	€m			
Euros	-	-	0.3	(7.6)
Pounds Sterling	-	-	(2.5)	(1.5)
Norwegian Krone	-	-	(2.9)	(1.8)
US Dollars	-	-	-	(1.7)
Other	-	-	(0.1)	(0.5)

A 10% per cent strengthening of the above currencies against the Euro at 31 December 2022 and 31 December 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Market risk – Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2022	2021
	€m	
Fixed rate instruments		
Financial liabilities	(1,173.4)	(1,177.5)
	(1,173.4)	(1,177.5)
Variable rate instruments		
Financial assets	413.4	267.8
Financial liabilities	(0.1)	(0.1)
	413.3	267.7

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates and financial instrument at fair value through profit or loss. The analysis is performed on the same basis for 2022 and 2021.

INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

23 FINANCIAL INSTRUMENTS (continued)

23(e) Market risk (continued)

(ii) Market risk – Interest rate risk (continued)

Profit or (loss)	2022	2021
	€m	
Increase in interest rates by 1% on variable rate instruments.....	4.1	2.7

A 1% change in the opposite direction of the above interest rates at 31 December 2022 and 31 December 2021 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iii) Market risk – Commodity price risk

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

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

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

The Group in some circumstances enters into swap contracts to acquire physical volumes of commodities at future dates which are not covered under the own use exemption and are recognised as derivative instruments. Derivative commodity contracts designated as fair value through profit or loss are disclosed in note 20.

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

23(f) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €1,295.5 million (2021: €993.1 million) as shareholders' equity of €452.8 million (2021: equity of €156.6 million) and net debt (total loans and borrowings less cash and cash equivalents) of €842.7 million (2021: €836.5 million).

The principal sources of debt available to the Group at 31 December 2022 include the long-term loan from INEOS Quattro Financing Limited and the Securitisation Facility and are described in note 15 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

24 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2022	2021
	€m	
(Decrease)/increase in cash and cash equivalents in the year	(2.3)	144.1
Cash inflow/(outflow) from change in debt financing	0.1	(1.7)
Change in net debt resulting from cash flow	(2.2)	142.4
Other net non-cash transactions	(4.0)	5.4
Movement in net debt in the year	(6.2)	147.8

Following the application of IFRS 16 *Leases* on 1 January 2019, all lease liabilities have been excluded from the definition of net debt.

	2022			
	1 January 2022	Cash flow	Foreign exchange and other non-cash changes	31 December 2022
	€m			
Cash at bank and in hand	267.8	(2.3)	(2.1)	263.4
Debt due in less than one year	-	-	-	-
Debt due after more than one year	(1,104.3)	0.1	(1.9)	(1,106.1)
	(1,104.3)	0.1	(1.9)	(1,106.1)
Net debt before issue costs	(836.5)	(2.2)	(4.0)	(842.7)

	2021			
	1 January 2021	Cash flow	Foreign exchange and other non-cash changes	31 December 2021
	€m			
Cash at bank and in hand	118.3	144.1	5.4	267.8
Debt due within one year	-	(1.8)	1.8	-
Debt due after more than one year	(1,102.6)	0.1	(1.8)	(1,104.3)
	(1,102.6)	(1.7)	-	(1,104.3)
Net debt	(984.3)	142.4	5.4	(836.5)

Other non-cash losses of €2.1 million (2021: gains of €5.4 million) on cash at bank and in hand is in respect of foreign exchange movements. Other non-cash losses of €1.9 million (2021: losses of €1.8 million) for debt due after more than one year is in respect of capitalised interest.

25 CAPITAL COMMITMENTS

Outstanding capital expenditure on property, plant and equipment authorised by the Directors of Group companies and for which contracts had been placed as at 31 December 2022 by the Group amounted to approximately €128.9 million (2021: €78.6 million).

26 CONTINGENCIES

The Group companies are and may from time to time be involved in proceedings or litigation arising in the ordinary course of business. Management does not believe that the ultimate resolution of these matters will materially affect the Group's financial condition or results of operations.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

27 RELATED PARTIES

Related parties comprise:

- INEOS Limited (the ultimate parent company of INEOS Inovyn Limited) and its subsidiaries not included within the INEOS Inovyn Limited group;
- Entities controlled by the shareholders of INEOS Limited;
- Key management personnel;
- Jointly controlled entities and associated undertakings held by INEOS Limited (and their subsidiaries);
- Jointly controlled entities and associated undertakings held within the INEOS Inovyn Limited group.

Mr J A Ratcliffe, Mr A C Currie and Mr J Reece are shareholders in INEOS Limited.

Parent entities and their subsidiaries not included within the INEOS Inovyn Limited group

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

	2022		2021	
	Transaction value – income/(expense)	Balance outstanding	Transaction value – income/(expense)	Balance outstanding
		€m		
Sale of products.....	161.9	-	140.0	-
Purchase of raw materials.....	(680.6)	-	(557.5)	-
Cost recoveries.....	78.9	-	62.8	-
Services received.....	(118.5)	-	(65.0)	-
Net interest.....	(31.0)	-	(28.4)	-
Trade and other receivables.....	-	42.9	-	34.6
Loans receivable.....	-	150.0	-	-
Trade and other payables.....	-	(225.5)	-	(149.1)
Interest-bearing loans and borrowings.....	-	(1,106.0)	-	(1,104.1)

Included within services above is a management fee paid to INEOS Limited of €27.8 million (2021: €25.8 million). No amounts remained outstanding at the year-end (2021: €nil).

In general, all outstanding balances with INEOS companies are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date, with the exception of the interest-bearing loans and borrowings. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2022 (2021: €nil).

Interest-bearing loans and borrowings consists of a €1,064.3 million (2021: €1,064.3) loan from INEOS Quattro Financing Limited bearing interest at 2.70% per annum and a €41.7 million (2021: €39.8 million) loan from INEOS Enterprises Holdings Limited bearing interest at 4.5% per annum. Neither loan has a fixed repayment date.

Entities controlled by the shareholders of INEOS Limited

The shareholders of INEOS Limited own a controlling interest in the share capital of INEOS Limited and Screencondor Limited. During the year ended 31 December 2022, the Group made no sales or purchases with these companies (2021: €nil). As at 31 December 2022, amounts owed by Screencondor Limited were €1.4 million (2021: €1.2 million).



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

27 RELATED PARTIES (continued)

Jointly controlled entities and associated undertakings held within the INEOS Limited group and jointly controlled entities and associated undertakings held within the INEOS Inovyn Limited group.

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

	2022		2021	
	Transaction value – income/(expense)	Balance outstanding	Transaction value – income/(expense)	Balance outstanding
				€m
Sale of products.....	0.9	-	0.4	-
Purchase of raw materials.....	(226.0)	-	(159.9)	-
Cost recoveries.....	235.3	-	191.5	-
Services received.....	(0.1)	-	-	-
Net interest.....	1.5	-	2.0	-
Trade and other receivables.....	-	15.7	-	37.8
Loans receivable.....	-	12.4	-	14.4
Trade and other payables.....	-	(21.2)	-	(44.8)

In general, all outstanding balances with these related parties are priced based on contractual arrangements and are to be settled in cash within two months of the reporting date with the exception of the loans receivable. None of the balances are secured. The transactions were made on terms equivalent to those that prevail in arm's length transactions. There were no provisions for doubtful debt related to these entities as at 31 December 2022 (2021: €nil).

Transactions with key management personnel

Key management personnel are Directors and other members of the executive committee representing the business segments. The compensation of key management personnel including the Directors is as follows:

	2022	2021
		€m
Short-term employee benefits.....	8.6	8.1
Post-employment benefits.....	0.1	0.4
	8.7	8.5

28 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

On 14 April 2021, INEOS Group Investments Limited transferred its 5.1% shareholding in the Company to INEOS Intermediate ChlorVinyls Limited, a company incorporated in the Isle of Man.

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 in which the results of the Company are consolidated is that headed by INEOS Inovyn Limited. 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.



INEOS INOVYN LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022 (forming part of the financial statements)

29 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with Adopted IFRSs, which require 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 are revised and in any future periods.

Critical judgements in applying the Group's accounting policies

The Directors do not consider there to be any critical judgements, apart from those involving estimations, which are presented separately below.

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 adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities;
- Expected rates of return on the scheme assets;

Details of post-retirement benefits including sensitivities are set out in note 18.

Provisions

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related asset and depreciated over its estimated useful life.

The decommissioning of assets may not be due to occur for many years into the future. Consequently, judgement is required in relation to the estimated cash flows, removal date, environmental legislation, inflation and discount rate used to calculate present value.

Other provisions are recognised in the year when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The nature and amount of provisions as well as the key assumptions are included within the financial statements are detailed in note 19. The discount rate applied to reflect the time value of money in the carrying amount of provisions requires estimation. The discount rate applied is reviewed regularly and adjusted following changes in market rates. If the estimated discount rate, one of the key assumptions in determining the environmental provisions, used in the calculation had been 1% higher than management's estimate, the carrying amount of the environmental provisions would have been €3.9 million lower.

30 SUBSEQUENT EVENTS

In January 2023, the Group lent a further €100.0 million to INEOS Quattro Financing Limited. The loan has a term of twelve months, unless the lender agrees to extend the facility for a further twelve months at each maturity date. Interest is equivalent to one month EURIBOR.



Section 3 – Company Financial Statements



INEOS INOVYN LIMITED
COMPANY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		€m	
Operating result	2	-	-
Income from shares in group undertakings	4	368.8	982.5
Impairment of investment.....	5	-	(449.3)
Interest payable and similar expenses	6	(9.8)	(7.0)
Profit before taxation		359.0	526.2
Tax on profit.....	7	1.8	(1.1)
Profit for the financial year		360.8	525.1

All activities of the Company relate to continuing operations.

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



INEOS INOVYN LIMITED
COMPANY BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		€m	
Fixed assets			
Investments	8	900.0	900.0
Current assets			
Debtors	9	22.4	28.1
Total current assets		22.4	28.1
Total assets		922.4	928.1
Non-current liabilities			
Interest-bearing loans and borrowings	10	(473.2)	(460.9)
Current liabilities			
Amounts owed to group undertakings	11	(18.8)	(28.8)
Net assets		430.4	438.4
Capital and reserves			
Called up share capital	12	-	-
Share premium account		84.5	84.5
Merger reserve		299.2	299.2
Profit and loss account		46.7	54.7
Total shareholder's funds		430.4	438.4

The financial statements on pages 85 to 94 were approved by the Board of Directors on 17 April 2023 and were signed on its behalf by:

D J Horrocks
Director

INEOS Inovyn Limited

G Tuft
Director

Registered number: 08696245



INEOS INOVYN LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2022

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total shareholder's funds
Note					
	€m				
Balance at 1 January 2021	-	84.5	299.2	45.0	428.7
Profit and total comprehensive income for the financial year	-	-	-	525.1	525.1
<i>Transactions with owners, recorded directly in equity:</i>					
Dividends.....	12	-	-	(515.4)	(515.4)
Balance at 31 December 2021	-	84.5	299.2	54.7	438.4
Profit and total comprehensive income for the financial year	-	-	-	360.8	360.8
<i>Transactions with owners, recorded directly in equity:</i>					
Dividends.....	12	-	-	(368.8)	(368.8)
Balance at 31 December 2022	-	84.5	299.2	46.7	430.4



INEOS INOVYN LIMITED NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

INEOS Inovyn Limited (“the Company”) is a private company, limited by shares, incorporated in the United Kingdom, registered in England and Wales and has its registered office at Bankes Lane Office, Bankes Lane, P.O. Box 9, Runcorn, Cheshire, UK, WA7 4JE.

These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”)* and the Companies Act 2006. The presentation currency of these financial statements is the Euro.

The consolidated financial statements INEOS Inovyn Limited are prepared in accordance with International Financial Reporting Standards. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of INEOS Inovyn Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.
- The disclosures required by FRS 102.13 *Related Party Disclosures*.

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

1.2 Impact of New standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2022 which have had a material impact on the Company.

1.3 Foreign currency

The functional currency of the company is the local currency of its principal operating environment which is the Euro. These company financial statements are presented in Euros.

Foreign currency transactions are translated into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in reserves as qualifying net investment hedges.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables 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.



INEOS INOVYN LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

1 ACCOUNTING POLICIES (continued)

1.4 Non-derivative financial instruments (continued)

Trade and other payables

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

Investments in debt and equity securities

Investments in loans and receivables are stated at amortised cost less impairment.

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

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.6 Expenses

Finance cost

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 income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.7 Taxation

Tax on the profit or loss for the year 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 year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following timing 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 timing 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.



INEOS INOVYN LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

2 OPERATING RESULT

The audit fee for the parent company for the year ended 31 December 2022 was €8,011 (2021: €5,977) and was borne by a fellow group undertaking.

3 STAFF NUMBERS AND COSTS

The Company had no employees, other than the Directors, during the year ended 31 December 2022 (2021: none).

No Directors received any fees or remuneration in respect of their services as a director of the Company during the year ended 31 December 2022 (2021: €nil).

4 INCOME FROM SHARES IN GROUP UNDERTAKINGS

The Company received total dividends of €368.8 million (2021: €982.5 million). The dividend consists of €368.8 million (2021: €515.4) from INOVYN Finance Limited and €nil (2021: €467.2 million) from INOVYN Holdings Limited.

5 IMPAIRMENT OF INVESTMENT

In 2021, the Company's wholly owned subsidiary INOVYN Holdings Limited made a distribution of its retained earnings. The investment in INOVYN Holdings Limited was subsequently reduced to €nil following the recognition of an impairment charge of €449.3 million (see note 8).

6 INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	€m	
Total interest expense on financial liabilities measured at amortised cost	9.8	7.0

Interest payable and similar expenses for the year include €9.8 million (2021: €7.0 million) payable to group undertakings.

7 TAX ON PROFIT

Recognised in the income statement

	2022	2021
	€m	
UK Corporation tax:		
Current tax credit.....	(1.9)	(1.4)
Adjustments in respect of prior years.....	0.1	2.5
Total current tax (credit)/charge.....	(1.8)	1.1

Reconciliation of effective tax rate

	2022	2021
	€m	
Profit before taxation.....	359.0	526.2
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%).....	68.2	100.0
Adjustments in respect of prior years.....	0.1	2.5
Non-deductible expenses.....	-	85.3
Tax exempt income	(70.1)	(186.7)
Total tax (credit)/charge included in profit or loss.....	(1.8)	1.1



INEOS INOVYN LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

7 TAX ON PROFIT (continued)

On 11 March 2021, the Finance Bill 2021 was announced in the United Kingdom, which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023.

8 INVESTMENTS

	Shares in group undertakings
	€m
<i>Cost and net book value</i>	
At 1 January 2021	449.3
Return of capital via distribution.....	(449.3)
Additions.....	900.0
At 31 December 2021	900.0
At 31 December 2022	900.0

In April 2021, the Company's wholly owned subsidiary, INOVYN Holdings Limited declared a dividend of €467.2 million to the Company. This was settled by the transfer of shares in INOVYN Finance Limited and the assignment of a liability owed to INOVYN Finance Limited of €432.8 million. As a result, a €900.0 million investment in INOVYN Finance Limited was recognised. The Company's carrying value in INOVYN Holdings Limited was subsequently reduced to €nil following the recognition of a €449.3 million impairment charge (see note 5).

For details of the Company's investments in subsidiaries, refer to note 11 of the consolidated financial statements.

9 DEBTORS

	2022	2021
	€m	
Amounts falling due within one year		
Dividend receivable.....	18.8	26.3
Group relief balance owed by group undertakings.....	3.6	1.8
	22.4	28.1

10 INTEREST-BEARING LOANS AND BORROWINGS

	2022	2021
	€m	
Amounts owed to group undertakings.....	473.2	460.9

The amounts owed to group undertakings is an unsecured interest-bearing loan, which is measured at amortised cost. There is no fixed schedule of repayment.

Term and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				2022	2022	2021	2021
€m							
Amounts owed to group undertaking...	€	2.0%	Not fixed	473.2	473.2	460.9	460.9



INEOS INOVYN LIMITED
NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

11 AMOUNTS OWED TO GROUP UNDERTAKINGS

	2022	2021
	€m	
Dividend payable.....	18.8	26.3
Amounts owed to group undertakings.....	-	2.5
	18.8	28.8

The amounts owed to group undertakings at 31 December 2021 is an unsecured non-interest bearing loan, which is measured at amortised cost.

Term and debt repayment schedule

	Currency	Nominal interest rate	Face value	Carrying amount	Face value	Carrying amount
			2022	2022	2021	2021
	€m					
Amounts owed to group undertaking.....	€	nil	-	-	2.5	2.5

12 CAPITAL AND RESERVES

Share capital

	As at 31 December 2022	As at 31 December 2021
	€	
10,001,001 (2021: 10,001,001) authorised and issued A Ordinary shares of £0.00001 each.....	117	117

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

Dividends

The following dividends were recognised during the year:

	2022	2021
	€m	
Dividends declared.....	368.8	515.4

An interim dividend of €368.8 million was declared during the year (2021: €515.4 million declared). Of the €368.8 million declared in 2022, €350.0 million was settled in cash to the Company's 94.9% shareholder, INEOS Quattro Financing Limited in June 2022, whilst the €18.8 million payable to the minority 5.1% shareholder, INEOS Intermediate ChlorVinyls Limited is expected to be settled in 2023.

The dividend declared equates to €36.9 per A Ordinary share (2021: €51.5 per A ordinary share).



INEOS INOVYN LIMITED
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31 DECEMBER 2022

13 CONTROLLING PARTIES

On 14 April 2021, INEOS Group Investments Limited transferred its 5.1% shareholding in the Company to INEOS Intermediate ChlorVinyls Limited, a company incorporated in the Isle of Man.

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 in which the results of the Company are consolidated is that headed by INEOS Inovyn Limited. 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.



Skatteetaten

INOVYN NORGE AS
Postboks 300
3966 STATHELLE

Vår dato
23.08.2023

Din/Deres dato

Saksbehandler
Hanne Gran

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
95425870

Org.nr
974761076

Vår referanse
2023/5430960

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13.1, tl. § 12-1, skttvl. § 3-1, sktbl. § 3-2

Fritak for konsernregnskapsplikt for Inovyn Norge AS org.nr. 981701046

Vi viser til søknad av 22. august 2023 hvor det søkes om fritak fra plikten til å utarbeide konsernregnskap for Inovyn Norge AS.

Skattekontoret finner med hjemmel i regnskapsloven § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for Inovyn Norge AS. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig. Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Inovyn Norge AS og datterselskapet INEOS ChlorVinyls Holding BV eies av INOVYN Finance Limited, Bankes Lane, Runcorn, Cheshire WA7 4 JE, United Kingdom som er hjemmehørende i Storbritannia. Konsernregnskap utarbeides av overordnet morselskap INEOS INOVYN Limited på engelsk etter IFRS, hvor Inovyn Norge AS med datterselskapet INEOS ChlorVinyls Holding BV er omfattet.

Det er i søknaden opplyst at:

«Det er ved utgangen av 2022 liten operasjonell drift i datterselskapet, og prosess for avvikling av selskapet har startet. Merverdien ved å konsolidere selskapet inn i regnskapet til INOVYN Norge AS ansees som liten siden balansen i stor grad består av konsernfordring og egenkapital.»

Skattekontorets vurdering

Det forutsettes at INEOS INOVYN Limited utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskap. Det legges til grunn at dette konsernregnskapet er utarbeidet i samsvar med IFRS og at kravene i regnskapsloven § 3-7 med forskrifter for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

Når det gjelder hvilket språk morselskapet skal utarbeide konsernregnskapet på, vises det til forskrift av 7. september 2006 nr. 1062 til utfylling og gjennomføring mv. av regnskapsloven. Det følger av § 3-7-1 at konsernregnskapet foruten å være på norsk, kan være på svensk, dansk eller engelsk. Det fremgår av



søknaden at konsernregnskapet utarbeides på engelsk. Skattekontoret gir etter en konkret helhetsvurdering tillatelse til at det gjøres unntak for konsernregnskapsplikten.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Camilla Vold
underdirektør
Innsats, storbedrift
Skatteetaten

Hanne Gran

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.