THE BUSINESS REPORTING STANDARD

Collaborate | Advocate | Standardise

Digital Reporting

John Turner, CEO

April 2025

@xbrlint

Goals for this short introduction

Digital Reporting Briefing

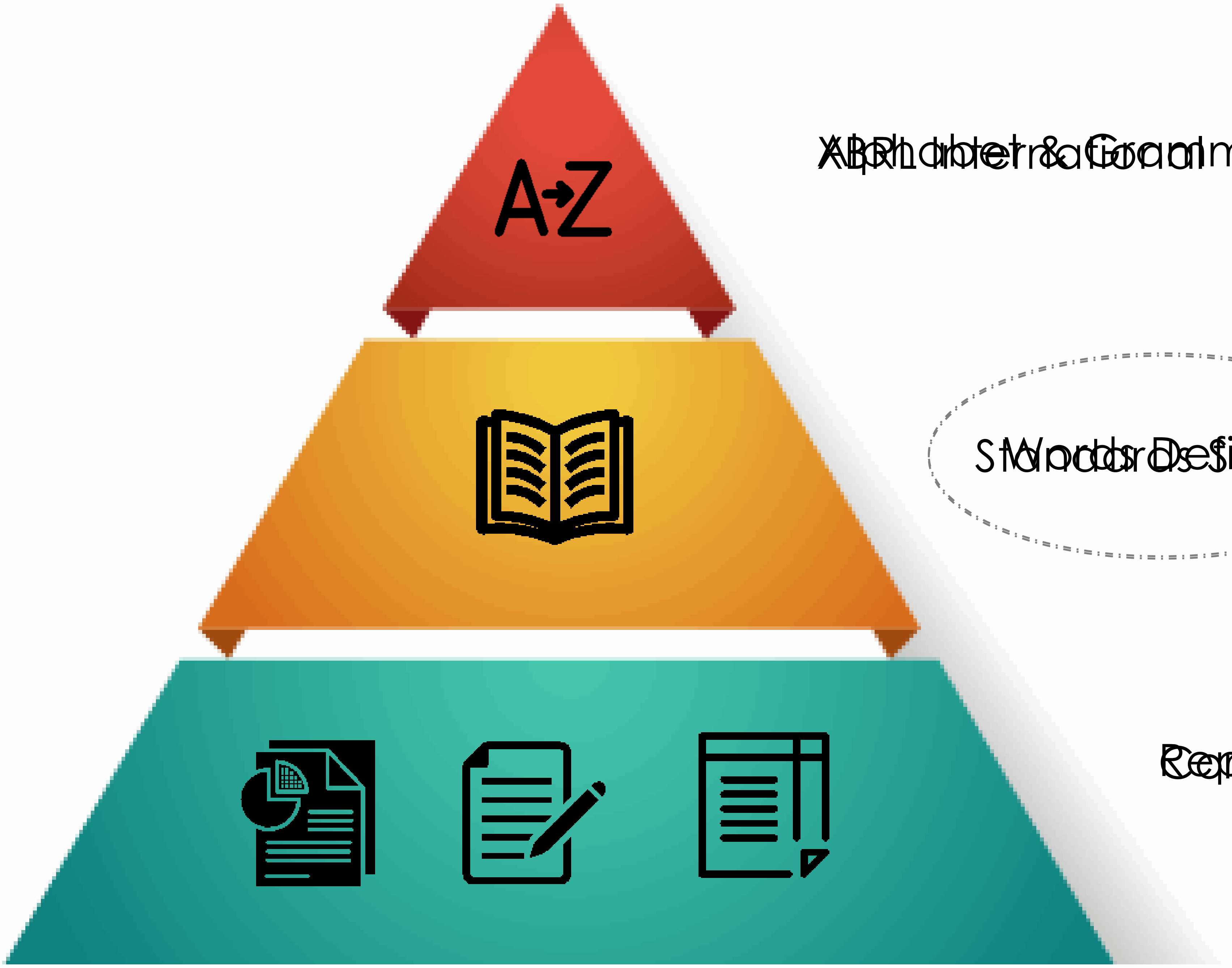
Tag! You're It!

- Fundamentally – when management adds tags, their disclosures are vastly more useful.

- What is XBRL?
- Some reports in action
- AI and digital reporting

How does digital reporting work?

A flexible framework for digitization of reports of any kind.



Alphabet & Grammar
XBRL International

Words Defined
Standards Setters

Reports & Documents
Companies

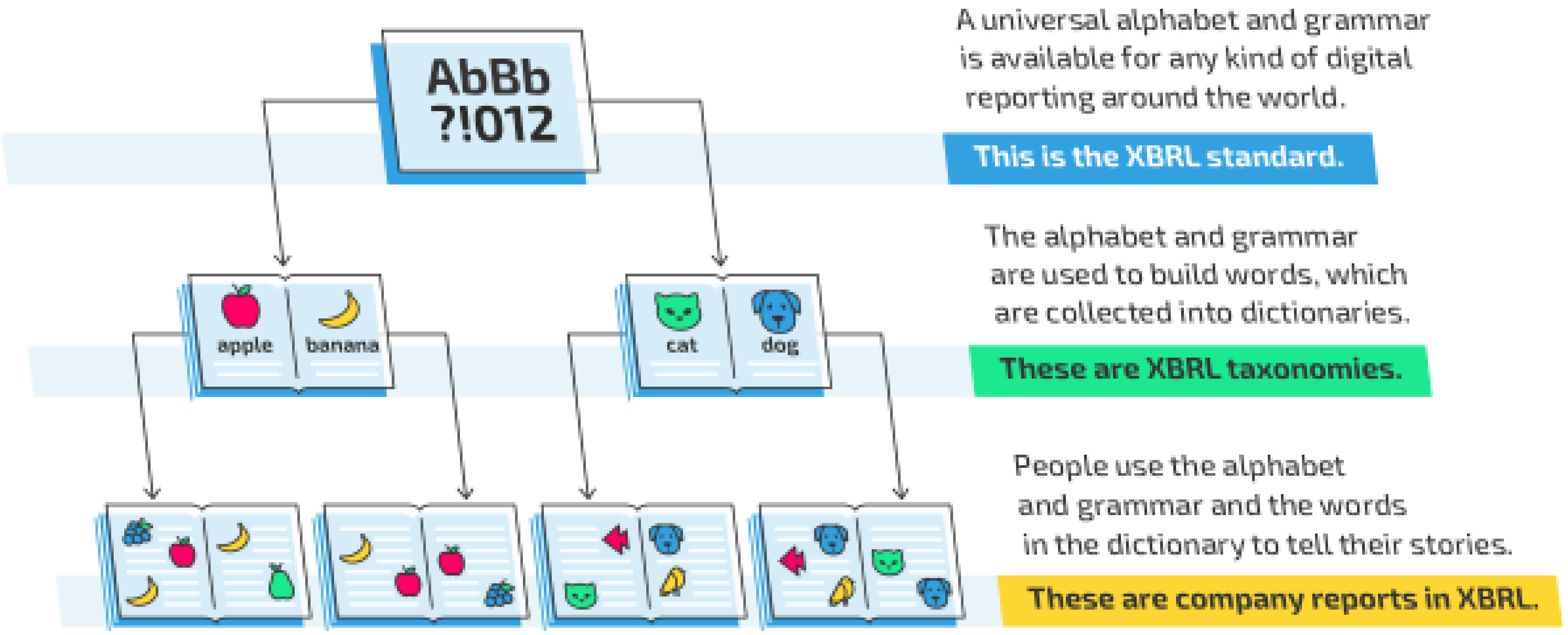
THE BUSINESS REPORTING STANDARD

- Global Not For Profit.
- Freely Licensed. Open.
- Public Interest Purpose.
- 200+ Regulatory Implementations.

www.xbrl.org

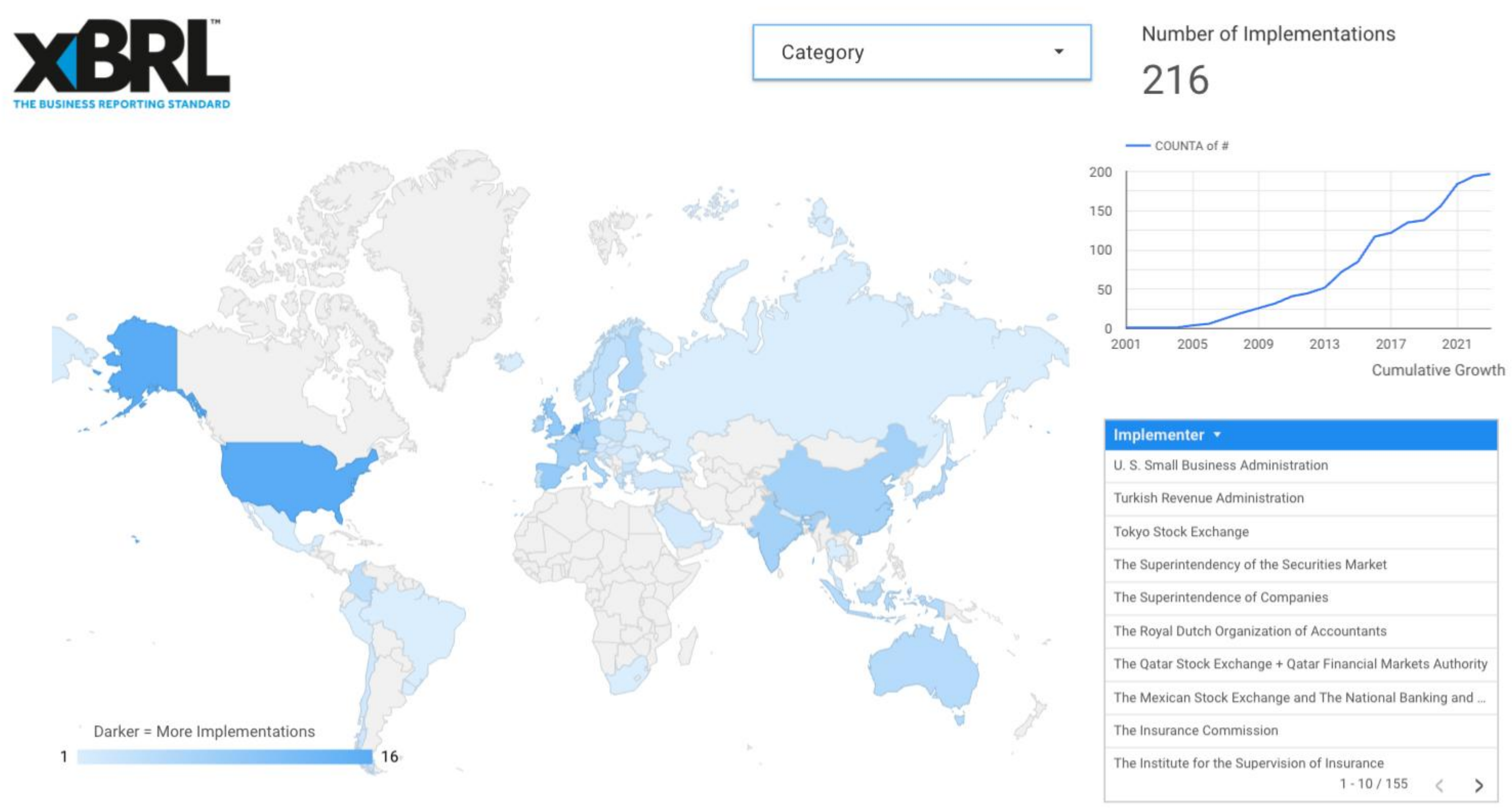
Once more for emphasis…

Digital standard means continuous digital checks, each step of the way.



Global Mandates

Perceived asymmetric benefits mean mandates are required to bring digital disclosures into effect



Digital disclosures are mandated across the world, for all kinds of data:

Financial Risk

Financial Performance

Tax

Energy Regulation

XBRL®
THE BUSINESS REPORTING STANDARD

Collaborate | Advocate | Standardise

Reports in Action

@xbrlint

filings.xbrl.org/5493008FE9JCTSEEPD19/2024-12-31/ESEF/BE/1/5493008FE9JCTSEEPD19-2024-12-31-0-en/reports/ixbrlviewer.html#f-f0__s1__3__10

Highlight ⓘ XBRL Elements User Gu

Consolidated financial statements as per December 31, 2024

1 Audited consolidated statement of comprehensive income

Period ending at: (€)	Notes	December 31, 2024 12 months audited	December 31, 2023 18 months audited
Interest income		7,795,253	11,745,044
Dividend income		20,989,812	35,634,123
Gain on disposal of investments		2,508,500	9,523,933
Unrealised gains on investments		39,075,133	25,104,519
Revenue		1,407,980	1,207,033
Operating income	11	**71,776,678**	**83,214,652**
Unrealised losses on investments		(21,028,418)	(21,707,323)
Portfolio result	11	**50,748,260**	**61,507,330**
Selling, General & Administrative Expenses		(6,505,970)	(10,323,753)
Depreciations and amortizations		(3,727)	(5,606)
Other operating expenses		(251,433)	(353,676)
Operating expenses (-)	12	**(6,761,130)**	**(10,683,035)**
Operating result, profit (loss)		**43,987,130**	**50,824,294**
Finance income	13	**62,552**	**973,666**
Finance costs (-)	13	**(1,242,989)**	**(406,430)**
Result before tax, profit (loss)		**42,806,692**	**51,391,530**
Tax expenses (-)	14	**(315,633)**	**(492,516)**
Total Consolidated income		**42,491,060**	**50,899,013**
Total other comprensive income		-	-
Total comprehensive income		**42,491,060**	**50,899,013**
Earnings per share (€)			
1. Basic earnings per share (*)	15	**1.17**	**1.40**

Fact Properties

Concept

- (ifrs-full) Revenue and other operating income

The aggregate amount of the entity's revenue and other [Refer: Revenue]

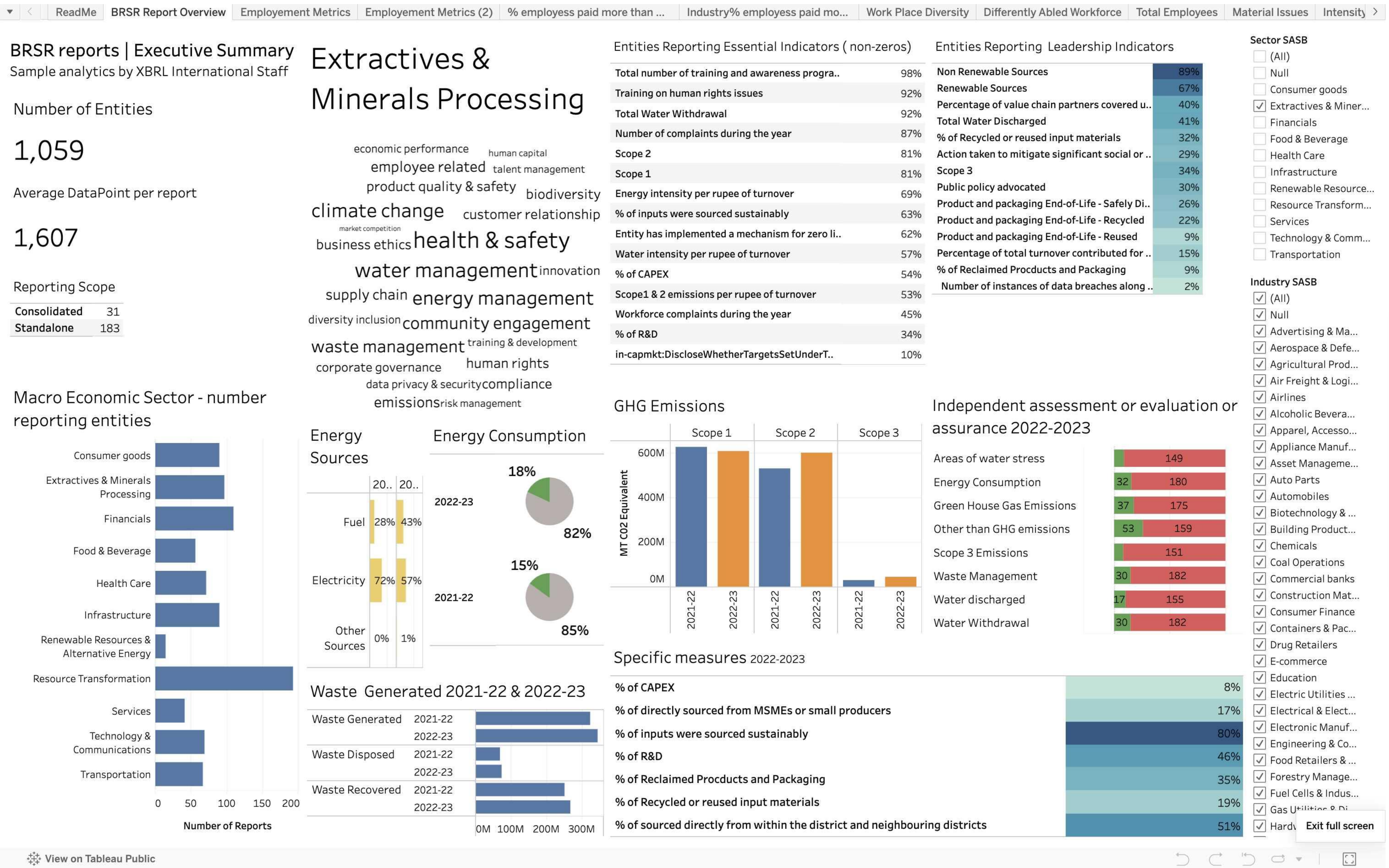
Properties

Date ⓘ	1 Jan 2024 to 31 Dec 2024
Fact Value	€ 71,776,678
Accuracy ⓘ	ones
Scale ⓘ	Unscaled
Change	*No prior fact in this report*
Entity	[LEI] 5493008FE9JCTSEEPD19
Concept ⓘ	ifrs-full:RevenueAndOperatingIncome
Type	Monetary
Balance	Credit

1 of 1

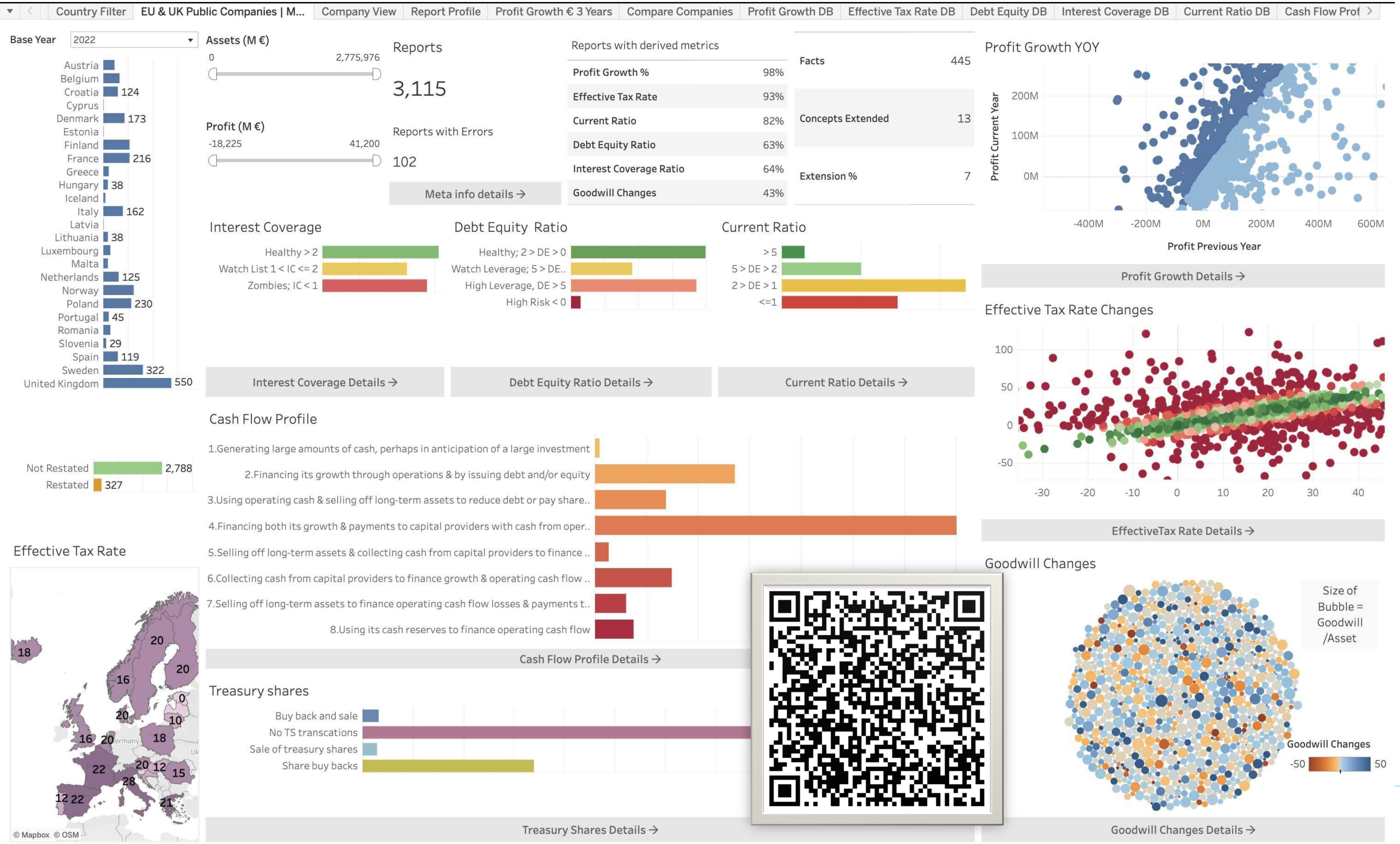
Anchoring ⓘ

Wider anchor



Mandatory XBRL Disclosures in India… "BRSR"

Source: [Exemplar Analytics (XBRL International)]



Source: [XBRL Example Analytics]

Collaborate | Advocate | Standardise

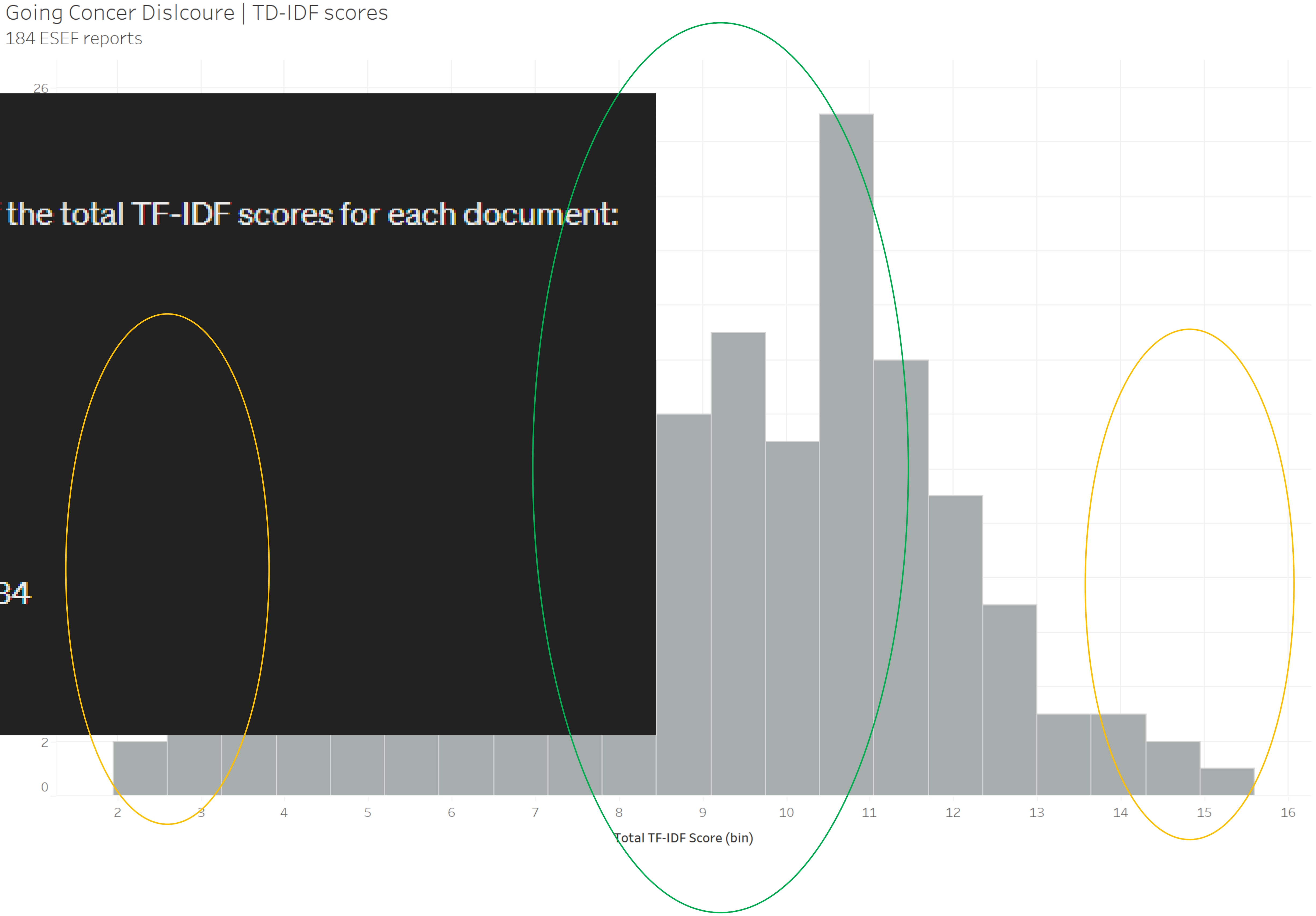
AI and Digital Reporting

@xbrlint

Video

Patterns in ‘Going Concern’ disclosure

- **Distribution of TF-IDF scores**



ChatGPT

Here's a statistical summary of the total TF-IDF scores for each document:

- **Count:** 184 documents
- **Mean:** 8.99
- **Standard Deviation:** 2.79
- **Minimum:** 2.19
- **25th Percentile:** 7.17
- **Median (50th Percentile):** 9.34
- **75th Percentile:** 10.95
- **Maximum:** 15.10

High TF-IDF scores means they have used more words & unique words than the rest

Patterns in ‘Going Concern’ disclosure

- **Sample disclosure text**
- Extract of typical ‘Going Concern’ disclosure - (TF-IDF scores - 8.9)

GOING CONCERN

The Directors have reviewed the historical trading performance of the Group and the forecasts through to March 2025.

The Directors, in their detailed consideration of going concern, have reviewed the Group’s future revenue projections and cash requirements, which they believe are based on prudent interpretations of market data and past experience.

The Directors have also considered the Group’s level of available liquidity under its financing facilities. The Directors have carried out a robust assessment of the significant risks currently facing the Group. This has included scenario planning on the implications of further inflation and the potential impact of lower sales volumes from reduced consumer demand in response to increasing retail prices.

Having taken these factors into account under the scenario, which is considered to be severe but plausible, the Directors consider that adequate headroom is available based on the forecasted cash requirements of the business. At the date of this report, the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants, and forecasts to continue to do so in the future.

Consequently, the Directors consider that the Group has adequate resources to meet its liabilities as they fall due for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

BAKKAVOR GROUP PLC 2023 report

An outlier ‘Going Concern’ disclosure

TF-IDF scores - 14.6

- Volume dropped by 24%
- Lower Demand
- …no sign of recovery

VICTREX PLC 2023 report

Going concern

The Directors have performed a robust going concern assessment including a detailed review of the business’ 24-month rolling forecast and consideration of the principal risks faced by the Group and the Company, as detailed on pages 32 to 38. This assessment has paid particular attention to current trading results and the impact of the current global economic challenges on the aforementioned forecasts.

The Company maintains a strong balance sheet providing assurance to key stakeholders, including customers, suppliers and employees. The combined cash and other financial assets balance at 30 September 2023 was £33.5m, having reduced from £68.8m at 30 September 2022 following payment of the regular dividends of £40.1m in February 2023 and £11.7m in June 2023 and a strategic increase in the level of inventory held. Of the £33.5m, £3.4m is held in the Group’s subsidiaries in China for the sole purpose of funding the construction of our new manufacturing facilities. Of the remaining £30.1m, approximately 70% is held in the UK, on instant access, where the Company incurs the majority of its expenditure. The Group has drawn debt of £31.6m in its Chinese subsidiaries (with a total facility of c.£34.2m available until December 2026) and has unutilised UK banking facilities, renewed and extended in October 2023, of £60m through to October 2026, of which £40m is committed and immediately available and £20m is available subject to lender approval.

1. Basis of preparation continued

Going concern continued

The 24-month forecast is derived from the Company’s Integrated Business Planning (‘IBP’) process which runs monthly. Each area of the business provides forecasts which consider a number of external data sources, triangulating with customer conversations, trends in market and country indices as well as forward-looking industry forecasts, for example forecast aircraft build rates from the two major manufacturers for Aerospace, rig count and purchasing manager indices for E&I, World Semiconductor Trade Statistics semiconductor market forecasts for Electronics and Needham and IQVIA forecasts for Medical procedures.

The assessment of going concern included conducting scenario analysis on the aforementioned forecast which, given current economic forecasts and sales trends through the financial year ended 30 September 2023, where volumes dropped 24% year on year and 33% in the second half, exacerbated by rapid customer destocking, focused on the Group’s ability to sustain a further period of suppressed demand. In assessing the severity of the scenario analysis the scale and longevity of the impact experienced during previous economic downturns have been considered, including the differing impacts on the Sustainable Solutions versus Medical segments.

Using the IBP data and reference points from previous downturns management has created two scenarios to model the continuing effect of lower demand at regional/market level and aggregated levels on the Company’s profits and cash generation through to December 2024 with consideration also given to the six months beyond this. The impact of climate change and the Group’s Net Zero 2050 goal (Scope 1, 2 & 3) are considered as part of the aforementioned IBP process, from both a revenue and cost perspective, with the anticipated impact (assessed as insignificant over the shorter-term going concern period) incorporated in the forecasts. As a result the scenario testing noted below does not incorporate any additional sensitivity specific to climate change.

During the second half of FY 2023 the drop in sales to a quarterly run rate of c.830 tonnes reflected the continuation of the contraction in demand in the global economy, which started in the first quarter of FY 2023, and also the rapid destocking by customers as they managed their inventory and had extended shutdowns. This level of demand is not inconsistent with that seen during COVID-19 with Q2 and Q4 for 2020 at similar levels and Q3 lower due to global lockdowns. Other than in the current economic cycle and during COVID-19 demand has not been at this level during the past decade. With customers now largely destocked the Board believes the low point of the economic cycle has been reached and, whilst there are limited signs of a return to growth, demand has stabilised. As a result the key downside risk is that of an extended period of subdued demand. The current downturn has been running for 12 months, already longer than the previous downturns during COVID-19 and the financial crisis, but with no clear signs of recovery, the Board has considered the impact of reduced demand, in line with the lowest quarter of the previous year, Q3, for a further 6 months (scenario 1) and a further 12 months (scenario 2). As noted above, the lower cash balance at 30 September 2023 is, apart from lower sales volumes, attributable to an increase in the level of inventory held. Current forecasts assume a gradual reduction in inventory across FY 2024 and FY 2025 with inventory providing the opportunity to benefit from market recovery. The scenarios modelled assume that a more aggressive inventory unwind approach is taken to mitigate the ongoing lower cash generation from subdued volumes.

Scenario 1 – the global economy remains subdued through the first half of FY 2024 with demand in line with the low point in FY 2023, quarter 3, before a slow recovery in the second half of FY 2024. The demand then increases modestly through the second half to c.1,900 tonnes before further modest growth for the remainder of the going concern period. Medical revenue remains in line with that seen during the past 12 months’ run rate, with the economic situation historically having minimal impact on this segment, in line with the experience of the past 12 months. Inventory is reduced in line with sales.

Scenario 2 – in line with scenario 1 through the first half of FY 2024, with this lower demand continuing for a further 12 months, i.e. throughout the going concern period, taking the total period of lower demand to in excess of 24 months, well above the duration of any previous downturn experienced by the Company. This would give an annual volume below c.3,300 tonnes, a level not seen since 2013. In this scenario Medical revenue is reduced by 10% during the second six months to reflect a limited impact from a longer lasting slowdown. With the period of prolonged lower demand, a more aggressive unwind of the inventory balance has been assumed. Inventory is reduced in line with sales. The Group considers scenario 2 to be a severe but plausible scenario.

Commercial sales from the new PEEK manufacturing facility in China are expected in early 2024, a consequence of which is that the entity will require additional funding to see it through to net cash generation. In concluding on the going concern position, it has been assumed that Victrex will provide the additional funds in full, which the Board considers to be the worst case scenario.

Before any mitigating actions the sensitised cash flows show the Company has significantly reduced cash headroom, which would require use of the committed facility during the going concern period. The level of facility drawn down is higher in Scenario 2 but in neither scenario is the committed facility fully drawn, nor drawn for the whole year. With cash levels lower than has historically been the case for Victrex, the Company has identified a number of mitigating actions which are readily available to increase the headroom. These include:

→ use of committed facility – £40m could be drawn at short notice. Conversations with our banking partners indicate that the £20m uncommitted accordion could also be readily accessed. The covenants of the facility have been successfully tested under each of the scenarios;

→ deferral of capital expenditure – the base case capital investment over the next 12 months is lower than recent years at approximately £30-£35m with major projects completed in China and the UK. This could be reduced significantly by limiting expenditure to essential projects, deferring all other projects later into 2025 or beyond;

→ reduction in discretionary overheads – costs would be limited to prioritise and support customer related activity;

→ reduction in inventory levels – inventory has been increased to provide additional security during plant shutdowns and to provide sufficient inventory to respond to a rapid economic recovery. The scenarios noted above include an acceleration of the inventory unwind but a more aggressive approach could be taken to provide additional cash resources; and

→ deferral/cancellation of dividends – the Board considers the cash position and interests of all stakeholders before recommending payment of a dividend. A dividend has been proposed for payment in February 2024 of c.£40m and in the past an interim dividend of c.£12m has been paid in June, giving a combined annual outflow of c.£52m.

1. Basis of preparation continued

Going concern continued

Reverse stress testing was performed to identify the level that sales would need to drop by in order for the Group to run out of cash by the end of the going concern assessment period. Sales volumes would need to consistently drop materially below the low point in scenario 2, which is not considered plausible.

As a result of this detailed assessment and with reference to the Company’s strong balance sheet, existing committed facilities and the cash preserving levers at the Company’s disposal, but also acknowledging the current economic uncertainty with a number of global economies close to/in recession, the war in Ukraine continuing and tensions in the Middle East, the Board has concluded that the Company has sufficient liquidity to meet its obligations when they fall due for a period of at least 12 months after the date of this report. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

BAKKAVOR GROUP PLC : https://filings.xbrl.org/213800COL7AD54YU9949/2023-12-30/ESEF/GB/0/213800COL7AD54YU9949-2023-12-30/reports/ixbrlviewer.html

VICTREX PLC - https://filings.xbrl.org/213800UYNPHAUNHPXL67/2023-09-30/ESEF/GB/0/213800UYNPHAUNHPXL67-2023-09-30/reports/ixbrlviewer.html

Patterns in Narrative disclosure

- **High TF-IDF and corelations with Fundamental Number**

- Correlation with Face Financial Data
- Decrease in revenue, profit and cashflow

	Note	2023 £m	2022 £m
Revenue	2	**307.0**	341.0
Losses on foreign currency net hedging		**(7.6)**	(2.8)
Cost of sales	3	**(136.8)**	(163.7)
Gross profit		**162.6**	174.5
Sales, marketing and administrative expenses	3	**(70.8)**	(70.3)
Research and development expenses	3	**(18.6)**	(15.7)
Operating profit before exceptional items		**80.7**	96.4
Exceptional items	3	**(7.5)**	(7.9)
Operating profit		**73.2**	88.5
Finance income	6	**1.3**	0.5
Finance costs	6	**(0.7)**	(0.3)
Share of loss of associate	11	**(1.3)**	(1.0)
Profit before tax and exceptional items		**80.0**	95.6
Exceptional items	3	**(7.5)**	(7.9)
Profit before tax		**72.5**	87.7
Income tax expense	7	**(11.5)**	(12.2)
Profit for the financial year		**61.0**	75.5
Profit/(loss) for the year attributable to:			
– Owners of the Company		**61.7**	76.2
– Non-controlling interests	11	**(0.7)**	(0.7)
Earnings per share			
Basic	8	**70.9p**	87.6p
Diluted	8	**70.5p**	87.3p
Dividend per ordinary share			
Interim	22	**13.42p**	13.42p
Final	22	**46.14p**	46.14p
	22	**59.56p**	59.56p

THE BUSINESS REPORTING STANDARD

Collaborate | Advocate | Standardise

Our purpose is to improve the accountability and transparency of business performance globally, by providing the open data exchange standard for business reporting.

Join Us!

xbrl.org

@xbrlint

Collaborate | Advocate | Standardise

The information contained in this presentation represents the opinions of the speaker and may not represent the views of XBRL International, the Board of XBRL International or the consensus opinions of the XBRL Standards Board or Best Practices Board. Nothing in this presentation should be taken to be investment advice and all data representations are merely indicative. The reader should note that only XBRL Specifications that have reached Recommendation status are considered final and suitable for use in software and mission critical systems and must then be used in line with the XBRL International License Agreement. XBRL®, Inline XBRL™, Table Linkbase™ and the XBRL mark are Registered Trademarks or Trademarks of XBRL International Inc in the European Union, United States, China, Japan, India and internationally and may not be used without the permission of XBRL International, Inc including through its Trademark policies and agreements.

@xbrlint