

Ardagh Glass Holmegaard A/S

Glasværksvej 52

4684 Holmegaard

CVR No. 18445042

Annual Report 2021

27. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 5 May 2022

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 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations and cash flow for the financial year 1 January 2021 - 31 December 2021.

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, 5 May 2022

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 2021 - 31 December 2021, 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 2021 and of the results of its operations and cash flows for the financial year 1 January 2021 - 31 December 2021 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.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the

Independent Auditors' Report

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, 5. maj 2022

PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

CVR-no. 33771231

Brian Petersen

State Authorised Public Accountant

mne28701

Ardagh Glass Holmegaard A/S

Company details

Company	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
Supervisory Board	Kim Holmberg Hansen John Martin Petersson Michael Johannes Hüsken Henrik Bonné Javad Shirangi Claus Jensen Martin Milo Kim O. Jensen
Executive Board	Bo Nilsson, Manager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 4100 Ringsted CVR-no.: 33771231
Attorneys	Horton Advokatpartnerselskab Philip Heyman Allé 7 2900 Hellerup
Bank	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):

	2021	2020	2019	2018	2017
Profit/loss					
Revenue	550.411	518.321	526.643	525.589	555.468
Gross profit/loss	103.917	73.421	108.686	108.513	122.225
Operating profit/loss	34.187	10.104	48.146	46.043	65.090
Profit/loss before financial income and expenses	17.000	-4.161	33.578	34.642	58.311
Net financials	-19.758	-15.090	-25.144	-26.047	-25.139
Net profit/loss for the year	-2.303	-14.932	6.200	5.905	25.520
Balance sheet					
Balance sheet total	755.737	736.539	730.588	725.873	852.137
Equity	147.551	149.854	164.786	158.915	153.010
Cash flows					
Cash flows from:					
- operating activities	38.474	44.748	50.748	-97.498	210.585
- investing activities including investment in property, plant and equipment	-78.009	-47.024	-17.321	-39.781	-145.759
- financing activities	39.535	2.297	-34.250	137.428	-105.523
Change in cash and cash equivalents for the year	0	3	-823	149	-40.722
Number of employees	331	356	355	344	327
Ratios %					
Gross margin	18,9	14,2	20,6	20,6	22
Profit margin	3,1	-0,8	6,4	6,6	10,5
Return on assets	2,2	-0,6	4,6	4,8	6,8
Solvency ratio	19,5	20,7	22,6	21,9	18
Return on equity	-1,5	-9,5	3,8	3,8	18,2

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

Key activities & business model:

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.

Ardagh Glass Holmegaard is a European supplier of sustainable, infinitely recyclable glass packaging for the food and beverage industry. Ardagh strives for innovation, quality and customer service, supported by investments in our employees. We are constantly focused on continuous improvement in all aspects of our business to deliver long-term, sustainable success for our stakeholders. More information at <https://www.ardaghgroup.com/>.

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 2021 of the Company and the results of the activities and cash flows of the Company for the financial year for 2021 have not been affected by any unusual events.

Development in activities and financial matters:

The income statement of the Company for 2021 shows a negative profit of TDKK 2,303, and on 31 December 2021 the balance sheet of the Company shows equity of TDKK 147,551.

Post financial year events:

The situation in Ukraine have led to uncertainty about natural gas supply and increasing energy prices (primarily natural gas). The situations are closely monitored and can lead to extraordinary sales price increases.

Expectations for the future:

Management expect an increased revenue growth of approx. 10-15% and a significant improved result compared to the profit for the year in 2021. 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.

Special risks - operating and financial risks:

Operating risks:

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

Environmental & Climate risks:

Ardagh Glass Holmegaard is an energy intensive business and are in top 10 of CO2 emission companies in Denmark. The present technical possibilities to reduce CO2 footprint is limited as we are dependent on Natural Gas supply. We see a risk that coming CO2 taxes in Denmark will reduce the competitiveness vs other European suppliers.

We refer to Ardagh Group policy & sustainability report:

<https://www.ardaghgroup.com/pdf/sustainability-report-2021>

Social & Employee relations:

Ardagh Glass Holmegaard does not see risks in Social & Employee relations as this area is on a high level of attention and well monitored.

Management's Review

We refer to Ardagh Group policy: <https://www.ardaghgroup.com/pdf/code-of-conduct-en>

Human rights:

Ardagh Glass Holmegaard operates only one facility in Denmark and follows all Human rights which are normal in the Nordic countries we do not see risks in this area.

We refer to Ardagh Group policy:

https://www.ardaghgroup.com/userfiles/files/media-centre/210629_modern_slavery_act_statement.pdf

Anticorruption & Bribery:

Ardagh Glass Holmegaard are not exposed to Anticorruption & bribery as our suppliers are mainly from Nordic & EU and Ardagh Group has a policy on this topic:

<https://www.ardaghgroup.com/userfiles/files/media-centre/60881c0d23267.pdf>

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.

Data ethics:

In 2021, the Data Ethics policy and guidelines have been introduced, cf. ÅRL 99d.

Data Ethics for Ardagh is described in the company's Code of Conduct, which includes: processing of data, software use, 3rd party processing of data, internet access and use, storage of data, protection of data etc.

The Company are working with Regional Data ethics groups that are steered by Group Integrity Council there are 4 yearly meetings covering this area with a Data Ethics Checklist and guidelines, and an update from IT on initiatives & tools for handling Data Ethics.

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

The company net revenue was 6% higher than sales in 2020. The operating profit of TDKK 17,000 was better than 2020. The company has shown a positive cash flow from operating activities before interests of TDKK 58,232. The negative result of TDKK 2,303 is unsatisfactory. The company has in Q4 installed new production line (replacement of old line from 1990) and improved the Energy system on the Furnace. The rebuild of 30 days covered about 30% 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 2021.

Corporate Social responsibility statement:

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

Management's Review

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.

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.

Management's Review

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.

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.

Management's Review

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.

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, Human rights & Anti-corruption/Bribery:

Ardagh will continue to reduce the Co2 footprint by investments and innovative cooperation with Furnace suppliers in order to develop Hybrid Furnaces to decrease use of Natural Gas and increase use of green electricity. Ardagh will continue to increase use of cullets, which will have a positive effect on energy consumption and reduce use of virgin materials.

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.

Ardagh are committed to focus on Human Rights and plans in 2022 to conduct an employee survey that also addresses this topic.

Ardagh will continue to work together with suppliers and employees to continue the existing good situation on Anti-corruption and Bribery.

Implementation of our policies:

Management's Review

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:

Ardagh Group has updated the company's Code of Conduct which has been translated into Danish and handed out to all employees - furthermore, an anonymous Hotline has been established which employees can use if they have concerns about violations of the Code of Conduct.

Carbon dioxide emissions were 0.326 tons CO₂ per ton molten glass in 2021, which is 8% lower than 2020.

In 2021 the Company has invested in a new Glass production line replacing old line from 1990 and installed a more efficient Electricity boosting system these investments will increase output and reduce CO₂ footprint.

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

During 2021 has the company have registered 9 accidents with no absence (2020: 10) and 2 accidents resulting in absence (2020: 2) - no severe accidents.

Our focus on human rights means that our suppliers are also aware of human rights.

Enforcement of the anti-corruption principle remains an integral part of our supplier management process, and we therefore maintain our focus on ensuring that suppliers recognize and respect their responsibilities when dealing with the company. The employees are instructed not to give or receive unjustified benefits from both Danish and foreign officials or employees in private companies. We do not use bribery and avoid corruption of any kind, and we do not tolerate any form of corruption, extortion, or bribery. All employees, including employees in the purchasing and sales functions, are fully aware of spotting and avoiding corruption, bribery, and money laundering. This work has led to corruption and bribery being non-existent in the company and we have in no way been involved in corruption or bribery cases.

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.

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 2025. Ardagh Glass Holmegaard believes in diversity among employees, including an equal distribution between the sexes, contributes positively to the work environment and strengthens the company's performance and competitiveness. Ardagh Glass Holmegaard is working to increase the number of female managers in the company and has on the basis of this, set specific targets for the proportion of the underrepresented gender in the top management and policies for the rest of the management.

The Board of Ardagh Glass Holmegaard consists of 8 persons (whereof 2 are Employee elected). Existing board is 100% men. In 2021 there have been no new election to the board and therefore the existing board is still 100% men. The company has a target figure of 40% women on the board by 2025. In 2023 there will be a new election for Employee representatives for the Board - the Company will actively promote women to run for election.

Income Statement

	Note	2021 tkr.	2020 tkr.
Gross profit		103.917	70.808
Employee benefits expense	2	-16.952	-14.911
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	3	-45.551	-40.477
Other operating expenses		-24.414	-19.581
Profit from ordinary operating activities		17.000	-4.161
Other finance income from group enterprises		2.650	5.926
Other finance income		2.822	2.455
Finance expences	4	-25.230	-23.471
Profit from ordinary activities before tax		-2.758	-19.251
Tax expense on ordinary activities	5	455	4.319
Profit		-2.303	-14.932
Proposed distribution of results	6		
Retained earnings		-2.303	-14.932
Distribution of profit		-2.303	-14.932

Ardagh Glass Holmegaard A/S

Balance Sheet as of 31 December

	Note	2021 tkr.	2020 tkr.
Assets			
Acquired intangible assets	7	59	70
Intangible assets		59	70
Land and buildings	8	27.372	28.651
Plant and machinery	9	233.980	202.498
Fixtures, fittings, tools and equipment	10	31.119	25.190
Property, plant and equipment in progress and prepayments for property, plant and equipment	11	5.455	916
Property, plant and equipment		297.926	257.255
Fixed assets		297.985	257.325
Raw materials and consumables		33.526	33.838
Manufactured goods and goods for resale		75.971	69.160
Inventories	12	109.497	102.998
Short-term trade receivables		97.003	76.599
Short-term receivables from group enterprises		241.102	290.264
Current deferred tax		6.737	6.675
Short-term tax receivables		1.549	1.547
Other short-term receivables		458	106
Deferred income		1.406	1.025
Receivables		348.255	376.216
Current assets		457.752	479.214
Assets		755.737	736.539

Balance Sheet as of 31 December

	Note	2021 tkr.	2020 tkr.
Liabilities and equity			
Contributed capital	13	60.000	60.000
Revaluation reserve		7.521	8.015
Retained earnings		80.030	81.839
Equity		147.551	149.854
Provisions for deferred tax	14	31.537	31.931
Other provisions		519	496
Provisions		32.056	32.427
Lease commitments		11.280	11.791
Long-term liabilities other than provisions	15	11.280	11.791
Trade payables		84.802	58.717
Payables to group enterprises		420.109	422.087
Other payables		52.715	55.503
Lease commitments		7.224	6.160
Short-term liabilities other than provisions		564.850	542.467
Liabilities other than provisions within the business		576.130	554.258
Liabilities and equity		755.737	736.539
Significant events occurring after end of reporting period	16		
Collaterals and assets pledged 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

	Contributed capital	Revaluation reserve	Retained earnings	Total
Equity 1 January 2021	60.000	8.015	81.839	149.854
Profit (loss)	0	0	-2.303	-2.303
Revaluations	0	-494	494	0
Equity 31 December 2021	60.000	7.521	80.030	147.551

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

Cash Flow Statement

	2021	2020
	tkr.	tkr.
Profit	-2.303	-14.932
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	45.551	40.477
Adjustments of interest and similar incomes	-5.472	-8.381
Adjustments of interest and similar expenses	25.230	23.471
Adjustments of tax expense	-455	-4.319
Decrease (increase) in inventories	-6.499	21.870
Decrease (increase) in receivables	-21.137	-11.514
Decrease (increase) in trade payables	23.317	7.900
Cash flow from operating activities before financial items	58.232	54.572
Interest received	5.472	8.381
Interest paid	-25.230	-23.471
Cash flow from ordinary operating activities	38.474	39.482
Income taxes paid	0	5.242
Cash flows from operating activities	38.474	44.724
Purchase of property, plant and equipment	-78.009	-47.024
Cash flows from investing activities	-78.009	-47.024
Repayments of long-term liabilities	-7.649	-6.894
Raising of debt to group enterprises	47.184	9.191
Cash flows from financing activities	39.535	2.297
Net increase (decrease) in cash and cash equivalents	0	-3
Cash and cash equivalents, beginning balance	0	3
Cash and cash equivalents, ending balance	0	0

Notes

	2021	2020
1. Revenue		
Revenue, Denmark	268.602	274.835
Revenue, exports	281.809	243.486
	<u>550.411</u>	<u>518.321</u>
2. Employee benefits expense		
Wages and salaries	169.602	162.087
Post-employment benefit expense	9.331	9.836
Social security contributions	3.435	3.004
Employee expenses related to production	-165.416	-160.016
	<u>16.952</u>	<u>14.911</u>
Average number of employees	<u>331</u>	<u>356</u>
3. Depreciation & amortisations		
Depreciations Buildings	2.808	2.988
Depreciations Equipment	13.566	12.087
Depreciations Software	11	11
Depreciations Tooling & Machinery	29.166	25.391
	<u>45.551</u>	<u>40.477</u>
4. Finance expenses		
Finance expenses arising from group enterprises	20.436	19.885
Other finance expenses	4.794	3.586
	<u>25.230</u>	<u>23.471</u>
5. Tax expense		
Deferred Tax	-455	-4.319
	<u>-455</u>	<u>-4.319</u>
6. Distribution of profit		
Retained earnings	-2.303	-14.932
	<u>-2.303</u>	<u>-14.932</u>

Notes

	2021	2020
7. Acquired intangible assets		
Cost at the beginning of the year	7.408	7.408
Cost at the end of the year	7.408	7.408
Depreciation and amortisation at the beginning of the year	-7.338	-7.327
Amortisation for the year	-11	-11
Impairment losses and amortisation at the end of the year	-7.349	-7.338
Carrying amount at the end of the year	59	70
Amortised over 10 years.		
8. Land and buildings		
Cost at the beginning of the year	147.933	148.145
Addition during the year, incl. improvements	1.528	0
Disposal during the year	0	-212
Cost at the end of the year	149.461	147.933
Revaluations at the beginning of the year	24.227	24.227
Revaluations at the end of the year	24.227	24.227
Depreciation and amortisation at the beginning of the year	-143.509	-140.521
Amortisation for the year	-2.807	-2.988
Impairment losses and amortisation at the end of the year	-146.316	-143.509
Carrying amount at the end of the year	27.372	28.651
Carrying amount of recognised assets not owned by the Company	2.046	2.835
Depreciated over 15-30 years.		

Notes

	2021	2020
9. Plant and machinery		
Cost at the beginning of the year	676.997	656.542
Addition during the year, incl. improvements	60.648	36.276
Disposal during the year	-33.232	-15.821
Cost at the end of the year	704.413	676.997
Depreciation and amortisation at the beginning of the year	-474.501	-464.596
Amortisation for the year	-29.166	-25.391
Reversal of impairment losses and amortisation of disposed assets	33.232	15.486
Impairment losses and amortisation at the end of the year	-470.435	-474.501
Carrying amount at the end of the year	233.978	202.496
Carrying amount of recognised assets not owned by the Company Depreciated over 3-15 years.	8.102	8.014
10. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	41.074	39.090
Addition during the year, incl. improvements	19.495	15.788
Disposal during the year	-9.694	-13.804
Cost at the end of the year	50.875	41.074
Revaluations at the beginning of the year	8.435	8.435
Revaluations at the end of the year	8.435	8.435
Depreciation and amortisation at the beginning of the year	-24.317	-26.046
Amortisation for the year	-13.566	-12.088
Reversal of impairment losses and amortisation of disposed assets	9.694	13.817
Impairment losses and amortisation at the end of the year	-28.189	-24.317
Carrying amount at the end of the year	31.121	25.192
Carrying amount of recognised assets not owned by the Company Depreciated over 3-5 years.	9.390	7.572

Notes

	2021	2020
11. Property, plant and equipment in progress and prepayments for property, plant and equipment		
Cost at the beginning of the year	916	260
Addition during the year, incl. improvements	5.379	916
Transfers during the year to other items	-840	-260
Cost at the end of the year	5.455	916
Carrying amount at the end of the year	5.455	916

12. Inventories

Inventories are stated as follows:

Raw materials and consumables	33.526	33.838
Manufactured goods and goods for resale	75.971	69.160
Inventories in total	109.497	102.998

13. Equity

	Number (1.000)	Nominal value (t.DKK)
A-shares	40.500	40.500
B-shares	19.500	19.500
	60.000	60.000

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

14. Provisions for deferred tax

Deferred Taxes	31.537	31.931
Balance at the end of the year	31.537	31.931
Intangible assets	13	15
Property, plant and equipment	19.707	20.595
Inventories	11.996	11.321
Provisions	-753	0
	30.963	31.931

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

For 2021 a tax loss has been recognized with 6.664 TDKK.

Notes

2021

2020

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	11.280	7.224	234
	<u>11.280</u>	<u>7.224</u>	<u>234</u>

16. Significant events occurring after end of reporting period

The situation in Ukraine have led to uncertainty about natural gas supply and increasing energy prices (primarily natural gas). The situations are closely monitored and can lead to extraordinary sales price increases.

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	346	356
Other services	0	30
	<u>346</u>	<u>386</u>

Accounting Policies

Reporting Class

The Annual Report of Ardagh Glass Holmegaard A/S for 2021 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.

Other sales revenues includes financial items of secondary nature in relation to the company's main activity,

Accounting Policies

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:

	Useful life	Residual value
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 of finance 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.

Tangible assets

Accounting Policies

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 data 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.

Provisions

Deferred tax

Accounting Policies

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.

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

Accounting Policies

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	=	$\frac{\text{Net profit for the year X 100}}{\text{Avg. Equity}}$