

FEBELIEC – 18th March 2021

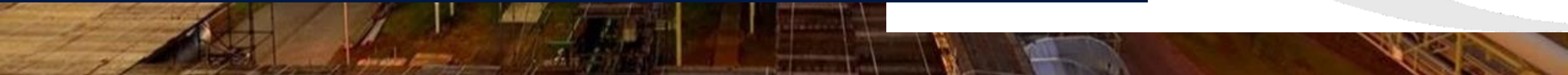
Luc VAN OPSTAL, INOVYN Site Manager Lillo & Zandvliet



inovyn
An INEOS company



INOVYN is part of INEOS Group



INOVYN - key dimensions

Profile

4,300



PEOPLE

€3.5bn



TURNOVER

6

million tonnes per annum



PRODUCTION

17

MANUFACTURING
SITES
IN
8
COUNTRIES



150+



PRODUCTS &
GRADES

INOVYN™PVC
BIOVYN®
METHOKLONE™
CERECLOR™



KEY BRANDS



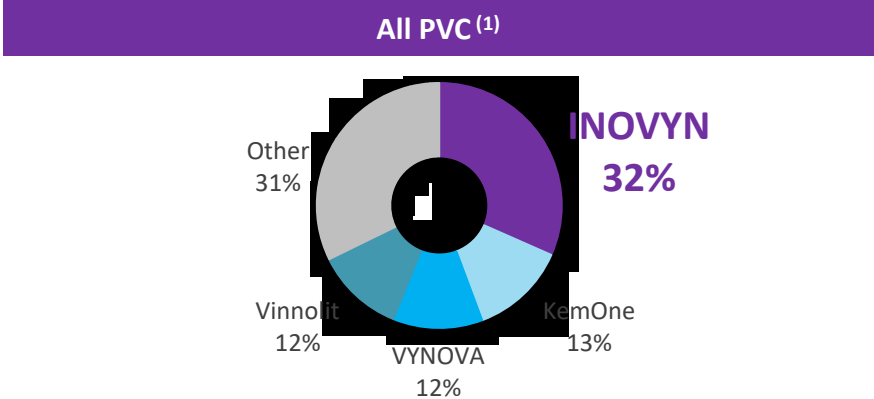
INOVYN is the European leader

Vinyls

Leadership positions in Europe

- #1 General Purpose Vinyls
- #1 Specialty Vinyls

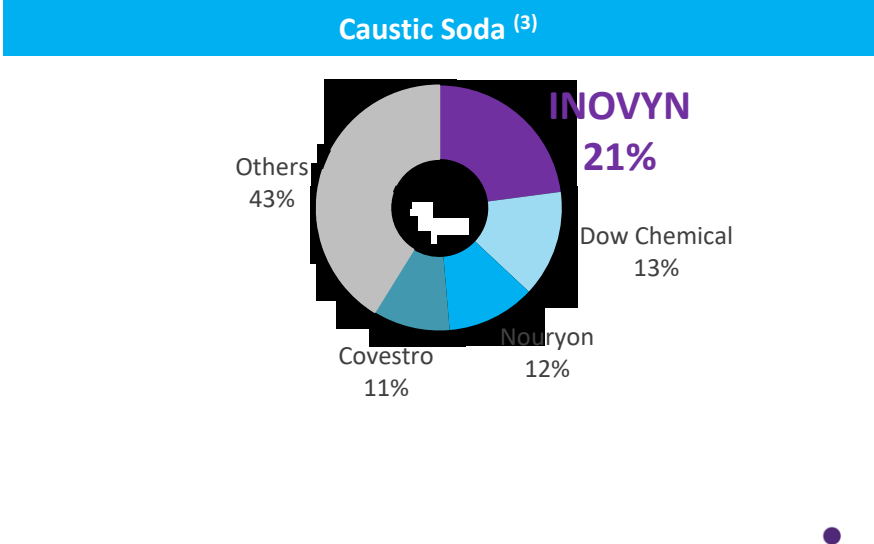
2x larger than next European competitor



Others

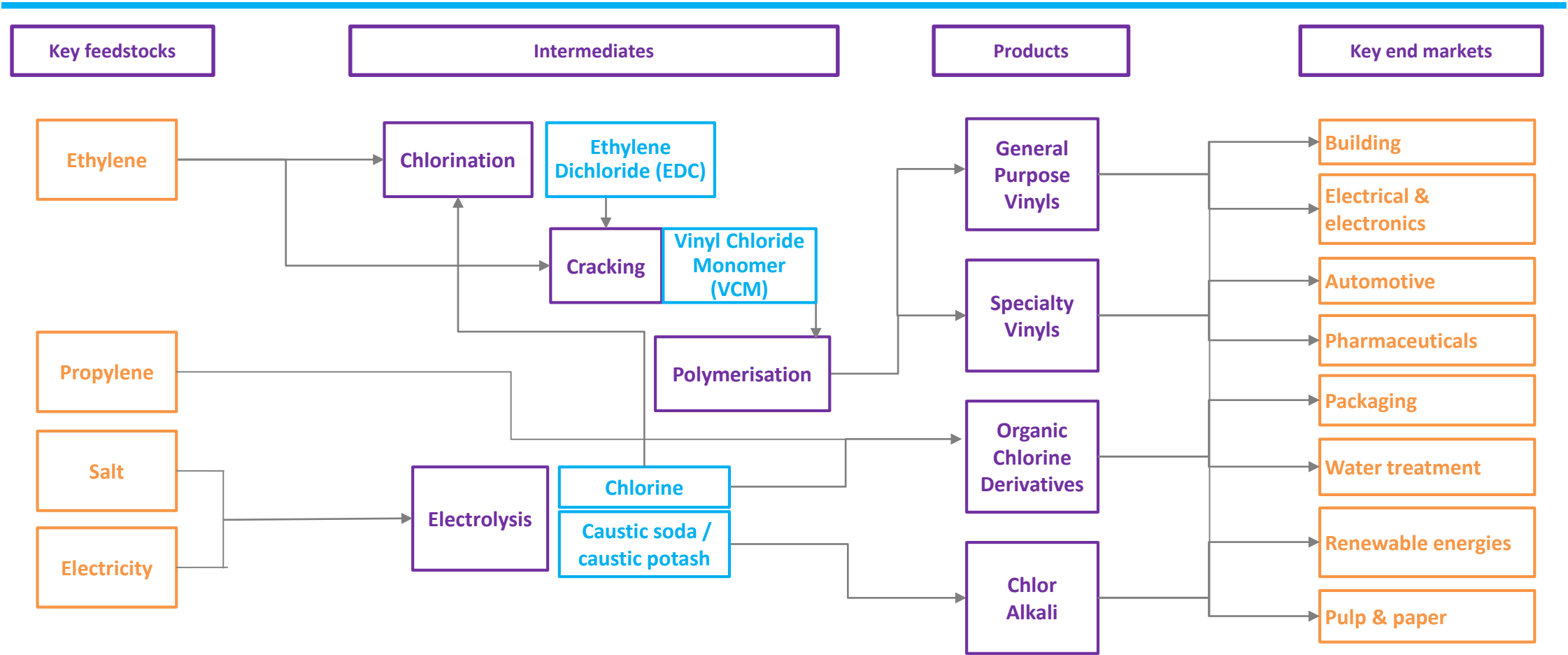
Leadership positions in Europe (2)

- #1 Chlorine
- #1 Caustic Soda
- #2 Caustic Potash
- #1 Epichlorohydrin
- #3 Chloromethanes



Source: IHS, company information
 1. Capacity market share for EEA (2017), excluding Oltchim
 2. Based on management estimates for merchant market share
 3. Merchant market share for caustic soda liquor (EEA 2016)

The INOVYN value chain





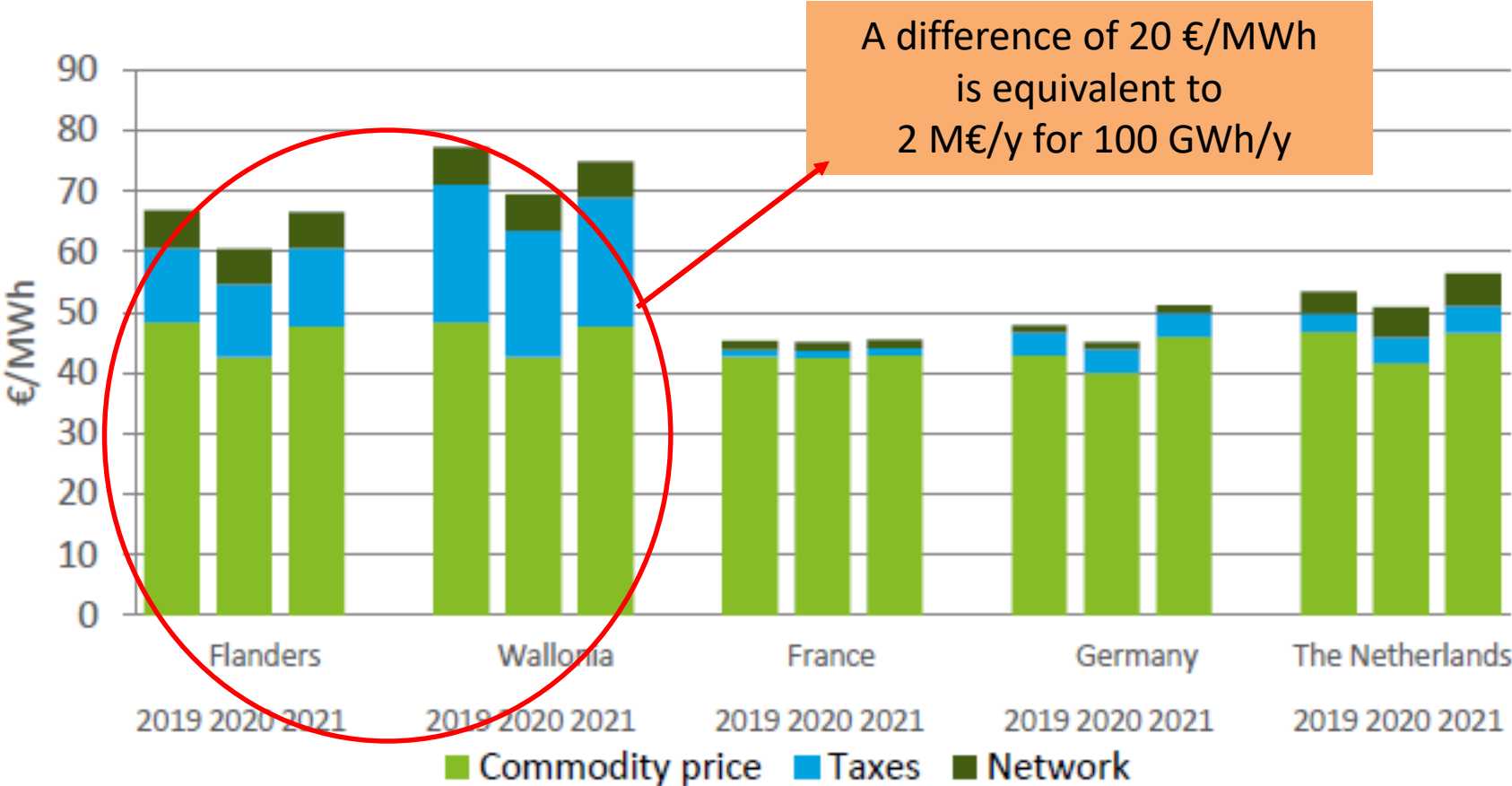
The importance of electricity for INOVYN

The importance of electricity for INOVYN

- INOVYN electricity consumption (typical GWh/y) :
 - Europe : 6250
 - Belgium : 2050 Lillo (Li) : ~1200 GWh/y, Jemeppe (Je) : ~850 GWh/y (~50 GWh/y net)
 - France : 1200
 - Germany : 500
- European investments since INOVYN creation in 2016 :
 - 2016 : Jemeppe (BE) : acquisition of the local cogeneration unit
 - 2017 : Antwerp (BE) : electrolysis capacity conversion from NaOH to KOH
 - 2018 : Tavaux (FR) and Rheinberg (DE) : electrolysis capacity expansion
 - 2019 : Jemeppe (BE) : PVC capacity conversion from commodities to specialties
Stenungsund (SE) : electrolysis capacity conversion
 - 2020 : Rafnes (FI) : capacity expansion of the electrolysis and vinyls chain
Jemeppe (BE) : capacity expansion of the vinyls chain
 - 2021 : Stenungsund (SE) : PVC capacity expansion

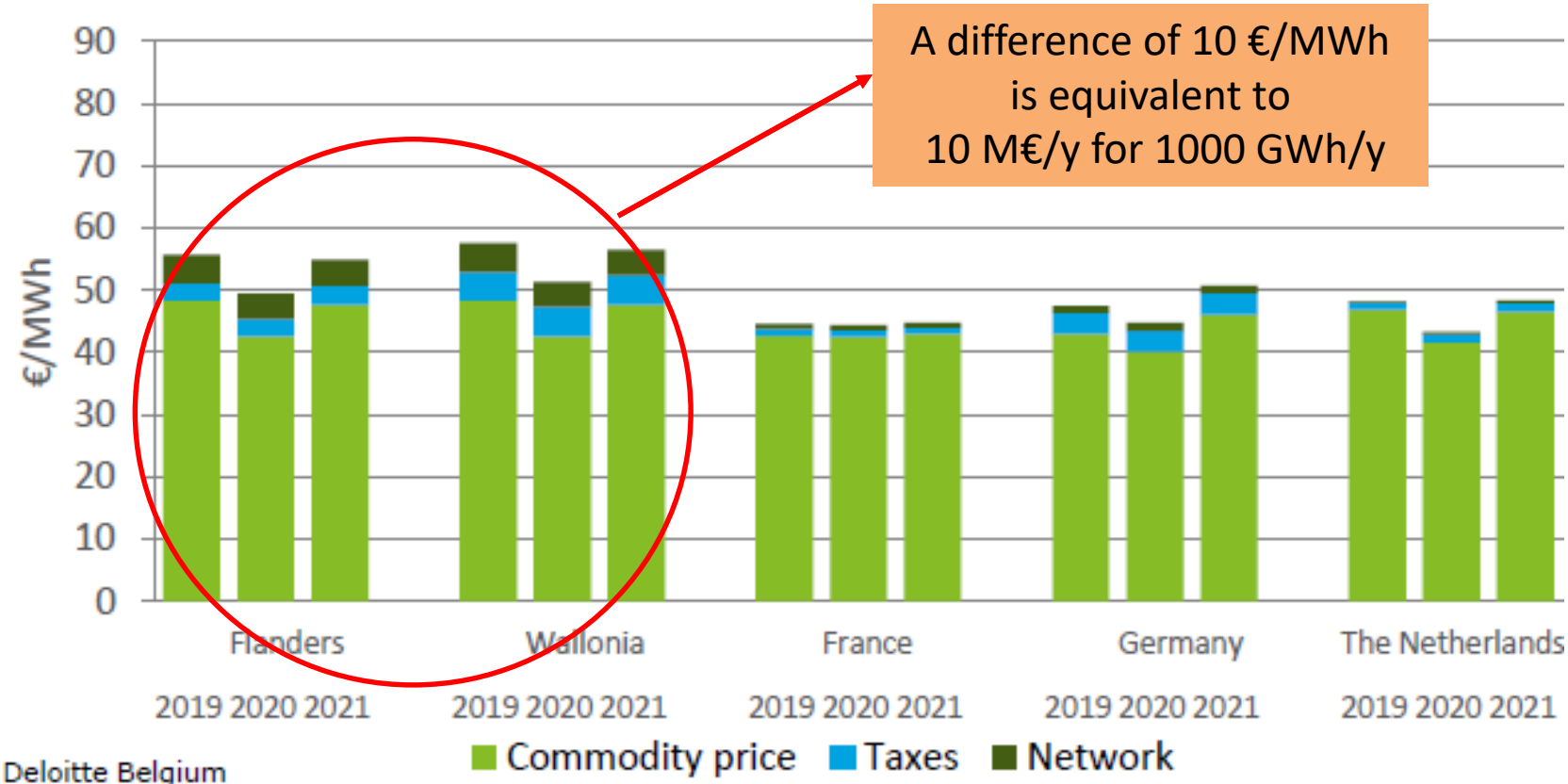
Deloitte 2021 study for JEMEPPE : confirmation of 2020

All-in electricity prices for baseload profiles (100 GWh)



Deloitte 2021 study for LILLO : confirmation of 2020

All-in electricity prices for baseload profiles (1000 GWh)



Belgium Electricity Competitiveness in 2021

- Additional short/medium terms risks :
 - **Network costs : risk on cap and degressivity for large consumers for**
 - Public Service Obligations (Federal and Regional)
including offshore connection and green certificates financing
 - Taxes & Surcharges (Federal and Regional)
 - **Capacity Remuneration Mechanism financing (Federal)**
 - **Indirect CO2 emissions compensation (EU) :**
 - Limitation of eligible activities for compensation
 - Reduction of compensation emission factor (EF) vs other EU countries

Belgium Electricity Competitiveness in 2021

- **Short/medium terms risks :**
 - **Network costs (PSO & Taxes/Surcharges)**
 - (a) : cost increase vs 2020
 - (b) : (a) & without cap
 - (c) : (b) & without degressivity
 - **CRM financing (diverging estimations)**
 - Haulogy study (250 M€/y)
 - PwC study (614 M€/y)
 - **CO2 compensation (CO2 @ 40 €/t)**
 - (a) : reduction of eligible activities
 - (b) : (a) & EF reduction (0.76 -> 0.37 t CO2/MWh)
(FR : 0.51, DE : 0.75, NL : 0.50, ...)

Belgium Electricity Competitiveness in 2021

- **Conclusion :**
 - **Deloitte 2021 study : 2020 conclusion mainly confirmed**
 - Handicap of 2~10 M€/y for Inovyn sites in BE vs neighboring countries (FR, NL, DE, ...)
 - **From 2021 : additional major risks for Belgium electricity competitiveness**
 - + ~8 M€/y vs 2020 for 50 GWh/y baseload consumption
 - + ~30~40 M€/y vs 2020 for 1200 GWh/y baseload consumption

Urgent needs :

- To restore Belgium competitiveness of electricity price for industrial consumers.
- To develop a consistent medium and long-term energy policy.