



ES FIBERVISIONS Holdings ApS

CVR-nr.: 25 38 63 88

Engdraget 22, 6800 Varde

Annual Report for 2023

The annual report has been presented and approved at
the company's ordinary general meeting

Date

Chairman of the meeting

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Statement by the Board of Directors and the Executive board

The Board of Directors and the Executive Board have today discussed and approved the annual report of ES FIBERVISIONS Holdings ApS for the financial year 1 January – 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

In our opinion, the Management's review includes a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Varde, 30 May 2024

Executive board

Tom J. Zaiser

Board of Directors

Hiroyuki Shibata
Chairman

Shinji Itoh

Tom J. Zaiser

Prashant Desai

Independent Auditor's Report

To the Shareholders of ES FIBERVISIONS Holdings ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of ES FIBERVISIONS Holdings ApS for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the consolidated financial statements and parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is 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 in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Fredericia, 30 May 2024

KPMG Statsautoriseret Revisionspartnerselskab

Nikolaj Møller Hansen
State Authorised Public Accountant
mne33220

Niklas R. Filipsen
State Authorised Public Accountant
mne47781

Management's Review

Company Information

The Company:

ES FIBERVISIONS Holdings ApS
Engdraget 22
6800 Varde
Denmark

Tel.: +45 7994 2200

CVR No: 25 38 63 88

Financial period: January 1 – December 31

Financial year: 24 financial year

Date of establishment: March 31, 2000

Fiscal domicile: Varde

Board of Directors:

Hiroyuki Shibata, chairman
Prashant Desai
Shinji Itoh
Tom J. Zaiser

Executive board:

Tom J. Zaiser

Auditor:

KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27, 2
7000 Fredericia
Denmark

Management's Review

Group Chart

Parent Company

ES FIBERVISIONS Holdings ApS
Varde, Denmark
Nom. DKK 4,850,000

Consolidated Companies

100%

ES Indorama Ventures Denmark ApS
Varde, Denmark
Nom. DKK 1,000,000

100%

ES FIBERVISIONS Hong Kong Ltd.
Hong Kong, China
Nom. HKD 61,601,000

100%

ES FIBERVISIONS Shanghai Co.
Shanghai, China
Nom. CNY 1,835,070

Management's Review

Financial Highlights

Seen over a 5-year period, the development of the group can be described by means of the following financial highlights:

DKK 1.000	2023	2022	2021	2020	2019
Financial highlights					
Income statement					
Revenue	684.953	881.268	812.136	788.949	831.345
Result before financial items	8.450	19.405	18.315	16.695	18.378
Net financials	1.599	593	341	-1.540	-69
Profit for the year	6.053	16.228	14.816	12.476	15.162
Balance Sheet					
Balance sheet total	259.194	241.472	217.136	164.556	234.245
Investment in property, plant and equipment	0	0	24	0	1.175
Equity	148.966	146.434	128.622	108.399	99.645
Number of employees	5	7	7	6	6
Financial ratios in %					
Return on net assets	3,4	8,2	9,6	8,4	8,4
Solvency ratio	57,5	60,6	59,2	65,9	42,5
Return on equity	4,1	11,8	12,5	12,0	16,5

The financial ratios are calculated as follows:

Explanation of financial ratios

Return on net assets	=	$\frac{\text{Result before financials items x 100}}{\text{Average assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Result for the year x 100}}{\text{Average equity}}$

Management's Review

Main Activity

The group develops, sells and markets bicomponent fibers. The principal markets are the hygiene as well as the industrial markets. The fibers mainly consist of PE/PP and PE/PET and add a number of unique properties to the nonwoven products. The products are processed by nonwoven manufacturers (ES FIBERVISIONS customers), who market and sell to the large end user customers.

Performance in the Financial Year

Profit for the year after tax amounted to DKK 6.053 thousand against a profit of DKK 16.228 thousand in 2022, which is considered unsatisfactory as it was projected in the Management's review in the annual report for 2022 that the level of revenue and result for the year in 2023 would remain stable compared to 2022. The reason why the revenue and result aren't at the same level as 2022 as expected, is the inflation which significantly reduced demand.

On December 6, 2023, ES Fibervisions Holdings ApS (the Parent Company) acquired 100 % of the shares in ES Indorama Shanghai Co. Ltd. from ES Indorama Hong Kong Ltd. for an amount of DKK 22,008 thousand bringing direct ownership of all the subsidiaries in ES Fibervisions Holdings ApS.

Financial Risks

Currency adjustments of investments in subsidiaries in foreign countries are included directly in the equity. Currency risks related to the above are as a principal rule not covered, as according to the opinion of the group, a current forward cover of such long-term investments will not be optimal considering the total risk and cost.

The export share of the group component ES Indorama Ventures Denmark ApS of nearly 100% means that the result, financial flow and equity are influenced by the exchange rate movements and the interest rate development for a number of currencies.

It is the currency policy of the group to hedge commercial currency risks aside from Euro.

Statement concerning Social Responsibility

CSR and Sustainability

The group is governed by the policies of our parent company Indorama Ventures PCL. The group level policies include policies of anti-corruption, environment, climate, human rights and employee conduct. The group does not have separate policies. Accordingly, the group does not follow up on the outcome of the Indorama Ventures PCL policies. An independent report on the social responsibility of the group is not prepared.

For further information, we refer to the CSR and sustainability policies of IVL. Please see our consolidated report, covering the accounts act §99a, 7 requirements: [Form 56-1 One Report / Annual Report | Indorama Ventures](#)

Policy for the gender quote (the accounts act §99b)

Since ES FiberVisions Holdings ApS has 0 employees, we're not required to set a target figure or formulated a policy.

Management's Review

	2023
Board of Directors	
Total number of members	4
Underrepresented gender in %	0 %
Target number in %	25 %
Year target number is fulfilled	2027
Other management levels	
Total number of members	0

At present, the female share in the ES FiberVisions Holdings ApS Board is 0 %. We have not fulfilled the goal from the Annual Report of 2023, because there hasn't been any replacements in top management, but it is still our goal to have 1 female in the Board by the end of 2027 even though ES FiberVisions Holdings ApS is operating in a business world dominated by men.

Data ethichs

As of now policies hasn't been finalized regarding this specific area, due to the activity level in the company.

External Enviroment

As a trading company, we ensure that our suppliers are focusing on their impact on the external environment.

Goals and expectations of the coming year

The revenue is expected to be 10-20% better than realised in 2023 due to higher volume, favourable supplier agreements etc. The result in 2024 is expected to be 60-70% better than realised in 2023.

Development activities

In 2024 a continued high focus on the development of new products will remain.

The development activities primarily include development of new fiber products as well as new processes and applications of the fiber products.

Subsequent events

No significant events which are assessed to have a material influence on the assessment of the annual report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Revenue	2	684.953	881.268	0	0
Cost of raw materials and consumables		-650.376	-832.542	0	0
Other external costs		-21.697	-25.054	-35	-24
Gross profit		12.880	23.672	-35	-24
Staff costs	3	-4.417	-4.245	0	0
Depreciation	4	-13	-22	0	0
Profit before financial items		8.450	19.405	-35	-24
Income from equity investments in subsidiaries	5	0	0	6.094	16.286
Financial income		2.154	981	0	0
Financial expenses		-555	-388	-14	-39
Profit before tax		10.049	19.998	6.045	16.223
Tax for the year		-3.996	-3.770	8	5
Profit for the year	6	6.053	16.228	6.053	16.228

Balance Sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Other fixtures and fittings, tools and equipment		20	50	0	0
Property, plant and equipment	4	20	50	0	0
Equity investments in subsidiaries		0	0	171.661	147.080
Financial assets	5	0	0	171.661	147.080
Fixed assets		20	50	171.661	147.080
Inventories					
Finished goods and goods for resale		922	10.425	0	0
Trade receivables		57.862	45.511	0	0
Receivables from group entities		0	0	7.722	8.031
Other receivables		95.430	77.908	0	0
Corporation tax		0	0	1.808	1.505
Prepayments	7	174	208	0	0
Receivables		153.466	123.627	9.530	9.536
Cash		104.786	107.370	0	0
Current assets		259.174	241.422	9.530	9.536
Assets		259.194	241.472	181.191	156.616

Liabilities and equity

Contributed capital		4.850	4.850	4.850	4.850
Reserve for net revaluation according to the equity method		0	0	93.416	90.843
Retained earnings		144.116	141.584	50.700	50.741
Equity		148.966	146.434	148.966	146.434
Other payables		10.169	10.134	10.169	10.134
Long-term debt		10.169	10.134	10.169	10.134
Payables to group entities		0	0	22.008	0
Corporation tax		2.197	1.706	0	0
Other payables		97.670	83.009	48	48
Deferred income	8	192	189	0	0
Current liabilities		100.059	84.904	22.056	48
Liabilities		110.228	95.038	32.225	10.182
Liabilities and equity		259.194	241.472	181.191	156.616
Fee to auditors appointed at the general meeting		9			
Contingencies and other financial obligations		10			
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Statement of Changes in Equity

Group

	Contributed capital <u>DKK 1.000</u>		Retained earnings <u>DKK 1.000</u>	Total <u>DKK 1.000</u>
Equity 1 January	4.850		141.584	146.434
Exchange adjustment at closing rate	<u>0</u>		<u>-3.521</u>	<u>-3.521</u>
Profit for the year	<u>0</u>		<u>6.053</u>	<u>6.053</u>
Equity 31. december	<u>4.850</u>		<u>144.116</u>	<u>148.966</u>
		Reserve for net revaluation according to the equity method		
	<u>DKK 1.000</u>	<u>DKK 1.000</u>	<u>DKK 1.000</u>	<u>DKK 1.000</u>
Parent company				
Equity 1 January	<u>4.850</u>	<u>90.843</u>	<u>50.741</u>	<u>146.434</u>
Exchange adjustments concerning subsidiaries	<u>0</u>	<u>0</u>	<u>-3.521</u>	<u>-3.521</u>
Profit for the year	<u>0</u>	<u>2.573</u>	<u>3.480</u>	<u>6.053</u>
Equity 31. december	<u>4.850</u>	<u>93.416</u>	<u>50.700</u>	<u>148.966</u>

Cash Flow Statement 1 January - 31 December

	Note	2023	2022
		DKK 1.000	DKK 1.000
Result for the year		6.053	16.228
Adjustments	13	-1.111	4.149
Change in working capital	14	-5.637	9.608
Cash-flow from income before financial items		-695	29.985
Ingoing payment of interest etc.		2.154	1.267
Outgoing payment of interest etc.		-555	-40
Cash-flow from ordinary income		904	31.212
Corporation tax		-3.938	-3.562
Cash-flow from operating activity		-3.034	27.650
Disposals of property, plant and equipment		450	0
Cash-flow from investment activity		450	0
Change in cash		-2.584	27.650
Cash 1 January		107.370	79.720
Cash 31 December		104.786	107.370
Specification of cash:			
Cash		104.786	107.370
Cash 31 December		104.786	107.370

Notes to the financial statements

1 Accounting Policies

Basis of Accounting

The Annual Report of ES FiberVisions Holdings ApS for 2023 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Minor reclassifications in the comparative financial statements for 2022 have been incorporated to enhance presentation. The reclassifications have no effect on profit for the year. The financial ratios have been updated accordingly.

The Annual Report for 2023 has been prepared in tDKK.

Consolidated financial statements

The Annual Report comprises the parent company, ES FIBERVISIONS Holdings ApS, and subsidiaries in which the parent company directly or indirectly holds the majority of the votes or in which the parent company, through share ownership or otherwise, exercises control.

On consolidation, elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated companies.

Basis of Consolidation

The financial statements used for the purpose of the Annual Report of the group have been prepared in accordance with the accounting policies of the group.

The Annual Report of the group has been prepared on the basis of the Annual Report of the parent company and subsidiaries by combining accounting items of a uniform nature.

The parent company's investments in the consolidated subsidiaries are set off against the parent company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the company acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method) and allowing for the recognition of any restructuring provisions relating to the company acquired. Any remaining positive differences (goodwill) are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life.

Any remaining negative differences (negative goodwill) corresponding to an expected unfavourable development of the subsidiaries in question are recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Positive and negative differences from company acquired may, due to changes to the recognition and measurement of net assets, be adjusted for a period of up to one year following the time of acquisition.

Notes to the financial statements

Translation Policies

Transactions in foreign currencies are during the year translated at the exchange rates at the dates of transaction. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet day are translated at the exchange rates of the balance sheet day.

Differences between the exchange rate of the balance sheet day and the exchange rate of the transaction date are recognized in the income statement as a financial item.

The income statement of foreign subsidiaries is translated at DKK applying the average exchange rates, which do not diverge much from the exchange rates of the transaction day. The balance is translated at DKK applying the exchange rates at the balance sheet date, as the subsidiaries are considered to be independent units.

Currency translation adjustments of foreign subsidiaries' opening equity are recognised in the equity.

Intra-group business combinations

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered completed as from the earliest accounting period included in the annual report, however, no earlier than the date when the companies became subject to joint control, including restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Income Statement

Revenue

Revenue from the sale of finished goods is recognised in the income statement provided that the general criteria such as delivery and transfer of risk have been made by year end, the amount can be measured reliably and is expected to be received. Revenue is recognised exclusive of VAT, duties and net of price reductions in the form of discounts.

Segment information is provided on business segments and geographical markets. The segment information is in line with the Groups accounting policies, risks and internal financial management.

Cost of raw materials and consumables

Cost of raw materials and consumables includes consumption of raw materials and consumables in the financial year. Furthermore, it includes shrinkage and write-downs on inventory.

Other external costs

Other external costs include costs related to the company's primary activities, including cost of premises, office cost, promotional costs etc. Write-downs on account receivables, recognized under current assets, are also included.

Staff costs

Staff costs include wages and salary as well as social security costs, pensions and similar costs related to the company's employees.

Notes to the financial statements

Equity investments in Subsidiaries

Equity investments in subsidiaries are recognized and measured in the Annual Report of the parent company under the equity method.

The item "Income from equity investments in subsidiaries" in the parent company's income statement includes the proportionate share of the profit after tax less goodwill amortization.

Financial Items

Financial income and expenses comprise interest, realised and unrealised currency translation adjustments as well as additional charges and repayment under the on-account tax scheme.

Corporate Income Tax and Deferred Tax

The company is comprised by mandatory national joint taxation with the subsidiary company ES Indorama Ventures Denmark ApS.

The tax effects of the joint taxation are distributed on profitable as well as loss-making companies relative to the taxable income of these companies.

The tax for the year, which consists of current and deferred tax for the year is included as follows: The part attributable to the result of the year is included in the statement of income, and the part attributable to equity is included directly in the equity.

The current tax is calculated with the tax rate of the year.

Current tax receivables are recognised in the balance sheet as receivables to the extent that there has been an overpayment. Current tax liabilities are recognised as short-term debts to the extent that payment has not taken place.

Deferred tax is included in the balance sheet as the tax of all temporary differences.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and less any accumulated impairment losses. Interest is not included in the cost price.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Property, plant and equipment are measured at cost less straight-line residual value and depreciation over an estimated useful life, as follows:

Other fixtures and fittings, tools and equipment: 3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognized prospectively.

Notes to the financial statements

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial assets

The items "Equity investments in subsidiaries" in the balance sheet of the parent company includes the proportionate ownership share of the net asset value of the companies calculated under the accounting policies of the parent company with deduction or addition of unrealized intercompany profits or losses and with addition or deduction of any remaining value of positive or negative differences (goodwill or negative goodwill).

Subsidiaries with a negative net asset value are recognized at DKK 0. Any legal or constructive obligation of the parent company to cover the negative balance of the company is recognized in provisions.

The total net revaluation of investments in subsidiaries is transferred to the parent company upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Impairment of Fixed Assets

The carrying amounts of property, plant and equipment and financial assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Impairment of fixed assets is recognised under the same item as the relating depreciation.

Inventories

Inventories are measured at cost determined by the FIFO (first in, first out) method or the net realizable value, if this value is lower.

The net realizable value of inventories is calculated as the total of future sales revenues expected, at the balance sheet date, to be generated by inventories in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum less the estimated expenses necessary to make the sale.

Receivables

Receivables are measured at amortised cost in the balance sheet, which usually are equal to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Notes to the financial statements

Prepayments and Deferred Income

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning insurance premiums and subscriptions.

Deferred income includes payments received in respect of income in subsequent years.

Equity

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries in proportion to cost.

Dividends that are expected to be received before the balance sheet date are not tied to the reserve. The reserve can be eliminated in case of loss, realisation of equity investments or changes to accounting estimates.

The reserve cannot be recognised at a negative amount.

Liabilities

Financial liabilities are recognized at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognized in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortized cost.

Cash Flow Statement

The cash flow statement shows the group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the group's cash and cash equivalents at the beginning and at the end of the year.

No individual cash flow statement for the parent company has been prepared, as the cash flow of the parent company is included in the cash flow statement of the group.

The cash flow statement cannot exclusively be inferred from the published financial records.

Cash Flow from Operating Activities

Cash flows from operating activities are calculated as the net profit/loss for the group adjusted for non-cash operating items such as depreciation, amortisation and impairment losses, provisions as well as changes in working capital, interest received and paid and corporation tax paid. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flow from investing activities

Cash flow from investing activities comprise payments in connection with acquisitions and disposals of entities and activities as well as fixed assets.

Notes to the financial statements

Cash Flow from Financing Activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payment of dividend to shareholders.

Cash and Cash Equivalents

Cash and cash equivalents comprise liquid funds and bank deposits.

Notes to the financial statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
2 Revenue - Geographical segments				
Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.				
Europe	344.085	464.752	0	0
USA	22.022	27.133	0	0
The Far East	309.466	357.994	0	0
Others	9.380	31.389	0	0
	684.953	881.268	0	0
Revenue - Business segments				
Bico	684.953	881.268	0	0
	684.953	881.268	0	0
3 Staff costs				
Salaries	4.324	4.157	0	0
Pensions	75	69	0	0
Other expenses for social security	18	19	0	0
	4.417	4.245	0	0
Average number of employees	5	7	0	0

Pursuant to section 98b (3) of the Danish Financial Statements Act, the Company has not disclosed any remuneration for 2022 and 2023 to the Executive Board and the Board of Directors.

Notes to the financial statements

4 Tangible fixed assets

Group

	Other fixtures and fittings, tools and equipment
	DKK 1.000
Purchase price January 1 2023	534
Exchange adjustment at closing rate	-15
Disposals for the year	-450
Purchase price December 31 2023	69
Write-off and depreciations January 1 2023	484
Exchange adjustment at closing rate	-13
Depreciation for the year	13
Reversal of depreciation and write-down of sold assets	-435
Write-off and depreciation December 31 2023	49
Book value December 31 2023	20

5 Financial fixed assets

Equity investments in subsidiaries

	Parent company	
	2023	2022
	DKK 1.000	DKK 1.000
Purchase price January 1	56.237	56.237
Purchase for the year	22.008	0
Purchase price December 31	78.245	56.237
Adjustments January 1	90.843	72.973
Exchange adjustment	-3.521	1.584
Income for the year	6.094	16.286
Adjustments December 31	93.416	90.843
Book value December 31	171.661	147.080

Equity investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
ES Indorama Ventures Denmark ApS	Varde, Denmark	tDKK 1.000	100%
ES FIBERVISIONS Hong Kong Ltd.	Hong Kong, China	tHKD 61.601	100%
ES FIBERVISIONS Shanghai Co. Ltd.	Shanghai, China	tCNY 1.835	100%

Notes to the financial statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
6 Profit appropriation				
Transferred to the reserve for net revaluation according to the equity method	0	0	2.573	17.870
Retained earnings	6.053	16.228	3.480	-1.642
	<u>6.053</u>	<u>16.228</u>	<u>6.053</u>	<u>16.228</u>

7 Prepayments
Prepayments consist of prepaid expenses concerning exhibition and freight.

8 Deferred income
Deferred income consist of revenue in subsequent periods.

9 Fee to auditors appointed at the general meeting

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Fee to auditors appointed at the general meeting	68	72	40	39
The fees are divided as follows:				
Fee, statutory audit of annual report	45	49	27	27
Non-audit services	23	23	13	12
	<u>68</u>	<u>72</u>	<u>40</u>	<u>39</u>

Notes to the financial statements

10 Contingencies and other financial obligations

The danish entities of the group are jointly taxed with other Danish group companies. As the administrative company, the parent company has, together with other Danish group companies, joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation. Any subsequent corrections of the taxable income subject to joint taxation and withholding taxes etc. may entail that the company's liability will increase.

	Group	
	2023	2022
	DKK 1.000	DKK 1.000
Rent- and leasing obligations		
Lease obligations from operational leasing.		
Total future lease obligations.		
Within 1 year	0	376
Between 1 and 5 years	0	156
	0	532

11 Collaterals

The group has concluded a factoring agreement, and in this connection a receivables charge has been made in the group's unsecured claims originating from sale of goods and services of which the accounting value as of 31 December 2023 amounts to tDKK 36.490 (31 December 2022: tDKK 25.972).

12 Related party disclosures

Indorama Ventures Hygiene Denmark A/S, Engdraget 22, 6800 Varde and JNC Corporation Shin Otemachi Bldg., 2-2-1 Otemachi, Chiyoda-ku, Tokyo 100-8105, Japan hold 50% of the share capital in the Company each.

Transactions with related parties

Besides receivables from group companies, ES Fibervisions Holdings ApS has not entered into transactions with related parties during the year. Refer to the balance sheet for the recognized balances as of the balance sheet date.

Pursuant to section 98b (3) of the Danish Financial Statement's Act, the Company has not disclosed any remuneration to the Executive Board and the Board of Directors for 2022 and 2023.

The ES Fibervisions Holdings ApS-Group is the smallest and largest group in which the group entities are consolidated.

Notes to the financial statements

13 Cash flow statement - adjustments

	Group	
	2023	2022
	DKK 1.000	DKK 1.000
Financial income	-2.154	-1.267
Financial expenses	555	40
Depreciation	13	22
Group exchange adjustments	-3.521	1.584
Tax on the income for the year	3.996	3.770
	<u>-1.111</u>	<u>4.149</u>

14 Cash flow statement - change in working capital

Change in inventories	9.503	2.999
Change in receivables	-29.839	294
Change in liabilities	14.699	6.315
	<u>-5.637</u>	<u>9.608</u>