

## **Ardagh Glass Holmegaard A/S**

Glasværksvej 52

4684 Holmegaard

CVR No. 18445042

## **Annual Report 2020**

26. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 April 2021

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Kim Holmberg Hansen  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Ardagh Glass Holmegaard A/S for the financial year 1 January 2020 - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flow for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Holmegaard, 29 April 2021

### **Executive Board**

Bo Nilsson  
Manager

### **Supervisory Board**

Kim Holmberg Hansen  
Chairman

John Martin Petersson  
Member

Michael Johannes Hüsken  
Member

Henrik Bonné  
Member

Javad Shirangi  
Member

Claus Jensen  
Employee Representative

Martin Milo  
Employee Representative

Kim O. Jensen  
Employee Representative

## Independent Auditors' Report

To the shareholders of Ardagh Glass Holmegaard A/S

### Opinion

We have audited the financial statements of Ardagh Glass Holmegaard A/S for the financial year 1 January 2020 - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity, cash flows and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of the results of its operations and cash flows for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers 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, Management is 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 in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in the 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.

## Independent Auditors' Report

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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 which we identify during our audit.

### Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Holmegaard, 29. april 2021

### PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

CVR-no. 33771231

Brian Petersen  
State Authorised Public Accountant  
mne28701

Daniel Lindebæk Hansen  
State Authorised Public Accountant  
mne45340

## Ardagh Glass Holmegaard A/S

### Company details

<b>Company</b>	Ardagh Glass Holmegaard A/S Glasværksvej 52 4684 Holmegaard
Telephone	55546200
Website	www.ardaghgroup.com
CVR No.	18445042
Date of formation	28 March 1995
Registered office	Næstved
<b>Supervisory Board</b>	Kim Holmberg Hansen John Martin Petersson Michael Johannes Hüsken Henrik Bonné Javad Shirangi Claus Jensen Martin Milo Kim O. Jensen
<b>Executive Board</b>	Bo Nilsson, Manager
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 4100 Ringsted CVR-no.: 33771231
<b>Attorneys</b>	Horton Advokatpartnerselskab Philip Heyman Allé 7 2900 Hellerup
<b>Bank</b>	Citibank International Plc H.C. Andersens Boulevard 12 1553 København V

## Key Figures and Financial Ratios

Seen over a five-year period, the development of the Company is described by the following financial highlights (TDKK):

	2020	2019	2018	2017	2016
Profit/loss					
Revenue	518.321	526.643	525.589	555.468	585.623
Gross profit/loss	73.421	108.686	108.513	122.225	145.706
Operating profit/loss	12.717	48.146	46.043	65.090	87.953
Profit/loss before financial income and expenses	-4.161	33.578	34.642	58.311	85.315
Net financials	-15.090	-25.144	-26.047	-25.139	-27.283
Net profit/loss for the year	-14.932	6.200	5.905	25.520	44.822
Balance sheet					
Balance sheet total	736.539	730.588	725.873	852.137	679.553
Equity	149.854	164.786	158.915	153.010	127.490
Cash flows					
Cash flows from:					
- operating activities	44.748	50.748	-97.498	210.585	92.213
- investing activities	-47.024	-17.321	-39.781	-145.759	-13.953
including investment in property, plant and equipment	-47.024	-17.321	-39.781	-145.759	-13.953
- financing activities	2.297	-34.250	137.428	-105.523	-37.120
Change in cash and cash equivalents for the year	3	-823	149	-40.722	41.140
Number of employees	356	355	344	327	320
Ratios %					
Gross margin	14,1	20,6	20,6	22	24,9
Profit margin	-0,3	6,4	6,6	10,5	14,6
Return on assets	-0,2	4,6	4,8	6,8	12,6
Solvency ratio	20,7	22,6	21,9	18	18,8
Return on equity	3,3	3,8	3,8	18,2	32

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

In connection with changes to accounting policies, the comparative figures back to have not been restated. See the description under accounting policies.

## Management's Review

### The Company's principal activities

The Company's activity is production and sale of glass packaging primarily for the Scandinavian market. The Company primarily manufactures products for the foods and beverages industry.

### Insecurity regarding recognition or measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### Exceptional circumstances

The financial position at 31 December 2020 of the Company and the results of the activities and cash flows of the Company for the financial year for 2020 have not been affected by any unusual events.

### Development in activities and financial matters

The income statement of the Company for 2020 shows a negative profit of TDKK 14,932, and on 31 December 2020 the balance sheet of the Company shows equity of TDKK 149,854.

### Post financial year events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

### Expectations for the future

Management expect a slight revenue growth of approx. 3-4% and a significant improved result compared to the profit for the year in 2020. However, the outbreak of Covid-19 will affect our customers during 2021, but the impact is hard to predict. The company expects to keep full production capacity fully utilized as the finished goods stock is low at the beginning of 2021.

### Knowledge resources

Production of glasscontainers, primary for the food and beverage industry, are challenging the intellectual capital resources for the employees and the business processes.

### Risks

In Management's opinion, the Company does not operate with unusual risks.

### Environmental issues

The Company directs targeted efforts at environmental issues and has obtained environmental certification under ISO 14001. The Company has successfully implemented HACCP and OHSAS certification.

### Research and development activities

The Company has developed new containers in cooperation with its customers. Development expenses are paid as a current operating expense.

### Net profit/loss for the year compared with expected developments in the most recently published annual report

The company net revenue was 2% below sales in 2019. The operating profit of TDKK 12,717 was significantly lower than 2019. The company has shown a positive cash flow from operating activities before interests of TDKK 54,572. The negative result of TDKK 14,932 is unsatisfactory. The company has adjusted the production capacity especially in Q2 & Q3 in 2020 due to reduced sales from Covid-19. The company has rebuilt one of two Furnaces lifetime extension of 10 years. The rebuild of 45 days covered about 50% of the production capacity and has affected the result negatively and reduced the Finished goods stock to a very low level at the end of 2020.



## Management's Review

### Statement on Corporate Social Responsibility Policies:

#### **Ardagh Group introduced a " Code of Conduct" comprising the following:**

Our policy  
Our core values  
Social responsibility  
Personal ethics  
Business integrity  
Employment  
Environment, health and safety

#### **Our policy:**

Ardagh is committed to performing our activities according to the highest standards of integrity and business practice in relation to all contact with employees, customers, suppliers, public authorities, shareholders, bondholders, banks and the general public.

#### **Our core values:**

##### ***Trust***

Trust is something we deserve through personal characteristics which show that we are respectful, reliable, consistent and honest in our approach to others. Trust is based on mutual respect, personal integrity and transparency.

##### ***Cooperation***

In order to build up a strong business, it is important that employees cooperate in a mutually beneficial way. The individual teams must be aware of the effect of their decisions on various other teams and eventually on the enterprise. Teamwork is based on cooperation, joint responsibility and open and honest communication.

##### ***Excellence***

Excellence is when we endeavour to improve ourselves and the enterprise by constantly focusing on improvements, innovative thinking and sustainability.

#### **Social responsibility:**

Ardagh has implemented this policy based on ISO 26000:201. The policy comprises the entire enterprise and includes to the extent the Group is able to enforce or affect the use joint ventures, partnerships, suppliers, enterprises and other companies in which the Group has a contributing interest.

#### **Management**

Our organizational structure, decision processes, visions, policies, targets and plans reflect our commitment to social responsibility. We exercise Management commitment in respect of efficient use of economic, natural and human resources. Our Management and employees create a culture which ensures compliance with principles concerning social responsibility, such as transparency, ethical behavior, respect for international standards of conduct and respect for human rights.

Ardagh respects the Universal Declaration of Human Rights and commits itself to complying with and supporting the basic principles.

## **Management's Review**

Ardagh expects all employees to actively support these principles.

In order to be able to identify and address potential human rights issues, Ardagh performs internal evaluations as well as evaluations across the supply chain.

Ardagh respects all individual civil and political rights (eg the right to life, freedom of expression, freedom of assembly, freedom to seek, receive and pass on information, the proprietary right and the right to a fair trial).

Ardagh respects the International Covenant on Economic, Social and Cultural Rights and does not enter into activities which violate, prevent or impede the possession of economic, social or cultural rights, such as the right to education, the right to work under just and favorable conditions, freedom of association, the right to adequate health standards, the right to adequate living standards in order to protect physical and mental health and wellbeing, the right to food, clothing, housing and medical treatment, the right to the necessary social protection in case of unemployment, illness, disability, death of spouse, old age or other circumstances outside a person's control, the right to practice one's religion, participate in a certain culture and the right to actually being able to participate in decision processes without any discrimination.

***A successful business community is vital to the creation of a wealthy society. It is our policy to:***

- *contribute positively to wealth and income generation through our business;*
  - *consider local suppliers of products and services;*
  - *support relevant initiatives which stimulate differentiation of existing economic activities in society.*
- Ardagh supports social investments such as education, training, culture, healthcare and income generation for the purpose of improving social aspects of groups of people in society.

Ardagh supports public political processes and encourages public policies which benefit society at large.

Ardagh encourages other enterprises to implement suitable standards for social responsibility through their purchase decisions. It is our policy to support good procedures in respect of ethical, social and environmental aspects and aspects relating to health and safety as well as equal opportunities in other enterprises.

It is our policy to promote respect for proprietary right and not to participate in any activities which infringe this right, such as forgery and product copying.

Ardagh is aware of its responsibility towards the consumers in connection with our products. We therefore constantly try to improve the safety of our products. We keep up to date as regards health and safety legislation, provisions and other standards addressing health and safety aspects.

It is our policy not to participate in any kind of procedures which are fraudulent, misleading or illegal, including omission of critical information. We provide precise and clear information.

Ardagh commits itself to supporting sustainable consumption, and we wish to contribute with providing precise information to the consumers in order to make sure that there is focus on ethical, social, economic and environmental factors. We offer consumers socially and environmentally sustainable products and services with due consideration to the complete life cycle of the product in order to reduce adverse impact on society and the environment.

It is our objective to support initiatives which ensure that consumers are well informed, aware of their rights and responsibility and able to make well considered purchase decisions.

We endeavor to be actively involved in the development of local communities. We involve ourselves in a respectful way in the community and its institutions in order to reflect and strengthen democratic and popular values.

## Management's Review

Education, competence development and culture

***It is our objective to:***

- *promote education at all levels and participate in activities which improve the quality and possibility of education, and to promote local insight;*
- *encourage children's education;*
- *promote cultural activities, where suitable;*
- *train and promote human rights awareness;*
- *consider participation in local and national competence development programmes, including apprenticeships.*

***Information and communication technology is key to human resource development and the use of technology in society. It is our objective to:***

- *consider contributing to the development of innovative technology which may contribute to solving social and environmental problems in local communities;*
- *consider participating in partnerships with organizations such as universities or research laboratories; and*
- *promote scientific and technological development with partners from the community.*

**Personal ethics:**

Ardagh expects all employees to act in compliance with the highest standards for honesty and ethical behavior at the place of work, outside the place of work where Ardagh conducts its business, at Ardagh's business events and social events and in any other situation in which Ardagh's employees represent Ardagh.

***Business integrity***

Compliance with current legislation and statutory regulations

All employees are required to comply with all current rules and regulations. The employees are expected to be aware of the legal provisions and regulations applying to their area of responsibility and are required to perform their work in accordance with such rules and regulations.

Ardagh complies with competition law in all jurisdictions in which we carry on business. The purpose of such legislation is to encourage competition, which benefits consumers in that it prohibits unreasonable restrictions on transactions.

All employees must avoid contributing to any kind of trade restrictions. Ardagh's employees are not allowed, in any circumstances, to communicate business information to competitors that may affect the price, including expenses, credit terms, distribution of markets, geographical condition, customers or product range.

Ardagh is committed to being professional and fair and acting with integrity in all business areas. As part of this commitment to comply with ethical business practice, Ardagh does not tolerate any kind of bribery or corruption.

## **Management's Review**

### ***Employment***

Ardagh respects, values and welcomes diversity in our workforce as well as among our customers, suppliers and on our global markets. It is our policy to give equal employment opportunities to all applicants and employees without consideration to race, skin color, religion, gender, nationality, origin, age, disability, civil status or sexual orientation.

Ardagh has zero tolerance as regards violence. Ardagh commits itself to creating a workplace without any kind of harassment.

Ardagh promotes performance, cooperation and results through open and honest communication.

### ***Environment, health and safety***

Ardagh is committed to creating a safe, healthy and environmentally sound workplace. Ardagh will continue to show environmental responsibility through environmental administration systems, compliance with all relevant environmental regulations and involvement of our stakeholders.

Ardagh will endeavor to prevent accidents, work related injuries and illness at the place of work by offering suitable training and support to employees, suppliers, contractors and guests.

### **Implementation of our policies:**

We implement our policies by means of acknowledged standards such as ISO 26000:201, ISO 14001 2000, 9001 2000, 50011:2011, HACCP and OHSAS 18001 certification in all relevant areas.

What has been achieved as a result of our efforts:

Carbon dioxide emissions were 0.354 tons CO<sub>2</sub> per ton molten glass in 2020, which is 25% higher than 2019. Main reason is production stops due to Covid-19.

Ardagh Glass Holmegaard has made an agreement with Energistyrelsen for energy efficiencies for electricity intensive operations.

During 2020 has the company have registered 10 accidents with no absence (2019: 10) and 2 accidents resulting in absence (2019: 2) - no severe accidents.

### **Target figures and policies for the underrepresented gender**

In Ardagh we focus on ensuring equal opportunities, especially in relation to the gender composition of management.

In Ardagh Glass Holmegaard, it is the parent company that defines the board and we therefore have no influence on any target figures. It is Ardagh's policy to achieve an equitable gender composition in our management team. In factory management, the composition today is divided between 30% women and 70% men. We have therefore set a target of 40% of women in management by 2022. Our recruitment and promotion must be in favor of the best qualified regardless of gender, race and religion.

## Income Statement

	Note	2020 tkr.	2019 tkr.
Revenue	1	518.321	526.643
Other operating income		5.316	4.264
Raw materials and cosumables used		-438.122	-410.161
Other external expenses		-14.707	-12.060
<b>Gross result</b>		<b>70.808</b>	<b>108.686</b>
Employee benefits expense	2	-14.911	-13.617
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	3	-40.477	-42.659
Other operating expenses		-19.581	-18.832
<b>Profit from ordinary operating activities</b>		<b>-4.161</b>	<b>33.578</b>
Other finance income from group enterprises		5.926	2.002
Other finance income		2.455	1.144
Finance expences	4	-23.471	-28.290
<b>Profit from ordinary activities before tax</b>		<b>-19.251</b>	<b>8.434</b>
Tax expense on ordinary activities	5	4.319	-2.234
<b>Profit</b>		<b>-14.932</b>	<b>6.200</b>
<b>Proposed distribution of results</b>	6		
Retained earnings		-14.932	6.200
<b>Distribution of profit</b>		<b>-14.932</b>	<b>6.200</b>

Ardagh Glass Holmegaard A/S

Balance Sheet as of 31 December

	Note	2020 tkr.	2019 tkr.
<b>Assets</b>			
Acquired intangible assets	7	70	81
<b>Intangible assets</b>		<b>70</b>	<b>81</b>
Land and buildings	8	28.651	31.851
Plant and machinery	9	202.496	191.946
Fixtures, fittings, tools and equipment	10	25.192	21.479
Property, plant and equipment in progress and prepayments for property, plant and equipment	11	916	260
<b>Property, plant and equipment</b>		<b>257.255</b>	<b>245.536</b>
<b>Fixed assets</b>		<b>257.325</b>	<b>245.617</b>
Raw materials and consumables		33.838	29.944
Manufactured goods and goods for resale		69.160	94.924
<b>Inventories</b>	12	<b>102.998</b>	<b>124.868</b>
Short-term trade receivables		76.599	65.315
Short-term receivables from group enterprises		290.264	287.081
Current deferred tax		6.675	0
Short-term tax receivables		1.547	6.803
Other short-term receivables		106	212
Deferred income		1.025	689
<b>Receivables</b>		<b>376.216</b>	<b>360.100</b>
<b>Cash and cash equivalents</b>		<b>0</b>	<b>3</b>
<b>Current assets</b>		<b>479.214</b>	<b>484.971</b>
<b>Assets</b>		<b>736.539</b>	<b>730.588</b>

## Balance Sheet as of 31 December

	Note	2020 tkr.	2019 tkr.
<b>Liabilities and equity</b>			
Contributed capital	13	60.000	60.000
Revaluation reserve		8.015	8.509
Retained earnings		81.839	96.277
<b>Equity</b>		<b>149.854</b>	<b>164.786</b>
Provisions for deferred tax	14	31.931	29.575
Other provisions		496	600
<b>Provisions</b>		<b>32.427</b>	<b>30.175</b>
Lease commitments		11.791	13.028
<b>Long-term liabilities other than provisions</b>	15	<b>11.791</b>	<b>13.028</b>
Trade payables		58.717	70.274
Payables to group enterprises		422.087	407.100
Other payables		55.503	38.556
Lease commitments		6.160	6.669
<b>Short-term liabilities other than provisions</b>		<b>542.467</b>	<b>522.599</b>
<b>Liabilities other than provisions within the business</b>		<b>554.258</b>	<b>535.627</b>
<b>Liabilities and equity</b>		<b>736.539</b>	<b>730.588</b>
Significant events occurring after end of reporting period	16		
Collaterals and assets pledges as security	17		
Related parties	18		
Fees for auditors elected on the general meeting	19		

## Ardagh Glass Holmegaard A/S

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2020	60.000	8.509	96.277	164.786
Profit (loss)	0	0	-14.932	-14.932
Revaluations	0	-494	494	0
<b>Equity 31 December 2020</b>	<b>60.000</b>	<b>8.015</b>	<b>81.839</b>	<b>149.854</b>

The share capital has remained unchanged for the last 5 years.



## Cash Flow Statement

	2020 tkr.	2019 tkr.
Profit	-14.932	6.200
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	40.477	42.666
Adjustments of interest and similar incomes	-8.381	-3.146
Adjustments of interest and similar expenses	23.471	28.290
Adjustments of tax expense	-4.319	2.234
Decrease (increase) in inventories	21.870	-15.869
Decrease (increase) in receivables	-11.514	1.912
Decrease (increase) in trade payables	7.900	9.439
<b>Cash flow from operating activities before financial items</b>	<b>54.572</b>	<b>71.726</b>
Interest received	8.381	3.146
Interest paid	-23.471	-28.258
<b>Cash flow from ordinary operating activities</b>	<b>39.482</b>	<b>46.614</b>
Income taxes paid	5.242	4.134
<b>Cash flows from operating activities</b>	<b>44.724</b>	<b>50.748</b>
Purchase of property, plant and equipment	-47.024	-17.321
<b>Cash flows from investing activities</b>	<b>-47.024</b>	<b>-17.321</b>
Repayments of long-term liabilities	-6.894	-6.668
Repayment of debt to group enterprises	0	-27.582
Raising of debt to group enterprises	9.191	0
<b>Cash flows from financing activities</b>	<b>2.297</b>	<b>-34.250</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-3</b>	<b>-823</b>
Cash and cash equivalents, beginning balance	3	826
<b>Cash and cash equivalents, ending balance</b>	<b>0</b>	<b>3</b>

## Notes

	2020	2019
<b>1. Nettoomsætning</b>		
Revenue, Denmark	274.835	243.320
Revenue, exports	243.486	283.323
	<b>518.321</b>	<b>526.643</b>
<b>2. Employee benefits expense</b>		
Wages and salaries	162.087	165.780
Post-employment benefit expense	9.836	9.276
Social security contributions	3.004	3.286
Employee expenses related to production	-160.016	-164.725
	<b>14.911</b>	<b>13.617</b>
Average number of employees	356	355
<b>3. Depreciation &amp; amortisations</b>		
Depreciations Buildings	2.988	3.325
Depreciations Equipment	12.087	10.213
Depreciations Software	11	11
Depreciations Tooling & Machinery	25.391	29.110
	<b>40.477</b>	<b>42.659</b>
<b>4. Finance expenses</b>		
Finance expenses arising from group enterprises	19.885	25.174
Other finance expenses	3.586	3.116
	<b>23.471</b>	<b>28.290</b>
<b>5. Tax expense</b>		
Current Tax	0	-2.523
Deferred Tax	-4.319	4.757
	<b>-4.319</b>	<b>2.234</b>
<b>6. Distribution of profit</b>		
Retained earnings	-14.932	6.200
	<b>-14.932</b>	<b>6.200</b>

## Notes

	2020	2019
<b>7. Acquired intangible assets</b>		
Cost at the beginning of the year	7.408	7.408
<b>Cost at the end of the year</b>	<b>7.408</b>	<b>7.408</b>
Depreciation and amortisation at the beginning of the year	-7.327	-7.316
Amortisation for the year	-11	-11
<b>Impairment losses and amortisation at the end of the year</b>	<b>-7.338</b>	<b>-7.327</b>
<b>Carrying amount at the end of the year</b>	<b>70</b>	<b>81</b>
Amortised over 10 years.		
<b>8. Land and buildings</b>		
Cost at the beginning of the year	148.145	139.576
Change due to change in accounting policies	0	8.569
Disposal during the year	-212	0
<b>Cost at the end of the year</b>	<b>147.933</b>	<b>148.145</b>
Revaluations at the beginning of the year	24.227	24.227
<b>Revaluations at the end of the year</b>	<b>24.227</b>	<b>24.227</b>
Depreciation and amortisation at the beginning of the year	-140.521	-133.340
Change due to change in accounting policies	0	-3.856
Amortisation for the year	-2.988	-3.325
<b>Impairment losses and amortisation at the end of the year</b>	<b>-143.509</b>	<b>-140.521</b>
<b>Carrying amount at the end of the year</b>	<b>28.651</b>	<b>31.851</b>
Carrying amount of recognised assets not owned by the Company	2.835	3.856
Depreciated over 15-30 years.		

## Notes

	2020	2019
<b>9. Plant and machinery</b>		
Cost at the beginning of the year	656.542	638.629
Change due to change in accounting policies	0	19.266
Addition during the year, incl. improvements	36.276	7.518
Disposal during the year	-15.821	-9.424
Transfers during the year to other items	0	553
<b>Cost at the end of the year</b>	<b>676.997</b>	<b>656.542</b>
Depreciation and amortisation at the beginning of the year	-464.596	-438.542
Change due to change in accounting policies	0	-6.361
Amortisation for the year	-25.391	-29.110
Reversal of impairment losses and amortisation of disposed assets	15.486	9.417
<b>Impairment losses and amortisation at the end of the year</b>	<b>-474.501</b>	<b>-464.596</b>
<b>Carrying amount at the end of the year</b>	<b>202.496</b>	<b>191.946</b>
Carrying amount of recognised assets not owned by the Company Depreciated over 3-15 years.	8.014	9.180
<b>10. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	39.090	23.069
Change due to change in accounting policies	0	3.296
Addition during the year, incl. improvements	15.788	16.200
Disposal during the year	-13.804	-4.635
Transfers during the year to other items	0	1.160
<b>Cost at the end of the year</b>	<b>41.074</b>	<b>39.090</b>
Revaluations at the beginning of the year	8.435	8.435
<b>Revaluations at the end of the year</b>	<b>8.435</b>	<b>8.435</b>
Depreciation and amortisation at the beginning of the year	-26.046	-18.899
Change due to change in accounting policies	0	-1.570
Amortisation for the year	-12.088	-10.212
Reversal of impairment losses and amortisation of disposed assets	13.817	4.635
<b>Impairment losses and amortisation at the end of the year</b>	<b>-24.317</b>	<b>-26.046</b>
<b>Carrying amount at the end of the year</b>	<b>25.192</b>	<b>21.479</b>
Carrying amount of recognised assets not owned by the Company Depreciated over 3-5 years.	7.572	6.472

## Notes

	2020	2019
<b>11. Property, plant and equipment in progress and prepayments for property, plant and equipment</b>		
Cost at the beginning of the year	260	1.713
Addition during the year, incl. improvements	916	260
Transfers during the year to other items	-260	-1.713
<b>Cost at the end of the year</b>	<b>916</b>	<b>260</b>
<b>Carrying amount at the end of the year</b>	<b>916</b>	<b>260</b>

**12. Inventories**

*Inventories are stated as follows:*

Raw materials and consumables	33.838	29.944
Manufactured goods and goods for resale	69.160	94.924
<b>Inventories in total</b>	<b>102.998</b>	<b>124.868</b>

**13. Equity**

	Number	Nominal value
A-shares	40.500.000	40.500.000
B-shares	19.500.000	19.500.000
	<b>60.000.000</b>	<b>60.000.000</b>

There have been no changes in the share capital during the last 5 years.

**14. Provisions for deferred tax**

Deferred Taxes	31.931	29.575
<b>Balance at the end of the year</b>	<b>31.931</b>	<b>29.575</b>

Intangible assets	15	18
Property, plant and equipment	20.595	17.735
Inventories	11.321	11.822
	<b>31.931</b>	<b>29.575</b>

Deferred tax has been provided at 22% corresponding to the current tax rate.

For 2020 a tax loss has been recognized with 6.602 TDKK.

## Notes

2020

2019

**15. Long-term liabilities**

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payments as specified below:

	Due after 1 year	Due within 1 year	Due after 5 years
Lease commitments	11.791	6.160	59
	<u>11.791</u>	<u>6.160</u>	<u>59</u>

**16. Significant events occurring after end of reporting period**

The continued implications of COVID-19 will still impact the global economy in months to come. However, the extent of the impact is not yet known, but the impact is expected to not be significant. Management does not consider 2021 to be affected by the COVID-19 situation in the same way as 2020.

**17. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

**18. Related parties**

Other related parties

Bo Lennart Nilsson, Furuvägen 29, 51441 Limmared, Sweden - CEO

During the year, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

**19. Fees for auditors elected on the general meeting**

Statutory audit	356	342
Other services	30	12
	<u>386</u>	<u>354</u>

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Ardagh Glass Holmegaard A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## **General Information**

### **Basis of recognition and measurement**

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## **Income Statement**

### **Revenue**

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the byer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

## **Accounting Policies**

Other sales revenues includes financial items of secondary nature in relation to the company's main activity, including profits from the sales of intangible and tangible assets.

### **Raw materials and consumables used**

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors, change in inventories for the year and production staff expenses.

### **Other external expenses**

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

### **Staff expenses**

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

### **Amortisation and impairment of tangible and intangible assets**

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Properties	15-30 years	0%
Plant and machinery	3-15 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%

Land is not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

### **Financial income and expenses**

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect offinance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

### **Tax on net profit for the year**

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## **Balance Sheet**

### **Intangible assets**

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.



## **Accounting Policies**

### **Tangible assets**

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of financially leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

### **Inventories**

Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

### **Accrued income, assets**

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### **Equity**

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

## **Accounting Policies**

### **Provisions**

#### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### **Liabilities**

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

#### **Other payables**

Other payables are measured at amortised cost, which usually corresponds to the nominal value

#### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## **Accounting policies Cash Flow Statement**

The Cash Flow Statement shows the Company'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 Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

## Accounting Policies

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Explanation of financial ratios

Gross margin	=	$\frac{\text{Gross profit X 100}}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials X 100}}{\text{Revenue}}$
Return on assets	=	$\frac{\text{Profit before financials X 100}}{\text{Total Assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end X 100}}{\text{Total Assets}}$
Return on equity	=	$\frac{\text{Net profit for the year X 100}}{\text{Avg. Equity}}$