

Indorama Ventures Hygiene Denmark A/S

CVR-nr.: 33 48 78 19

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 Indorama Ventures Hygiene Denmark A/S 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 on 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 is approved at the annual general meeting.

Varde, 14 June 2024

Executive board

Carsten Myllerup Madsen

Board of Directors

Diego Boeri
(Chairman)

Carsten Myllerup Madsen

Jens Verner Sørensen
(Employee representative)

Manuel Guerra

Susanne Christiansen-Dahl
(Employee representative)

Independent Auditor's Report

To the Shareholders of Indorama Ventures Hygiene Denmark A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Indorama Ventures Hygiene Denmark A/S 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 the 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.

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

Independent Auditor's Report

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 the 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

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.

Independent Auditor's Report

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, 14 June 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:

Indorama Ventures Hygiene Denmark A/S
Engdraget 22
6800 Varde
Denmark

Tel.: +45 7994 2200

Email: info@dk.indorama.net

Website: www.indoramaventures.com

CVR No: 33 48 78 19

Financial period: 1 January – 31 December

Financial year: 53 financial year

Date of establishment: 26 August 1971

Fiscal domicile: Varde

Board of Directors:

Tom J. Zaiser, chairman

Carsten Myllerup Madsen

Jens Verner Sørensen

Susanne Christiansen-Dahl

Executive board:

Carsten Myllerup Madsen (Managing Director)

Auditor:

KPMG

Statsautoriseret Revisionspartnerselskab

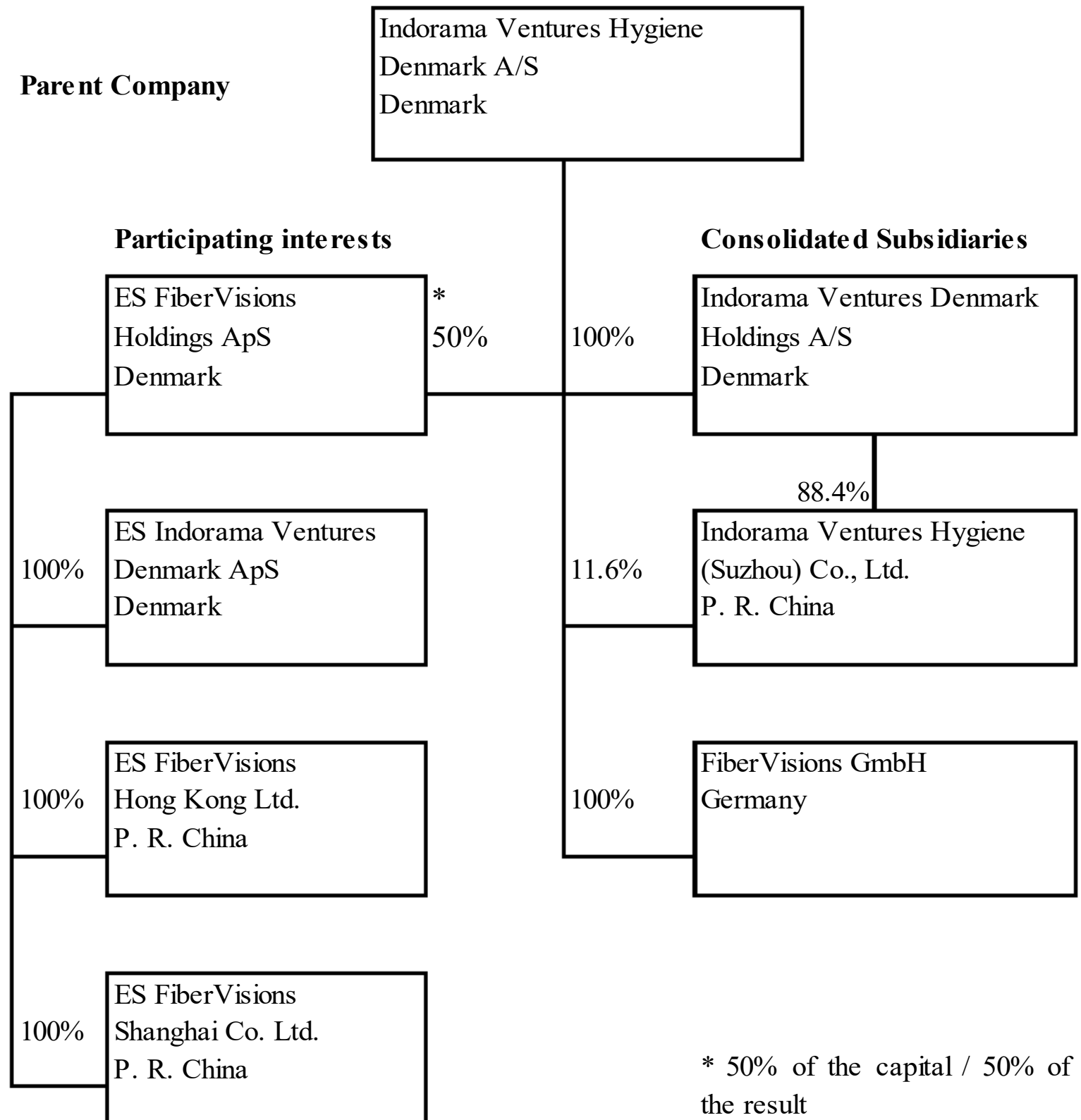
Vesterballevej 27, 2

7000 Fredericia

Denmark

Management's Review

Group Chart



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					
Result					
Revenue	700.347	967.576	1.149.212	1.018.063	997.512
Gross result	4.390	26.090	87.211	121.772	59.997
Result from primary activities	-34.912	-25.576	30.821	65.852	15.046
Result before financial items	-24.741	-14.575	42.579	77.600	24.003
Net financial gain (loss)	-15.303	3.067	9.096	-11.515	1.969
Result of the year	-29.076	-2.723	47.043	60.082	27.404
Balance Sheet					
Balance sheet total	629.181	663.427	693.361	688.445	672.158
Investment in property, plant and equipment	15.764	18.434	33.253	12.937	13.036
Equity	232.912	266.500	269.104	273.368	283.698
Number of employees	280	303	327	317	308
Financial ratios in %					
Gross margin	0,6	2,7	7,6	12,0	6,0
Operating margin	-3,5	-1,5	3,7	7,6	2,4
Return on net assets	-3,8	-2,1	6,2	11,4	3,5
Solvency ratio	37,0	40,2	38,8	39,7	42,2
Return on equity	-11,6	-1,0	17,3	21,6	10,2

The financial ratios are calculated as followed:

Gross margin	=	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin	=	$\frac{\text{Result before financials items x 100}}{\text{Revenue}}$
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

Business Area

Indorama Ventures Hygiene Denmark A/S develops, manufactures and markets synthetic fibers from polypropylene, polyethylene and polyester.

These plastic types are characterized as being very pure and environmentally sound (consist of hydrogen and carbon) and have a high processability. Synthetic fibers are today used for packaging material, disposable equipment and articles in many different industries.

Indorama Ventures Hygiene Denmark A/S is a high-technology production company, which develops individual fiber solutions for our customers, ensuring the customers the required functional properties such as softness, bulk, strength, surface character and a three-dimensional structure - and at the same time meeting their demand for maximum processability on their production equipment.

The fibers are further processed primarily by the nonwoven industry, where the fibers are used in the following processes:

- carded mechanically bonded textiles (spunlace and needlepunch processes)
- wet and drylaid paper processes
- carded thermal bonded textiles
- air-laid process.

Nonwoven products based on Indorama Ventures Hygiene Denmark A/S fibers are sold to the hygiene industry and the industry for technical textiles.

Market Conditions

The core business of Indorama Ventures Hygiene Denmark A/S is fibers for sanitary products (wet wipes and other kinds of disposable wipes, hygiene products for women and children).

The sale of bicomponent fibers for the absorbent core in hygiene products and for the distribution layers in diapers and female care products is still a strategic area to Indorama Ventures Hygiene Denmark A/S.

Baby wipes and other kinds of disposable wipes such as cosmetic pads and cleaning wipes for household use still have high priority. The area uses viscose fibers as well as polyester fibers and polypropylene fibers and Indorama Ventures Hygiene Denmark A/S has managed to retain a leading position when it comes to polypropylene fibers.

The sale of polypropylene fibers for diapers is still a significant area to Indorama Ventures Hygiene Denmark A/S.

Apart from manufacturing fibers for disposable products (diapers, sanitary towels, panty liners, tampons and wet wipes), Indorama Ventures Hygiene Denmark A/S also manufactures fibers for reinforcement of concrete, bonding of insulation materials and other building materials, and fibers for air and liquid filtration.

Performance in the year

The result of the year after tax was a loss of tDKK -29.076 against a loss of tDKK -2.723 in 2022 which is considered unsatisfactory. The drop is primarily caused by the volume in 2023 which is significantly lower than we expected in connection to preparing the annual report 2022 primarily due to inflation which significantly reduced demand.

Management's Review

Special Risks

Currency Risks

The export share of Indorama Ventures Hygiene Denmark A/S 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.

The hedging is made by means of foreign exchange transactions for the hedging of expected turnover, cash and net currency receivables in the next month. No speculative currency transactions are concluded.

Currency risks related to equity investments in subsidiaries and associated companies abroad are generally not being hedged, as it is the opinion of the company that a continuous hedging against currency exposure of such long-term investments will not be optimal based on a total risk and cost consideration.

Credit Risks

The group policy for undertaking credit risks means that all bigger customers are regularly being credit rated. Moreover, some customers are credit insured or factoring are used on a part of the customers. For customers that are factored the entire credit risk has been transferred.

Goals and Expectations of the Coming Year

The result and revenue in 2024 are expected to be 15-20% higher than 2023 due to more volumes and more favorable supplier agreements.

Statement concerning Social Responsibility

CSR and Sustainability

The Group is governed by the policies of our parent company Indorama Ventures PLC. The group level policies include policies of anti-corruption, environment, climate, human rights and employee conduct. Indorama Ventures Hygiene Denmark A/S and subsidiaries do not have separate policies. Accordingly, Indorama Ventures Hygiene Denmark A/S does not follow up on the outcome of the Indorama Ventures PLC policies. An independent report on the social responsibility of Indorama Ventures Hygiene Denmark A/S has not been prepared.

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

Management's Review

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

	2023
Top management body	
Total number of members	3
Underrepresented gender in %	0 %
Target number in %	33,33 %
Year target number is fulfilled	2024
Other management levels	
Total number of members	8
Underrepresented gender in %	37,50 %

It is the opinion of Indorama Ventures Hygiene Denmark A/S that all vacancies are to be filled in with the best qualified candidates, including the vacancies on the top floor. In addition to this, Indorama Ventures Hygiene Denmark A/S endeavours to ensure diversity and equal possibilities for both sexes in all parts of the company, including the management. Furthermore we've got rules governing maternity leave which entitles both sexes to equal maternity.

At present, the female share in the Indorama Ventures Hygiene Denmark A/S 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 2024 despite the fact that Indorama Ventures Hygiene Denmark A/S is operating in a business world dominated by men.

The underrepresented gender share in the remaining management in Indorama Ventures Hygiene Denmark A/S is 62,50 % which is looked upon as being an equal measure of men and woman and shows that steps are being taken to ensure diversity and equal possibilities for both sexes in all parts of the company, including the management.

To maintain the share of the underrepresented sex there will in future be a continuously special focus on ensuring the number of female managers, partly by means of a special focus on the development of the female employees at Indorama Ventures Hygiene Denmark A/S in preparation for later appointment as managers, and partly by means of a gender-neutral recruitment in order that employees, including managers, are always appointed based on professional and personal qualifications.

Data ethichs

As of now policies hasn't been finalized regarding this specific area.

External Environment

Indorama Ventures Hygiene Denmark A/S has been holding an environmental certification since 1998, and once a year we publish an environmental statement describing our efforts in a number of key areas regarding the company's impact on the external environment. Moreover, Indorama Ventures Hygiene Denmark A/S

Management's Review

has been certified in energy demand management since 2007 which means that the company has a constant focus on effective energy utilization.

Development

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.

The development activities of the company are currently coordinated with the strategy and the development plans of the group and the market demand so that new and innovative fibers can be introduced in accordance with the demand of the market and preferably before the competitors.

The development activities of the company form part of the overall Indorama Ventures Hygiene Denmark A/S development efforts, and in our opinion, they are not of a size, extent or character that call for their being capitalised as assets in the financial statements.

Subsequent events

No significant events which are assessed to have a material influence on the statutory financial statements have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2023 DKK 1.000	2022 DKK 1.000	2023 DKK 1.000	2022 DKK 1.000
Revenue	2	700.347	967.576	652.455	919.691
Production costs	3,4	-695.957	-941.486	-644.013	-888.884
Gross result		4.390	26.090	8.442	30.807
Distribution costs	4	-12.133	-22.091	-10.186	-18.656
Administrative costs	4	-27.169	-29.575	-20.434	-19.595
Result from primary activities		-34.912	-25.576	-22.178	-7.444
Other operating income		10.836	12.243	89	931
Other operating expenses		-665	-1.242	-665	-1.242
Result before financial items		-24.741	-14.575	-22.754	-7.755
Result from equity investments in subsidiaries	5	0	0	-1.536	-6.511
Result from equity investments in participating interests	6	3.027	8.114	3.027	8.114
Financial income	7	4.990	13.226	4.990	10.771
Financial expenses	8	-20.293	-10.159	-21.382	-9.427
Result before tax		-37.017	-3.394	-37.655	-4.808
Tax for the year	9	7.941	671	8.579	2.085
Result for the year	10	-29.076	-2.723	-29.076	-2.723

Balance sheet December 31

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Land and buildings		57.244	61.267	26.131	26.618
Plant and machinery		155.360	154.973	145.106	142.140
Other fixtures and fittings, tools and equipment		8.918	10.519	7.514	7.880
Property, plant and equipment in progress		18.645	18.235	16.842	18.105
Property, plant and equipment	3	240.167	244.994	195.593	194.743
Equity investments in subsidiaries	5	0	0	215.846	220.133
Equity investments in participating intere	6	74.481	73.215	74.481	73.215
Other securities and equity investments	11	1.113	1.113	1.113	1.113
Financial assets		75.594	74.328	291.440	294.461
Fixed assets		315.761	319.322	487.032	489.203
Inventories	12	66.934	80.539	55.160	71.524
Trade receivables		35.745	25.013	30.196	18.246
Receivables from group entities	13	129.336	119.652	129.336	119.652
Receivables from participating interests	14	11.803	11.404	11.803	11.404
Other receivables		32.937	52.371	1.441	29.892
Corporation tax		0	2.808	504	5.000
Prepayments	15	2.904	1.944	1.817	1.613
Receivables		212.725	213.192	175.097	185.807
Cash		33.761	50.375	27.437	26.028
Current assets		313.420	344.106	257.694	283.359
Assets		629.181	663.428	744.726	772.562

Balance sheet December 31

Liabilities and equity

	Note	Group		Parent company	
		2023 DKK 1.000	2022 DKK 1.000	2023 DKK 1.000	2022 DKK 1.000
Contributed capital	16	152.067	152.067	152.067	152.067
Retained earnings		80.845	114.433	80.845	114.433
Equity		<u>232.912</u>	<u>266.500</u>	<u>232.912</u>	<u>266.500</u>
Deferred tax	17	62.735	69.518	62.735	69.518
Other provisions	18	6.158	6.259	0	0
Provisions		<u>68.893</u>	<u>75.777</u>	<u>62.735</u>	<u>69.518</u>
Payables to group entities		<u>165.011</u>	<u>167.495</u>	<u>165.011</u>	<u>167.495</u>
Long-term debt		<u>165.011</u>	<u>167.495</u>	<u>165.011</u>	<u>167.495</u>
Trade payables		25.778	42.950	24.389	41.092
Payables to group entities		8.807	2.006	141.974	133.684
Payables to participating interests		97.294	71.620	89.278	71.620
Corporation tax		275	0	0	0
Other payables		29.715	36.879	28.427	22.653
Deferred income	19	<u>496</u>	<u>201</u>	<u>0</u>	<u>0</u>
Short-term debt		<u>162.365</u>	<u>153.656</u>	<u>284.068</u>	<u>269.049</u>
Debt		<u>327.376</u>	<u>321.151</u>	<u>449.079</u>	<u>436.544</u>
Liabilities and equity		<u>629.181</u>	<u>663.428</u>	<u>744.726</u>	<u>772.562</u>
Fee to auditors appointed at the general meeting	20				
Contingencies and other financial obligations	21				
Collaterals	22				
Related parties and ownership	23				

Statement of Changes in Equity

Group	Contributed capital	Retained earnings	Total
	DKK 1.000	DKK 1.000	DKK 1.000
Equity January 1	<u>152.067</u>	<u>114.433</u>	<u>266.500</u>
Exchange adjustment at closing rate	0	-4.512	-4.512
Distributed loss	<u>0</u>	<u>-29.076</u>	<u>-29.076</u>
Equity December 31	<u>152.067</u>	<u>80.845</u>	<u>232.912</u>
	Contributed capital	Retained earnings	Total
	DKK 1.000	DKK 1.000	DKK 1.000
Parent company			
Equity January 1	<u>152.067</u>	<u>114.433</u>	<u>266.500</u>
Exchange adjustments concerning subsidiaries and associated entities	0	-4.512	-4.512
Distributed loss	<u>0</u>	<u>-29.076</u>	<u>-29.076</u>
Equity December 31	<u>152.067</u>	<u>80.845</u>	<u>232.912</u>

Consolidated Cash Flow Statement January 1 - December 31

	Note	2023 DKK 1.000	2022 DKK 1.000
Result for the year		-29.076	-2.723
Adjustments	24	28.550	6.048
Change in working capital	25	-2.795	-25.477
Operating activity before financial items and corporate taxes		-3.321	-22.152
Ingoing payment of interest etc.		4.990	13.226
Outgoing payment of interest etc.		-20.293	-10.159
Cash flow from ordinary income		-18.624	-19.085
Corporation tax		-2.134	-5.644
Cash flow from operating activities		-20.758	-24.729
Purchase of property, plant and equipment		-15.764	-18.434
Disposals of property, plant and equipment		0	189
Purchase of financial assests		0	-1.113
Cash flow from investment activities		-15.764	-19.358
Settlements of loans to/from group companies		-5.367	-1.957
Settlements of loans to/from participating interests		25.275	44.730
Cash flow from financial activities		19.908	42.773
Change in cash		-16.614	-1.314
Cash January 1		50.375	51.689
Cash December 31		33.761	50.375
Specification of cash:			
Cash		33.761	50.375
Cash December 31		33.761	50.375

Notes to the Annual Report

1 Accounting Policies

The annual report of Indorama Ventures Hygiene Denmark A/S 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.

The Annual Report for 2023 has been prepared in tDKK.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Indorama Ventures Hygiene Denmark A/S, and subsidiaries in which Indorama Ventures Hygiene Denmark A/S directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates. A group chart is included on page 6.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Translation Policies

Transactions in foreign currencies are during the year translated at the exchange rates at the dates of transaction. Profits and losses resulting from differences between the exchange rate of the date of transaction and the exchange rate of the payment date are recognised in the income statement as a financial item.

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 recognised in the income statement as a financial item.

The income statement of foreign subsidiaries and associated companies 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 companies are considered to be independent units.

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

Derivative Financial Instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as other receivables and other payables respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset, or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Notes to the Annual Report

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions relating to purchases and sales in foreign currencies are recognised in other receivables and other payables and retained earnings under equity respectively.

If the expected future transaction results in the recognition of assets or liabilities, amounts deferred in equity are transferred from equity and recognised in the cost of the asset or the liability respectively. Amounts deferred in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income Statement

Revenue

Revenue from the sale of finished goods and goods for resale 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 financials.

Production Costs

Production costs comprise depreciations, direct and indirect costs including wages and salaries incurred to achieve the net turnover for the year.

Distribution Costs

Distribution costs comprise costs connected with selling and distribution of the company's products. Wages and salaries to staff engaged in sales activities or distribution as well as advertising and exhibition costs are included under distribution costs.

Administrative Costs

Administrative costs represent the costs of administrative staff, management, office premises and office expenses etc.

Other Operating Income and Other Operating Expenses

Other operating income and other operating expenses comprise items of secondary nature compared to the core activities of the companies.

Equity investments in Subsidiaries and participating interests

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

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

The item "Results from equity investments in participating interests" in the income statement of the group and the parent company includes the proportionate share of the profit after tax less goodwill amortization.

Notes to the Annual Report

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.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. There are no depreciations of property, plant and equipment in progress.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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 stated at cost less straight-line residual value and depreciation over an estimated useful life, as follows:

Buildings	20-50 years
Plant and machinery	15-40 years
Other fixtures and fitting, tools and equipment	3-10 years

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.

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

Notes to the Annual Report

Financial assets

The item "Equity investments in participating interests" in the balance sheet of the group and 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 unrealised intercompany profits or losses and with addition or deduction of value of positive or negative differences (goodwill or negative goodwill).

The item "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 unrealised intercompany profits or losses and with addition or deduction of any remaining value of positive or negative differences (goodwill or negative goodwill).

Equity investments in subsidiaries and participating interests with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the parent company to cover the negative balance of the company is recognised in provisions.

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

Other securities and equity investments included in investments comprise unlisted shares that Management considers investment securities. The equity investments are measured at cost.

Impairment of Fixed Assets

The carrying amounts of both financial assets and property, plant and equipment 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.

Inventories

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

The net realisable 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 price less the estimated expenses necessary to make the sale.

The cost of raw materials and consumables comprises purchase price with addition of landed costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Notes to the Annual Report

Receivables

Receivables are measured at amortised cost in the balance sheet, which normally corresponds to nominal value less provisions for losses.

Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

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

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.

Corporate Income Tax and Deferred Tax

The parent company is jointly taxed with Danish subsidiaries.

The tax effects of the joint taxation with the subsidiaries are distributed on profitable as well as loss-making Danish companies relative to the taxable income of these companies. (Proportional allocation with repayment as regards tax losses). The jointly taxed companies are included in the on-account tax scheme.

Current tax debts and receivable actual tax are recognised in the balance sheet as receivables, if an overpayment of tax on account has been made, and as liabilities, if an underpayment of tax on account has been made.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes or other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured based on the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to result in actual tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the group has a legal or constructive obligation, and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Annual Report

Deferred income

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

Liabilities

Financial liabilities are recognised 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 amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised 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.

Pursuant to section 86(4) 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.

Cash Flows 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 relating to extraordinary items and corporation tax paid. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash Flows from Investing Activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property plant and equipment, fixed asset investments as well as dividend received from associated companies.

Cash Flows 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.

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

Notes to the Annual Report

	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.				
	Europa	567.562	823.666	567.562	823.665
	USA	7.524	25.276	7.524	25.276
	Asia	83.005	67.466	35.113	19.582
	Others	42.256	51.168	42.256	51.168
		<u>700.347</u>	<u>967.576</u>	<u>652.455</u>	<u>919.691</u>
	Revenue - Business segments				
	Mono	354.686	502.809	306.794	454.924
	Bico	345.661	464.767	345.661	464.767
		<u>700.347</u>	<u>967.576</u>	<u>652.455</u>	<u>919.691</u>

Notes to the Annual Report

3 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	292.369	1.069.646	53.438	18.235
Exchange adjustment at closing rate	-6.804	-14.861	-1.028	-49
Additions for the year	0	313	0	15.451
Disposals for the year	0	-6.320	-588	0
Transfers for the year	802	11.865	2.325	-14.992
Cost at 31 December	<u>286.367</u>	<u>1.060.643</u>	<u>54.147</u>	<u>18.645</u>
Depreciation and impairment losses at 1 January	231.102	914.673	42.919	0
Exchange adjustment at closing rate	-4.742	-14.132	-898	0
Depreciations for the year	2.763	10.606	3.364	0
Reversal of depreciation and write-down of sold assets for the year	0	-5.864	-156	0
Depreciation and impairment losses at 31 December	<u>229.123</u>	<u>905.283</u>	<u>45.229</u>	<u>0</u>
Carrying amount at 31 December	<u>57.244</u>	<u>155.360</u>	<u>8.918</u>	<u>18.645</u>
			2023	2022
			DKK 1.000	DKK 1.000
Write-off and depreciations of property, plant and equipment are expensed as follows:				
Production costs			16.733	17.180
			<u>16.733</u>	<u>17.180</u>

Notes to the Annual Report

3 Property, plant and equipment (continued)

Parent company

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Tangible fixed assets in progress
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	180.184	822.562	36.620	18.105
Additions for the year	0	313	0	13.123
Disposals for the year	0	0	-588	0
Transfers for the year	802	11.448	2.136	-14.386
Cost at 31 December	<u>180.986</u>	<u>834.323</u>	<u>38.168</u>	<u>16.842</u>
Depreciation and impairment losses at 1 January	153.566	680.422	28.740	0
Depreciations for the year	1.289	8.795	2.070	0
Reversal of depreciation and write-down of sold assets for the year	0	0	-156	0
Depreciation and impairment losses at 31 December	<u>154.855</u>	<u>689.217</u>	<u>30.654</u>	<u>0</u>
Carrying amount at 31 December	<u>26.131</u>	<u>145.106</u>	<u>7.514</u>	<u>16.842</u>
			2023	2022
			DKK 1.000	DKK 1.000
Depreciation and impairment losses of property, plant and equipment are expensed as follows:				
Production costs			12.154	12.002
			<u>12.154</u>	<u>12.002</u>

Notes to the Annual Report

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
4 Staff				
Wages and salaries	116.460	123.996	103.146	109.464
Pensions	14.199	10.733	9.571	9.104
Other social security expenses	1.678	4.213	1.577	2.429
	<u>132.337</u>	<u>138.942</u>	<u>114.294</u>	<u>120.997</u>
Distribution in the annual report				
Production costs	117.294	124.316	103.324	110.288
Distribution costs	4.790	4.510	3.879	3.712
Administrative costs	10.253	10.116	7.091	6.997
	<u>132.337</u>	<u>138.942</u>	<u>114.294</u>	<u>120.997</u>
Average number of employees	<u>280</u>	<u>303</u>	<u>191</u>	<u>207</u>

Staff costs of the Group and the Parent Company include remuneration of the Parent Company's Executive Board and Board of Directors, DKK 1.475 thousand (2022: DKK 1.409 thousand), pensions, DKK 138 thousand (2022: DKK 124 thousand). Pursuant with the Danish Financial Statement's Act §98b, section 3, remuneration of the Executive Board and Board of Directors are compiled to one amount.

5 Equity investments in subsidiaries

	Parent company		
	2023	2022	
	DKK 1.000	DKK 1.000	
Cost at 1 January	299.313	299.313	
Cost at 31 December	<u>299.313</u>	<u>299.313</u>	
Revaluations January 1	-79.180	-72.002	
Exchange adjustment	-2.751	-667	
Result for the year	-1.536	-6.511	
Revaluations December 31	<u>-83.467</u>	<u>-79.180</u>	
Carrying amount at 31 December	<u>215.846</u>	<u>220.133</u>	
Name	Place of registered office	Share capital (1.000)	Votes and ownership
Indorama Ventures Denmark Holdings A/S	Varde, Denmark	DKK 4.000	100,0%
Indorama Ventures Hygiene (Suzhou) Co., Ltd. *	Suzhou, China	RMB 277.303	11,6% (100%)
FiberVisions GmbH	Düsseldorf, Germany	EUR 1.533	100,0%

* Indirect ownership through Indorama Ventures Denmark Holdings A/S

Notes to the Annual Report

6 Equity investments in participating interests

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Cost at 1 January	2.425	2.425	2.425	2.425
Cost at 31 December	2.425	2.425	2.425	2.425
Revaluations January 1	70.790	61.884	70.790	61.884
Exchange adjustment	-1.761	792	-1.761	792
Result for the year after tax	3.027	8.114	3.027	8.114
Revaluations December 31	72.056	70.790	72.056	70.790
Carrying amount at 31 December	74.481	73.215	74.481	73.215

Equity investments in participating interests are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
ES FIBERVISIONS HOLDINGS ApS	Varde, Danmark	tDKK 4.850	50%

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
7 Financial income				
Interest received from group companies	2.419	2.493	2.419	2.493
Other financial income	2.571	10.733	2.571	8.278
	4.990	13.226	4.990	10.771
8 Financial expenses				
Interest paid to subsidiaries	0	0	3.135	3.074
Other financial expenses	20.293	10.159	18.247	6.353
	20.293	10.159	21.382	9.427
9 Tax on income for the year				
Tax on income for the year	134	1.414	-504	0
Deferred tax adjustment of the year	-6.783	-2.085	-6.783	-2.085
Tax concerning prior years	-1.292	0	-1.292	0
	-7.941	-671	-8.579	-2.085
10 Distribution of result for the year				
Retained earnings	-29.076	-2.723	-29.076	-2.723
	-29.076	-2.723	-29.076	-2.723

Notes to the Annual Report

	Group		Parent company		
	2023	2022	2023	2022	
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000	
11	Other securities and equity investments				
	Cost at 1 January	1.113	0	1.113	0
	Purchase for the year	0	1.113	0	1.113
	Cost at 31 December	1.113	1.113	1.113	1.113
12	Inventories				
	Raw materials and consumables	26.857	33.358	20.787	27.803
	Work in progress	1.189	500	1.189	500
	Finished goods and goods for resale	38.888	46.681	33.184	43.221
		66.934	80.539	55.160	71.524
13	Receivables from group entities				
	The following are expected to be paid after 12 months	129.336	119.652	129.336	119.652
14	Receivables from participating interests				
	The following are expected to be paid after 12 months	10.169	10.134	10.169	10.134
15	Prepayments				
	Prepayments consist of prepaid expenses concerning insurance and subscriptions for administration.				
16	Share capital				
	The share capital consists of 122.949 class A shares and 29.118 class B shares of a nominal value of DKK 1,000.				
17	Provisions for deferred tax				
	Provisions for deferred tax consists of all temporary differences between the carrying amount and the tax base of assets and liabilities.				
	Group		Parent company		
	2023	2022	2023	2022	
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000	
	Deferred tax at 1 January	69.518	71.603	69.518	71.603
	Adjustment of deferred tax in the income statement	-6.783	-2.085	-6.783	-2.085
	Deferred tax at 31 December	62.735	69.518	62.735	69.518
18	Other provisions				
	Group				
	2023	2022			
	DKK 1.000	DKK 1.000			
	Provisions for pensions	6.158	6.259		
		6.158	6.259		

Notes to the Annual Report

19 Deferred income

Deferred income consist of revenue in subsequent periods.

20 Fee to auditors appointed at the general meeting

	Group		Parent company	
	2023 DKK 1.000	2022 DKK 1.000	2023 DKK 1.000	2022 DKK 1.000
Fee KPMG P/S in total	992	993	756	791
The fees are divided as follows:				
Fee, statutory audit of annual report	864	828	639	636
Fee, tax consultancy	26	25	26	25
Fee, other services	102	140	91	130
	<u>992</u>	<u>993</u>	<u>756</u>	<u>791</u>

	Group		Parent company	
	2023 DKK 1.000	2022 DKK 1.000	2023 DKK 1.000	2022 DKK 1.000
21 Contingencies and other financial obligations				
Rent- and leasing obligations				
Lease obligations from operational leasing. Total future lease obligations.				
Within 1 year	1.295	1.766	1.295	1.766
Between 1 and 5 years	861	1.468	861	1.468
	<u>2.156</u>	<u>3.234</u>	<u>2.156</u>	<u>3.234</u>

The group is 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 group's liability will increase.

The Component, Indorama Ventures Hygiene (Suzhou) Co., Ltd., is registered as joint liable guarantor towards ES Indorama Ventures (Suzhou) Co., Ltd. and SPD Bank. The total liability towards SPD Bank amounts to RMB 28.147 thousand and USD 31 thousand as of the balance sheet date.

Indorama Ventures Denmark Holdings A/S has issued a letter of financial support to its subsidiary, Indorama Ventures Hygiene (Suzhou) Co., Ltd. for at least 12 months from the balance sheet date of 31 December 2023. On the basis of the letter of financial support, the Company is financial liable to provide additional working capital as needed during 2024.

Notes to the Annual Report

22 Collaterals

The group has issued mortgage deeds totaling tDKK 382,000, which provide mortgages in the following assets with the following carrying amount:

	Group		Parent company	
	2023	2022	2023	2022
	DKK 1.000	DKK 1.000	DKK 1.000	DKK 1.000
Land and buildings with a carrying amount of	26.131	26.618	26.131	26.618

Shares in Indorama Ventures Hygiene Denmark A/S and subsidiaries have been put up as security for all debts raised in the ultimate parent of the company, Indorama Ventures.

Pledged assets

Indorama Ventures Hygiene Denmark A/S 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 30.196 (31 December 2022 tDKK 18.246).

23 Related parties and ownership

Indorama Ventures Hygiene Fibers Inc., Corporation, 3700 Crestwood Parkway, Suite 900, Duluth, GA 320096, Wilmington, USA holds the majority of the share capital in the Company.

Indorama Ventures Hygiene Denmark A/S, Varde is part of the consolidated financial statements of FiberVisions Delaware, Corporation, Wilmington, USA, which is the smallest group in which the Company is included as a subsidiary. The consolidated financial statements of FiberVisions can be obtained by contacting the Company.

Indorama Ventures Hygiene Denmark A/S is part of the consolidated financial statements of Indorama Ventures PCL 75/102 Ocean Tower 2, 37th Floor, Sukhumvit Soi 19, Bangkok 10110, Thailand, which is the largest group in which the Company is included as a subsidiary. The consolidated financial statements of Indorama Ventures PCL can be obtained by contacting the Company.

	2023
	DKK 1.000
Related party transactions	
Sale of goods to Group Companies	33.788
Purchase of goods from Group Companies	-24.794
Purchase of services from Group Companies	-6.467

Refer to the disclosed notes 7 and 8 for interests paid/received during the year to/from Group Companies.

Refer to the balance sheet for the recognized receivables and payables from/to group entities as of the balance sheet date.

The remuneration of the Parent Company's Executive Board and Board of Directors, see note 4.

Notes to the Annual Report

24 Cash flow statement - adjustments

	Group	
	2023	2022
	DKK 1.000	DKK 1.000
Financial income	-4.990	-13.226
Financial expenses	20.293	10.159
Depreciation of property, plant and equipment	16.733	17.180
Result from investments in associates	-3.027	-8.114
Tax on the income for the year	-7.941	-671
Group exchange adjustments to property, plant and equipment	2.970	845
Group exchange adjustments	4.512	-125
	<u>28.550</u>	<u>6.048</u>

25 Cash flow statement - change in working capital

Change in inventories	13.605	18.561
Change in receivables	7.742	23.691
Change in other provisions	-101	168
Change in liabilities	-24.041	-67.897
	<u>-2.795</u>	<u>-25.477</u>