Registered No. 07108602

Alpek Polyester UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2023

Registered No. 07108602

Directors

J C Pons De La Garza
J P Young Cerecedo
J P Lozano Munoz
J E Villanueva De Ezkauriatza

Auditor

Deloitte LLP
1 City Square
Leeds
LS1 2AL

Principal Bankers

HSBC bank PLC
Global Banking and Markets
Level 30
8 Canada Square
London
United Kingdom
E14 5HQ

Principal Solicitors

Womble Bond Dickinson (UK) LLP
St Ann's Wharf
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Newcastle Upon Tyne
United Kingdom
NE1 3DX

Registered Office

Davies Offices
Wilton International
Redcar
Cleveland TS10 4XZ

Strategic Report

The Directors present their strategic report and the financial statements for the year ended 31 December 2023.

Principal activities and review of the business

The principal activities of Alpek Polyester UK Limited (hereafter "the company" or "APUK") were the manufacture and sale of polyester resins (Polyethylene Terephthalate - PET). These activities are carried out from its site at Wilton, Redcar in the United Kingdom.

The company has incurred a loss for the year after taxation amounted to £8.8m (2022 – Profit of £13.1m) mainly due to the market challenges across PET industry and an unplanned shutdown. At 31 December 2023 the company had net assets of £87.9 million (2022 – net assets of £96.7 million). Net current assets were £65.2 million (2022 – £74.7 million).

Plant Activity:

Following the 2021 Safety Performance, the Step Change programme that was introduced in 2022 continued throughout 2023 and delivered significant engagement with our employees and contractor teams. In 2023 this contributed to zero reportable injuries. Environmental performance was, once again, excellent with no reportable environmental incidents.

Activities in 2023 focussed on the following key areas:

- LC1 Plant
  LC1 had an unplanned outage in Q1 2023 and completed a planned overhaul in Q2 2023, the plant made a combination of resin grades throughout the year.

- Sustainability

  We remain committed to increasing the levels of inclusion of recycled PET in our products. This is being achieved through a combination of development of our existing processes and review and investment in emerging solutions.

  The company continues its work in ensuring that all plastic pellet and powders at its site are contained and do not enter our rivers or the sea.

Commercial Activity:

The PET industry faced the most challenging environment of poor demand, excess capacity, high import volume and low market price point.

Final year sales volumes reduced (-12%) vs prior year. Similarly, margin was negatively impacted.

Major contributory factors:

- Annualised EU Imports totalled 1.2 M tonnes (+8%) vs prior year with imports from Asian duty-free countries increasing, most notably Vietnam (+77%) vs 2022. Only PRP recorded a reduction in EU exports (-19%) vs prior year.
- The combination of high import volumes, high inflation plus low Gross Domestic Product resulted in poor demand. Operating rates in both the EU and UK were negatively affected, resulting in several EU production assets temporary idled.
- Since the Russian invasion of Ukraine, energy costs have remained a concern. Some price easing was seen throughout 2023, but energy (gas) remains two-fold vs typical base year of 2021.
- A production interruption in the Spring necessitated Third Party resin purchases which were further commercially damaging.
- Logistics costs continue to increase year-on-year.

Despite the introduction of the UK's Plastic Packaging Tax, £200 per metric tonne all products produced without min 30% recycle content, the company witnessed little if any migration to recycle content inclusive polymers.

Key Performance Indicators (KPIs)

In conjunction with the management of costs and working capital to improve profit, the company uses a number of KPIs to monitor performance. These KPIs are monitored both on a product-by-product basis and also for the company as a whole, compared to budget.

	2023	*2022*
Operating (Loss) / Profit as % of Turnover	(5.45)	5.83
Turnover/Employee (£000)	1,633	2,160
Finished goods stock days (based on Q4)	36	37
Days sales outstanding (based on Q4)	95	108
Current assets: Current liabilities ratio	2.56	2.81

Non-financial key performance indicators

		2023	*2022*
RIDDOR reportable injuries		-	-
EA reportable environmental incidents:		-	-
Plant uptime % (Alpek Calculation):	PET – LC1	84.8	95.5

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties, the main of which are as follows:

Raw materials and Energy

Raw material and energy prices remain a major cost to the business which, although to a lesser degree than prior year, remain impacted by global factors. Energy, with gas in particular being the major energy source of production, remains negatively affected by the ongoing conflict in Ukraine. Consequently, additional cost was incurred which was difficult to pass through to the market.

Management maintains its consideration for disruption to supplies of critical raw materials from regions with high transit time. Consequently, the company continues to take a balanced approach to the purchase of raw materials from strategic global suppliers to ensure the most competitive and balanced supply.

The risk of sudden and unpredicted raw material price changes due to oil price fluctuation is difficult to mitigate against and as such it is a risk that has to be managed actively (see Price risk below).

The company maintains its price risk strategy using fixed components within raw material, energy, and currency futures markets and by collaboration with customers and other business partners.

Financial risk

The company's operations expose it to a variety of financial risks that include price risk, credit risk and liquidity risk. The Alpek group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company where appropriate.

Price risk

There is an exposure to commodity price risk by the nature of the company's operations. The company benefits from participation in global Alpek risk management programs which utilise derivative financial instruments to hedge selected exposures to movements in commodity prices.

The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales commitments are made. These checks utilise both external credit risk information and information obtained from new and existing customers. The vast majority of sales are insured via a leading credit insurance provider. Uninsured debtors, in particular those which are overdue, are carefully monitored and provision made for lifetime expected credit losses, based on historic and expected default rates.

Liquidity risk

The company has access to a mixture of short-term debt finance that is designed to ensure that the company has sufficient available funds for operations and planned expansions. The risk of loss of financial assets due to a failure of a corporate banking provider is mitigated by consultation with the parent undertaking, utilising banks that are deemed to be the most stable and with whom there are long standing relationships.

Cash flow is monitored and reviewed in consultation with the parent undertaking on a daily basis. Short and medium term projections are assessed to ensure appropriate liquidity**.**

Foreign currency risk

The company purchases the majority of its raw materials in Euros and US Dollars, and pays for the majority of its services, utilities and manpower costs in GBPs, receiving payment for its goods sold in both Euros and GBP. The balance of accounts payable and receivable provides a natural hedge on EUROs and GBP, supplemented by appropriate hedging instruments in consultation with the parent undertaking.

Section 172 (1) Statement

The following Section 172 statement, which is required by the Companies Act 2006, describes how the Directors have had regard to the matters set out in section 172 (1a to 1f) and forms the directors' views of the company's stakeholders in their decision making.

Suppliers

Our key suppliers are grouped into major raw materials suppliers and those involved in providing engineering goods and services for stable plant operation.

How we engage

All supplier arrangements are supported by contracts and/or purchase orders. APUK reports publicly on payment policies, practices and performance in line with the requirements of the Department for Business, Energy and Industrial Strategy (BEIS).

What matters to them

It is the company's policy to make payments to suppliers in accordance with the terms and conditions agreed with suppliers, providing that all trading terms and conditions have been complied with.

Why they matter to us

Our suppliers are key to the continuity and safe operation of our production facility and the movement of our raw materials and finished products within and outside of our site.

Customers

Our key customers are grouped into major brand owners and converters, based in the UK and Europe.

How we engage

All customer arrangements are supported by contracts and/or sales orders.

What matters to them

Timely supply of the highest quality PET, supporting customers by meeting their evolving needs in a changing industry.

Why they matter to us

Alpek Polyester UK Limited is committed to leading the PET industry in the UK and bringing viable product and recycling solutions to the market as it continues its journey to make PET even more sustainable.

Regulators

Our facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations ranging across all aspects of our business operations.

How we engage & what are we doing

These requirements govern, among other things, the manufacture, storage and handling of our products and the treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions, noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated areas. Our plants require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditure to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

Our operations are in compliance with all HSSE laws, regulations and permits. We actively address compliance issues in connection with our operations and properties and we believe that we have systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on us.

Employees

APUK has an experienced and committed workforce and places considerable value on the engagement of its employees in matters affecting them and the company.

How we engage

We have developed a multi-layered approach to the provision of information to, and involvement of, employees in matters which affect them and the business.

Section 172 (1) Statement (continued)

These range from global "town hall" style meetings, weekly communication bulletin which serves as the basis of a 2-Way communication process through to a more formal Employee Forum and a business update that is done every quarter to all employees. During 2023 we have also signed a voluntary recognition agreement with Unite the Union for the Process Technician, Maintenance Technician and Laboratory Analysts. The agreement is focused on pay, hours of work and holidays.

The weekly communication bulletin covers HSE, manufacturing, market, HR, IT and global communications with the Union Reps & Employee Reps Forum serving as the main vehicle for direct consultation and discussion on more formal matters.

What matters to them & what are we doing

The company is committed to providing all training and development necessary to ensure legal compliance, competence and continuous improvement of its employees. As part of its corporate sustainability approach, it actively sponsors apprentices and is connected to many external forums such as Apprenticeship Ambassador Network, Science Industry Partnership and North East Process Industry Cluster. The company has a "charities" committee that offers charitable donations to charities nominated by its employees. It is also actively engaged in initiatives such as Children Challenging Industry which is aimed at inspiring children to take up careers in the chemical industry.

The company continues with the Alpek Cultural Transformation program across all employees at every level. The Mindsets and Behaviours and Company Values are embedded in the weekly communications process and this will work will continue in 2024.

The company is actively involved in the global ED&I initiative that was launched during 2024, including helping to develop the strategy moving forward.

The company considers applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by such a person. Where existing employees become disabled, it is the company's policy, wherever practicable, to put in place reasonable adjustments to allow the continuation of employment and to provide appropriate training and career development and consideration for promotion on an equal basis.

Investors

Our shareholders are listed in note 18 to the financial statements.

What matters to them & what are we doing

Through our engagement activities, we strive to meet the strategic objectives of the Alpek Group. We generate value for our shareholders by achieving strong and sustainable results that fuel long term growth. Site performance is monitored against set business objectives. Since the acquisition by Alpek the management team have continued to integrate into the organisational structure and cultural goals of the Group.

Approved by the Board on 25 June 2024 and signed on its behalf by:



J E Villanueva De Ezkauriatza
Director

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2023.

Dividends

The directors do not recommend payment of a dividend (2022-£nil).

Directors

The current directors are shown on page 1. The directors who served the company during the year, and up to the date of approval of these financial statements, were as follows:

J C Pons De La Garza
J P Young Cerecedo
J P Lozano Munoz
J E Villanueva De Ezkauriatza
J D J Valdez Simancas (terminated from 1 Aug 2023)

Directors' indemnities

The company has made qualifying third party indemnity provisions in accordance with the Companies Act 2006, including directors and officers insurance, for the indemnification of its directors. The qualifying third party indemnity was effective during the financial year and is appropriately disclosed in the financial statements.

Other information

Certain information, including review of results and key performance indicators and financial risk information, is not shown in the Directors' Report as it is shown in the Strategic Report.

Future developments

APUK continues to align its activities around its Environmental Social and Corporate Governance framework as part of wider Alpek group objectives. APUK will continue to strive to deliver value to its customers and shareholders; operate ethically and contribute positively to the lives of its employees and the local and wider societies in which it operates.

The focus of the company remains on the manufacture and sale of PET resin along with research and development of recycle options which exploit a range of technologies, both established and emerging. The continued stable operations of the LC1 asset are crucial to the company's ability to take advantage of the lower operating costs of the state of the art plant and sustain operating profit. This was impacted, however, by an unplanned outage in Q1 2023 and an overall difficult European PET market in 2023 where all EU PET producers either under ran or idled plants.

The company will further develop its established domestic volumes and sales to continental Western European customers plus those further afield as economics allow.

Research and development

Alpek Polyester is committed to the PET industry in the UK and bringing viable products and recycling solutions to the market as it continues its journey to make PET even more sustainable through application of learning from our parent company and global partners.

Directors' report (continued)

Going concern

At 31 December 2023 the company had net assets of £87.9m (2022 – net assets of £96.7 million), which included amounts due from group undertakings totalling £25.9m (2022 – £3.6 million as due to group undertakings). Net current assets were £65.2m (2022 – net current assets £74.7 million). The movements on prior year reflect the losses of the business during the financial year. The Directors have performed a detailed going concern review, based on the forecast period of 12 months from the date of approval of these financial statements, and considered sensitivities in respect of potential downside scenarios as follows:

- Drop of 5% in margin
- Sales volumes decrease 10%
- Sales volumes decrease 15%

The company has the following additional resources available to utilise:

- an undrawn $25m revolving loan facility provided by Alpek Polyester USA, LLC
- uncommitted receivables purchase agreement with Banco Santander, S.A. opened in September 2020

The forecast analysis assumes no draw down of the revolving loan facility over the forecast period, which expires in February 2026. Based on the cash position of the company and the expected cash flows the Directors conclude that the company is able to continue in operation for a period of at least twelve months from the date of approving the financial statements. In addition, the Directors have received commitment from the Company's parent undertaking, Alpek Polyester S.A. de C.V. that financial support would be provided if needed.

Political and charitable contributions

The total amount of charitable contributions made in the United Kingdom by the company during the financial year was £5,139 (2022 – £2,462). No political contributions were made during the financial year (2022 - Nil).

Employee involvement

The company places considerable value on the involvement of its employees in matters affecting them and the company. It has developed a multi-layered approach to the provision of information to, and involvement of, employees in matters which affect them and the business.

These range from global "town hall" style meetings, weekly communication bulletin which serves as the basis of a 2-Way communication process through to a more formal Employee Forum and a business update that is done every quarter to all employees. During 2023 we have also signed a voluntary recognition agreement with Unite the Union for the Process Technician, Maintenance Technician and Laboratory Analysts. The agreement is focused on pay, hours of work and holidays.

The weekly communication bulletin and quarterly updates generally cover HSE, manufacturing, market, HR, IT and global communications with the Union Reps & Employee Reps Forum serving as the main vehicle for direct consultation and discussion on more formal matters.

The company is actively involved in the global ED&I initiative that was launched during 2024 and is involved in developing the strategy moving forward.

Directors' report (continued)

Health and Safety

Our facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations ranging across all aspects of our business operations. These requirements govern, among other things, the manufacture, storage, handling of our products and the treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions, noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated areas. Our plants require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditure to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

Energy Consumption and Greenhouse Gas Emissions

In comparison to the previous financial period our total energy consumption has reduced by18.1 GWh or 13.3%, and our total greenhouse gas emissions have reduced by 3.3 Mt of CO2e or 11.3%. A reduction in electricity consumption was achieved by investing in few capex projects, however during the year there were planned and unplanned shutdown periods which reduced our overall production by 19% and negatively affected our energy and emissions intensities. Per tonne of production our energy consumption has increased by 58 kWh or 7.7%, and our emissions have increased by 16 kg of CO2e or 10.1%.

Energy Consumption (MWh)	*2023* *MWh*	*2022* *MWh*
Electricity	22,951.0	24,479.1
Natural Gas	83,229.9	97,069.1
Steam	11,792.3	14,539.5
Other fuels	56.9	44.2
	118,030.1	**136,131.9**

Greenhouse Gas Emissions (tCO2e)	*2023* *tCO2e*	*2022* *tCO2e*
From Combustion of Fuel		
Natural Gas	15,225.2	17,719.0
Other Fuels	14.3	11.3
Subtotal	**15,239.5**	**17,730.3**
From Purchased Electricity, Steam, Heat & Cooling	10,264.1	11,037.9
Subtotal	10,264.1	11,037.9
Total Gross Emissions	**25,503.6**	**28,768.2**

Methodology used to calculate Energy consumption and Emissions

Conversion factors

All conversion factors and fuel properties used in this disclosure have been taken from the 2023 "UK Government Greenhouse Gas Conversion Factors for Company Reporting" published by the Department for Energy Security & Net Zero (DESNZ) and the Department for Environment, Food & Rural Affairs (DEFRA). All greenhouse gas emissions have been expressed in terms of their carbon dioxide equivalence.

Directors' report (continued)

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(i) so far as each director is aware, there is no relevant audit information of which the Company's auditor are unaware.

(ii) each director has taken all the steps that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP was re-appointed as auditor for the year ended 2024.



On behalf of the Board

J E Villanueva De Ezkauriatza
Director
25 June 2024

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of Alpek Polyester UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Alpek Polyester UK Limited (the 'company');

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its Loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of other comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

We discussed among the audit engagement team including tax & IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address it are described below:

- Cut off of revenue transactions: Due to the variation of sale terms, a sample of revenue items have been agreed to supporting evidence either side of the year end to ensure accounted for in the correct period. In respect of the selected samples, these have traced them back to the sales invoices, goods dispatch notes and also confirmed to the terms of the sale to ensure that they have been accounted in the correct period.

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

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

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

(continued)

for the year ended 31 December 2023

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Paul Standish MSc ACA

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

25 June 2024

Income statement

for the year ended 31 December 2023

	Notes	*2023* *£000*	*2022* *£000*
Turnover	4	169,855	226,803
Cost of sales		(167,128)	(197,524)
Gross profit		2,727	29,279
Distribution costs		(7,240)	(7,822)
Administrative expenses		(4,942)	(6,613)
Other operating income / (expense)	5	195	(1,632)
Operating (loss) / profit	5	(9,260)	13,212
Interest receivable and similar income	8	1,266	78
Interest payable and similar expenses	9	(791)	(210)
(Loss) / Profit before taxation		(8,785)	13,080
Tax	10	-	-
(Loss) / Profit for the financial year		(8,785)	13,080

All of the activities of the company are classified as continuing.

Statement of comprehensive income

for the year ended 31 December 2023

	2023 *£000*	*2022* *£000*
(Loss) / Profit for the financial year	(8,785)	13,080
Effect of derivative financial instruments designated as cash flow hedges	-	50
Comprehensive (Loss) / Income for the financial year	(8,785)	13,130

Registered No. 07108602

Statement of financial position

at 31 December 2023

	Notes	*2023* £000	*2022* £000
Non current assets			
Tangible assets	11	22,809	21,927
Other non current assets	11	28	77
		22,837	22,004
Current assets			
Stocks	12	32,310	49,758
Debtors due within one year	13	67,889	58,315
Cash at bank and in hand		6,700	8,015
		106,899	116,088
Creditors: amounts falling due within one year	14	(41,718)	(41,385)
Net current assets		65,181	74,703
Total assets less current liabilities		88,018	96,707
Other Creditors (non-current)		(102)	(6)
Net assets		87,916	96,701
Capital and reserves			
Called up share capital	15	238,024	238,024
Hedging Reserve		-	-
Profit and loss account	15	(150,108)	(141,323)
Shareholders' funds		87,916	96,701

The financial statements were approved and authorised for issue by the Board on 25 June 2024 and signed on its behalf by



J E Villanueva De Ezkauriatza

Director

Statement of changes in equity

at 31 December 2023

	Notes	*Share Capital £000*	*Profit and loss account £000*	*Hedging Reserve £000*	*Total share-holders funds £000*
At 1 January 2022		238,024	(154,403)	(50)	83,571
Profit for the year		-	13,080	-	13,080
Derivative loss	15	-	-	50	50
Total comprehensive income		-	13,080	50	13,130
At 31 December 2022		238,024	(141,323)	-	96,701
Loss for the year		-	(8,785)	-	(8,785)
Derivative gain		-	-	-	-
Total comprehensive income		-	(8,785)	-	(8,785)
At 31 December 2023		238,024	(150,108)	-	87,916

Notes to the financial statements

at 31 December 2023

1. Authorisation of financial statement and statement of compliance with FRS 101

Alpek Polyester UK Limited (the "company") is a private limited liability company, limited by shares. The financial statements of the company for the year ended 31 December 2023 were authorised for issue by the board of directors on 25 June 2024 and the balance sheet was signed on the board's behalf by Mr J E Villanueva De Ezkauriatza. Alpek Polyester UK Limited is incorporated and domiciled in England and Wales. The company's registered number is 07108602.

These financial statements were prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework (FRS 101) and in accordance with the requirements of the Companies Act 2006 and applicable accounting standards. The financial statements are presented in GBP £ sterling and all values are rounded to the nearest £'000, except where otherwise indicated. The results of the company in 2023 are included in the consolidated financial statements of ALFA, S.A.B. DE C.V, (ALFA) a company incorporated in Mexico. The principal accounting policies adopted by the company are set out in note 2.

2. Accounting policies

Basis of preparation

These financial statements have been prepared on a historical cost basis as modified by financial instruments recognised at fair value.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1; and
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - the requirements of paragraphs 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111, 134 and 136 of IAS 1 Presentation of Financial Statements;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

Notes to the financial statements (continued)

at 31 December 2023

- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

Going concern

At 31 December 2023 the company had net assets of £87.9m (2022 – net assets of £96.7 million), which included amounts due from group undertakings totalling £25.9m (2022 – £3.6 million as due to group undertakings). Net current assets were £65.2m (2022 – net current assets £74.7 million). The movements on prior year reflect the losses of the business during the financial year. The Directors have performed a detailed going concern review, based on the forecast period of 12 months from the date of approval of these financial statements, and considered sensitivities in respect of potential downside scenarios as follows:

- Drop of 5% in margin
- Sales volumes decrease 10%
- Sales volumes decrease 15%

The company has the following additional resources available to utilise:

- an undrawn $25m revolving loan facility provided by Alpek Polyester USA, LLC
- uncommitted receivables purchase agreement with Banco Santander, S.A. opened in September 2020

The forecast analysis assumes no draw down of the revolving loan facility over the forecast period, which expires in February 2026. Based on the cash position of the company and the expected cash flows the Directors conclude that the company is able to continue in operation for a period of at least twelve months from the date of approving the financial statements. In addition, the Directors have received commitment from the Company's parent undertaking, Alpek Polyester S.A. de C.V. that financial support would be provided if needed.

Revenue recognition

Revenue is measured at the fair value of the consideration, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the performance obligation is satisfied, which is when control of the goods or services underlying the particular performance obligation is transferred to the customer. This is usually on delivery of the goods.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Financial Instruments

a. Financial Assets

The company classifies and measures its financial assets based on the purpose for which the assets were acquired. They can be classified in the following categories: at fair value through profit or loss and loans

Notes to the financial statements (continued)

at 31 December 2023

and trade receivables. Management determines the classification of its financial assets upon initial recognition. Regular purchases and sales of financial assets are recognized at settlement date.

Financial assets are derecognized when the right to receive the related cash flows expires or is transferred, and the company has transferred substantially all of the risks and rewards of ownership and the control of the financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that are held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling it in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed through the income statement. Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the income statement in the period in which they arise.

Loans & Trade Receivables

Loans and trade receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for these with maturities greater than twelve months after the end of the reporting period; these are classified as noncurrent assets.

Loans and trade receivables are measured initially at fair value, plus directly attributable transaction costs, and subsequently measured at amortized cost. When circumstances occur that indicate that the accounts receivable will not be collected for the amounts originally agreed, or will be in a different period, the receivables are impaired.

b. *Financial liabilities*

Non-derivative financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. Liabilities in this category are classified as current liabilities if they are expected to be settled within the next 12 months, otherwise they are classified as non-current. Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently carried at amortized cost; any difference between the amounts received (net of transaction costs) and the settlement value is recognized in the income statement over the term of the loan using the effective interest method.

The company derecognizes financial liabilities if, and only if, the obligations of the company are fulfilled, cancelled or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

c. Impairment of financial Instruments

The company uses an impairment model based on expected credit losses rather than losses incurred, applicable to financial assets subject to such assessment.

1. Trade receivables - the company has adopted the simplified expected loss calculation model, through which expected credit losses during the account receivable's lifetime are recognized.

Notes to the financial statements (continued)

at 31 December 2023

2. Other financial instruments - the company recognizes credit losses expected during the asset's lifetime for all financial instruments for which credit risk has significantly increased since its initial recognition (assessed on a collective or individual basis), considering all the reasonable and sustainable information, including that referring to the future.

d. Derivative financial instruments and hedging activities

All derivative financial instruments entered into and classified as fair value hedges or cash flow hedges, are recognized in the statement of financial position as assets and/or liabilities at fair value and are measured subsequently at fair value. The fair value is determined based on prices in recognized markets; when no quoted market prices are available, it is determined using valuation techniques accepted in the financial sector.

The fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

A derivative financial instrument for hedging is entered into to hedge against an existing risk. To comply with the related hedge accounting requirements, its designation as a hedge is documented at the inception of the transaction, specifying the related objective, initial position, risks to be hedged, type of hedge relationship, characteristics, accounting recognition and how its effectiveness will be assessed.

In the case of cashflow hedges, the effective portion of changes in fair value is temporarily included in other comprehensive income in equity and is reclassified to income when the hedged item affects income; the ineffective portion is recognized immediately in operations.

The Company suspends hedge accounting when the derivative instrument has expired, is cancelled or is exercised, or when it has not reached a high degree of effectiveness to offset the changes in the fair value or cash flows of the hedged item, or when its designation as a hedge is cancelled.

Intangible fixed assets

Intangible fixed assets are stated at historic purchase cost less accumulated amortisation. The cost is the original purchase price of the asset. Amortisation is calculated so as to write off the cost of the asset on a straight-line basis over its estimated useful economic life as follows:

Licences and patents	–	maximum 5 years

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated so as to write off the cost of a fixed asset on a straight-line basis over its estimated useful economic life, taking into account any contractual relationships, which is as follows:

Freehold buildings	–	over 10 - 25 years
Vehicles and office equipment	–	over 3 - 5 years
Plant and machinery	–	over 3 - 20 years

Freehold land is not depreciated.

Notes to the financial statements (continued)

at 31 December 2023

Assets under construction are not depreciated until they are fully commissioned and operational.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Research and development costs

The company follows a policy of supporting a level of development activities commensurate with the current and future requirements of the business. Expenditure on research and development is charged against the results for the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value, as determined by the moving average valuation method. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Cost comprises direct costs and where appropriate, a proportion of production overheads and depreciation. Where necessary, a provision is made for obsolete, slow moving and defective stocks.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment. Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, income tax is recognised in the income statement.

Foreign currencies

The functional currency of Alpek Polyester UK Limited is the local currency of its principle operating environment. The company's primary products are sold in an international commodities market, priced and invoiced primarily in both Euros and Sterling.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising from monetary items are taken to the income statement in the year in which they occur.

Notes to the financial statements (continued)

at 31 December 2023

Accrued income

Accrued income is credited to the income statement at the point at which title of the products sold is deemed to have transferred to the purchaser.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

3. Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will vary from the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Critical accounting judgements

The following areas are considered to involve a significant degree of judgement:

Deferred tax

Judgement is required in relation to deferred tax assets which may arise as the recoverability of these assets is reliant on future taxable profits. Although forecasts point to continued profitability, given the inherent uncertainties of global markets and the changing chemical industry, no deferred tax has been recognised this year.

The amounts not provided in respect of deferred tax at the balance sheet date are set out in note 10.

Key sources of estimation uncertainty

There is no area within the financial statements that involves or has key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

The company's turnover is analysed below by destination:

	2023	*2022*
	£000	*£000*
UK	152,711	209,226
Europe	12,780	17,332
Rest of World	4,364	245
	169,855	226,803

Turnover derives from the continuing principal activity of the company, the manufacture of chemicals.

Notes to the financial statements (continued)

at 31 December 2023

5. Operating Profit

This is stated after charging

	2023	*2022*
	£000	*£000*
Auditor's remuneration – auditing of financial statements	194	150
Net foreign exchange expense	107	2,917
Research and development expenditure	333	543
Depreciation of owned fixed assets	2,237	2,866

Other operating (expense)/income is analysed as follows:

	2023	*2022*
	£000	*£000*
R&D Expenditure Credit	302	465
Net foreign exchange expense	(107)	(2,917)
Sale of scrap/damages/other	-	820
	195	(1,632)

6. Directors' remuneration

	2023	*2022*
	£000	*£000*
Aggregate remuneration	714	559

During the year the following amounts were payable to the highest paid director:

	2023	*2022*
	£000	*£000*
Aggregate remuneration	714	559

Notes to the financial statements (continued)

at 31 December 2023

7. Staff costs

	2023	*2022*
	£000	*£000*
Wages and salaries	7,068	6,510
Social security costs	659	624
Other pension costs (note 16)	439	398
	8,166	7,532

The average monthly number of employees during the year was made up as follows:

	2023	*2022*
	No.	*No.*
Operations	81	82
Administration	23	23
	104	105

8. Interest receivable and similar income

	2023	*2022*
	£000	*£000*
Interest receivable from parent undertaking	1,266	78
	1,266	78

9. Interest payable and similar expenses

	2023	*2022*
	£000	*£000*
Interest payable to parent undertaking	5	84
Other financing costs	786	126
	791	210

Notes to the financial statements (continued)

at 31 December 2023

10. Tax on Profit

(a) Factors affecting tax charge for the year

The tax for the year is the standard rate of corporation tax in the UK of 25%.

The charge can be reconciled to the income statement as follows:

	2023	*2022*
	£000	*£000*
Loss before tax	(8,758)	13,080
Tax on loss at standard UK tax rate of 23.59% (2022: 19%)	(2,066)	2,485
Effects of:		
Expenses not deductible for tax purposes	180	162
Reversal of unrecognised deferred tax asset	252	(103)
Deferred tax not recognised	1,634	(2,544)
Total tax charge for the year	-	-

(b) Deferred tax asset

	2023	*2023*	*2022*	*2022*
	Recognised	*Unrecognised*	*Recognised*	*Unrecognised*
	£000	*£000*	*£000*	*£000*
Analysis of deferred tax asset balances:				
Decelerated capital allowances	-	12,485	-	12,055
Losses	-	19,053	-	17,609
Short term timing differences – Trading	-	45	-	317
	-	31,583	-	29,981

(c) Factors that may affect future tax charges

At the balance sheet date, the company has unutilised tax losses of £76.2m (2022 - £70.4m) and deductible temporary differences of £50.1m (2022 - £49.5m), which are available indefinitely for offset against the company's future taxable profits. The company has not recognised deferred tax assets in respect of these owing to uncertainty regarding the sustained availability of taxable profits in the near future. The company will continue to evaluate the appropriateness of recognizing a deferred tax asset going forward.

The company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the financial statements (continued)

at 31 December 2023

11. Tangible fixed assets

	Freehold land and buildings	*Vehicles and office equipment*	*Plant and machinery*	*Assets under construction*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Cost:					
At 1 January 2023	2,786	764	123,144	1,120	127,814
Additions	-	-	-	3,119	3,119
Disposals	-	-	-	-	-
Transfers	-	12	3,247	(3,259)	-
At 31 December 2023	2,786	776	126,391	980	130,933
Depreciation:					
At 1 January 2023	391	659	104,837	-	105,887
Charge for the year	21	57	2,159	-	2,237
Disposals	-	-	-	-	-
At 31 December 2023	412	716	106,996	-	108,124
Net book value:					
At 31 December 2023	2,374	60	19,395	980	22,809
At 31 December 2022	2,395	105	18,307	1,120	21,927

Included within freehold land and buildings is land, which is not depreciated, held at a carrying value of £2,149,737 (2022: £2,149,737).

Other non current assets for the year ending 31 December 2023 relate to forward foreign currency contracts with a maturity date greater than 12 months from the balance sheet date.

Notes to the financial statements (continued)

at 31 December 2023

12. Stocks

	2023	*2022*
	£000	*£000*
Raw materials and consumables	18,882	30,317
Finished goods and goods for resale	13,428	19,441
	32,310	49,758

Stocks are stated after provisions for impairment of £1.1m (2022: £1.1m). £121.1m of inventory was recognised as an expense during the year (2022: £165.8m).

There is no material difference between the balance sheet value of stocks and their replacement cost.

13. Debtors

	2023	*2022*
	£000	*£000*
Trade receivables due in less than one year	36,328	56,607
Amounts owed by group undertakings	29,965	-
Prepayments and accrued income	407	624
Other receivables	1,189	1,084
	67,889	58,315

Trade receivables are stated after provisions for impairment of £34,590 (2022: £85,359). Amounts due from group undertakings at 31 December 2023 includes £27.5m loan advances made to Alpek Polyester USA, LLC within a revolving facility with maturity of 31 December 2024. These are interest bearing loans based on Secured Overnight Financing Rate (SOFR) or London Inter-bank Offered Rate (LIBOR). All balances will be repaid in full in 2024.

14. Creditors: amounts falling due within one year

	2023	*2022*
	£000	*£000*
Trade payables	35,089	31,736
Amounts owed to group undertakings	1,760	3,643
Other taxes and social security costs	3,590	4,985
Derivative financial instruments	678	182
Accruals and deferred income	555	790
Working capital facility financing	46	49
	41,718	41,385

Amounts owed to group undertakings at 31 December 2023 and 31 December 2022 reflect amounts payable to AKRA Polyester S.A DE C.V, Octal SAOC FZC and other group undertakings for purchases, on 30 days payment terms, in the ordinary course of business.

Notes to the financial statements (continued)

at 31 December 2023

15. Issued share capital and reserves

		2023		*2022*
Allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of $1 each	325,839,025	238,024	325,839,025	238,024

The profit and loss account represents accumulated profit and loss less any dividends paid. Pensions

The company operates a defined pension contribution scheme. The pension cost for the year represents contributions payable by the company to the scheme and amounted to £439,086 (2022 – £397,870).

There were outstanding contributions at the end of the financial year of £91,502 (2022 – £76,187).

16. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 101 with reference to IAS24 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of ALFA, S.A.B. DE C.V.

17. Subsequent events

There were no events subsequent to 31 December 2023 and occurring before the date of the approval of these financial statements that are expected to have a significant impact on these financial statements.

18. Ultimate parent undertaking and controlling party

The smallest group in which the results of the company are consolidated is that of DAK Americas Exterior, SL incorporated in Spain, registered office Calle Calendula 95, Edificio "M", Oficina 5, Miniparc II, El Soto de la Moraleja, Alcobendas, 28109 Madrid, Spain.

The largest group which the results of the company are consolidated is Alpek Polyester, S.A. de C.V., incorporated in Mexico, registered office Ave. Ricardo Margain 444, Torre Eqqus Sur, Piso 16, San Pedro Garza Garcia, Nuevo Leon 66265, Mexico. No other group financial statements include the results of the company.

On 1st January 2020 the company was purchased from Lotte Chemical Corporation by DAK Americas Exterior, S.L (95%) and Alpek Polyester, S.A. de C.V. (5%). The ultimate parent undertaking and controlling party from 1st January 2020 is ALFA, S.A.B. DE C.V, (ALFA) a company incorporated in Mexico.