

RÖCHLING META-PLAST A/S
TØJSTRUPVEJ 31, 8961 ALLINGÅBRO
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 18 February 2021**

Peter Eckerstorfer

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COMPANY DETAILS

| | |
|---------------------------|--|
| Company | Röchling Meta-Plast A/S Tøjstrupvej 31 8961 Allingåbro CVR No.: 19 27 03 35 Established: 9 May 1996 Registered Office: Norddjurs Financial Year: 1 January - 31 December |
| Board of Directors | Peter Eckerstorfer, chairman Dirk Johannes Aikes Martin Busk Jensen |
| Executive Board | Martin Busk Jensen |
| Auditor | EY Godkendt Revisionspartnerselskab Værkmestergade 25, Postboks 330 8100 Aarhus C |

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Röchling Meta-Plast A/S for the financial year 1 January - 31 December 2020.

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

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

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Allingåbro, 18 February 2021

Executive Board

Martin Busk Jensen

Board of Directors

Peter Eckerstorfer
Chairman

Dirk Johannes Aikes

Martin Busk Jensen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Röchling Meta-Plast A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Röchling Meta-Plast A/S for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2020 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Annual Financial Statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.*
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.*
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Aarhus C, 18 February 2021

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Steen Skorstengaard
State Authorised Public Accountant
MNE no. mne19709

Christian Jøker
State Authorised Public Accountant
MNE no. mne31471

FINANCIAL HIGHLIGHTS OF THE GROUP

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------|-----------|-----------|-----------|-----------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Gross profit/loss..... | 27.751 | 32.954 | 30.695 | 29.043 | 25.268 |
| Operating profit/loss of main activities... | 3.856 | 7.563 | 6.471 | 6.811 | 5.447 |
| Financial income and expenses, net..... | -48 | -15 | -10 | 9 | 2 |
| Profit/loss for the year..... | 3.290 | 6.448 | 5.908 | 5.880 | 4.597 |
| Balance sheet | | | | | |
| Total assets..... | 73.847 | 69.198 | 61.493 | 56.033 | 47.082 |
| Equity..... | 63.000 | 59.747 | 53.297 | 47.389 | 41.509 |
| Cash flows | | | | | |
| Investment in property, plant and equipment..... | -3.603 | -3.509 | -5.089 | -5.535 | -3.293 |
| Average number of full-time employees..... | 75 | 76 | 68 | 72 | 70 |
| Key ratios | | | | | |
| Return on invested capital..... | 11,6 | 11,6 | 11,0 | 13,2 | 12,0 |
| Equity ratio..... | 85,3 | 86,3 | 86,7 | 84,6 | 88,2 |
| Return on equity..... | 5,4 | 11,4 | 11,7 | 13,2 | 11,7 |

The ratios stated in the list of key figures and ratios have been calculated as follows:

| | |
|------------------------------------|--|
| <i>Invested capital:</i> | <i>NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current</i> |
| <i>Return on invested capital:</i> | <i>$\frac{\text{Operating Profit/loss adjusted for goodwill amortisation} \times 100}{\text{Average invested capital}}$</i> |
| <i>Equity ratio:</i> | <i>$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$</i> |
| <i>Return on equity:</i> | <i>$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$</i> |

MANAGEMENT COMMENTARY

Principal activities

The Company's and the Group's principal activities comprise the production and sale of metal and plastic components.

Development in activities and financial and economic position

Due to the current situation with the COVID-19 virus and its impact on global business, the Group has experienced a decline in its activities. The Group's financial position is considered satisfactory given the circumstances.

Profit/loss for the year compared to the expected development

The Group reported a profit of DKK 3,290 thousand for 2020, (2019: DKK 6,448 thousand), and at 31 December 2020, Group equity amounted to DKK 63,000 thousand (2019: DKK 59,747 thousand)

Management expected the profit for 2020 to be lower than 2019 due to the outbreak of Covid-19. The reported results for 2020 is on line with the expectations.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Environmental situation

It is company policy to observe environmental legislation and generally accepted legal frameworks. The Company and the Group do not carry out any production with a major impact on the environment.

Research and development activities

The Company's and the Group's products undergo continuous development. The products are continuously developed and customised in line with the customers' and the markets, requirements and development. All costs are expensed as incurred.

Future expectations

The group expects increased activities and increased profit for the coming financial year.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

| | Note | Group | | Parent Company | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | 2020 DKK | 2019 DKK | 2020 DKK | 2019 DKK |
| GROSS PROFIT | | 27.751.019 | 32.954.435 | 19.516.652 | 21.787.435 |
| Staff costs..... | 1 | -20.033.590 | -21.905.525 | -14.690.925 | -15.865.525 |
| Depreciation, amortisation and impairment losses..... | | -3.861.233 | -3.486.083 | -2.427.577 | -2.209.083 |
| OPERATING PROFIT | | 3.856.196 | 7.562.827 | 2.398.150 | 3.712.827 |
| Result of equity investments in group and associates..... | | 0 | 0 | 1.457.503 | 3.542.000 |
| Other financial income..... | 2 | 21.558 | 25.167 | 21.558 | 25.167 |
| Other financial expenses..... | | -69.768 | -40.078 | -69.768 | -24.078 |
| PROFIT BEFORE TAX | | 3.807.986 | 7.547.916 | 3.807.443 | 7.255.916 |
| Tax on profit/loss for the year..... | 3 | -517.606 | -1.099.535 | -517.063 | -807.535 |
| PROFIT FOR THE YEAR | 4 | 3.290.380 | 6.448.381 | 3.290.380 | 6.448.381 |

BALANCE SHEET AT 31 DECEMBER

| ASSETS | Note | Group | | Parent Company | |
|--|----------|-------------------|-------------------|-------------------|-------------------|
| | | 2020 DKK | 2019 DKK | 2020 DKK | 2019 DKK |
| Intangible fixed assets acquired.... | | 358.499 | 256.000 | 0 | 0 |
| Intangible assets..... | 5 | 358.499 | 256.000 | 0 | 0 |
| Production plant and machinery.... | | 16.517.579 | 16.376.289 | 12.200.680 | 11.584.960 |
| Other plant, machinery tools and equipment..... | | 918.644 | 1.132.840 | 644.062 | 718.603 |
| Leasehold improvements..... | | 181.490 | 327.016 | 181.490 | 327.016 |
| Tangible fixed assets in progress and prepayment..... | | 642.157 | 878.434 | 0 | 0 |
| Property, plant and equipment... | 6 | 18.259.870 | 18.714.579 | 13.026.232 | 12.630.579 |
| Equity investments in group enterprises..... | | 0 | 0 | 6.767.318 | 5.347.487 |
| Rent deposit and other receivables..... | | 522.000 | 522.000 | 522.000 | 522.000 |
| Financial non-current assets..... | 7 | 522.000 | 522.000 | 7.289.318 | 5.869.487 |
| NON-CURRENT ASSETS..... | | 19.140.369 | 19.492.579 | 20.315.550 | 18.500.066 |
| Raw materials and consumables.... | | 4.530.470 | 5.115.858 | 3.635.939 | 4.470.858 |
| Work in progress..... | | 133.812 | 75.390 | 133.812 | 75.390 |
| Finished goods and goods for resale..... | | 3.860.022 | 4.373.541 | 3.390.788 | 3.551.541 |
| Inventories..... | | 8.524.304 | 9.564.789 | 7.160.539 | 8.097.789 |
| Trade receivables..... | | 12.428.007 | 8.366.097 | 11.686.434 | 7.668.097 |
| Receivables from group enterprises..... | | 24.488.929 | 19.103.453 | 26.323.912 | 24.446.453 |
| Other receivables..... | | 443.381 | 540.776 | 137.852 | 269.776 |
| Corporation tax receivable..... | | 134.298 | 203.422 | 134.298 | 203.422 |
| Prepayments..... | | 136.387 | 276.279 | 57.120 | 47.279 |
| Receivables..... | 8 | 37.631.002 | 28.490.027 | 38.339.616 | 32.635.027 |
| Cash and cash equivalents..... | | 8.551.649 | 11.650.696 | 8.337.921 | 11.380.696 |
| CURRENT ASSETS..... | | 54.706.955 | 49.705.512 | 53.838.076 | 52.113.512 |
| ASSETS..... | | 73.847.324 | 69.198.091 | 74.153.626 | 70.613.578 |

BALANCE SHEET AT 31 DECEMBER

| EQUITY AND LIABILITIES | Note | Group | | Parent Company | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | 2020 DKK | 2019 DKK | 2020 DKK | 2019 DKK |
| Share capital..... | 9 | 3.800.000 | 3.800.000 | 3.800.000 | 3.800.000 |
| Reserve for net revaluation under the equity method..... | | 0 | 0 | 6.745.657 | 5.325.967 |
| Retained earnings..... | | 59.199.651 | 55.947.084 | 52.453.994 | 50.621.117 |
| EQUITY..... | | 62.999.651 | 59.747.084 | 62.999.651 | 59.747.084 |
| Provision for deferred tax..... | 10 | 1.349.600 | 1.324.898 | 1.349.600 | 1.324.898 |
| PROVISIONS..... | | 1.349.600 | 1.324.898 | 1.349.600 | 1.324.898 |
| Accruals and deferred income..... | | 52.375 | 105.000 | 0 | 0 |
| Long term part og other payables.. | | 691.400 | 367.000 | 691.400 | 367.000 |
| Non-current liabilities..... | 11 | 743.775 | 472.000 | 691.400 | 367.000 |
| Prepayments from customers..... | | 52.375 | 53.000 | 0 | 0 |
| Trade payables..... | | 2.347.311 | 2.482.091 | 1.921.483 | 1.598.091 |
| Debt to Group companies..... | | 3.369.058 | 2.622.612 | 4.614.019 | 5.318.612 |
| Other liabilities..... | | 2.985.554 | 2.496.406 | 2.577.473 | 2.257.893 |
| Current liabilities..... | | 8.754.298 | 7.654.109 | 9.112.975 | 9.174.596 |
| LIABILITIES..... | | 9.498.073 | 8.126.109 | 9.804.375 | 9.541.596 |
| EQUITY AND LIABILITIES..... | | 73.847.324 | 69.198.091 | 74.153.626 | 70.613.578 |
| Contingencies etc. | 12 | | | | |
| Related parties | 13 | | | | |

EQUITY

| | Group | | |
|---|------------------|-------------------|-------------------|
| | Share capital | Retained earnings | Total |
| Equity at 1 January 2020..... | 3.800.000 | 55.947.084 | 59.747.084 |
| Proposed profit allocation, cf. note 4..... | | 3.290.380 | 3.290.380 |
| Foreign exchange adjustments..... | | -37.813 | -37.813 |
| Equity at 31 December 2020..... | 3.800.000 | 59.199.651 | 62.999.651 |

| | Parent Company | | | |
|---|-----------------------|---|-------------------|-------------------|
| | Share capital | Reserve for net revaluation under the equity method | Retained earnings | Total |
| Equity at 1 January 2020..... | 3.800.000 | 5.325.967 | 50.621.117 | 59.747.084 |
| Proposed profit allocation, cf. note 4..... | | 1.457.503 | 1.832.877 | 3.290.380 |
| Foreign exchange adjustments..... | | -37.813 | | -37.813 |
| Equity at 31 December 2020..... | 3.800.000 | 6.745.657 | 52.453.994 | 62.999.651 |

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

| | <u>Group</u> | |
|---|-------------------|-------------------|
| | 2020 | 2019 |
| | DKK | DKK |
| Profit/loss for the year..... | 3.290.380 | 6.448.381 |
| Depreciation and amortisation, reversed..... | 3.861.233 | 3.486.083 |
| Reversed realization gains..... | -235.877 | -601 |
| Tax on profit/loss, reversed..... | 517.606 | 1.099.535 |
| Other adjustments..... | 0 | 12.465 |
| Corporation tax paid..... | -424.578 | -1.015.000 |
| Change in inventories..... | 1.040.485 | -1.520.500 |
| Change in receivables (ex tax)..... | -9.210.099 | 1.029.250 |
| Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..... | 1.100.189 | -1.068.000 |
| CASH FLOWS FROM OPERATING ACTIVITY..... | -60.661 | 8.471.613 |
| Purchase of intangible assets..... | -146.344 | 0 |
| Purchase of property, plant and equipment..... | -3.362.802 | -3.511.524 |
| Sale of property, plant and equipment..... | 470.760 | 59.300 |
| CASH FLOWS FROM INVESTING ACTIVITY..... | -3.038.386 | -3.452.224 |
| Other cash flows from financing activities..... | 0 | 5.102 |
| CASH FLOWS FROM FINANCING ACTIVITY..... | 0 | 5.102 |
| CHANGE IN CASH AND CASH EQUIVALENTS..... | -3.099.047 | 5.024.491 |
| Cash and cash equivalents at 1. januar..... | 11.650.696 | 6.626.205 |
| CASH AND CASH EQUIVALENTS AT 31. DECEMBER..... | 8.551.649 | 11.650.696 |
| Cash and cash equivalents at 31 December comprise: | | |
| Cash and cash equivalents..... | 8.551.649 | 11.650.696 |
| CASH AND CASH EQUIVALENTS..... | 8.551.649 | 11.650.696 |

NOTES

| | Group | | Parent Company | | Note |
|---|-------------------|-------------------|---|-------------------|----------|
| | 2020 DKK | 2019 DKK | 2020 DKK | 2019 DKK | |
| Staff costs | | | | | 1 |
| Average number of employees | 75 | 76 | 36 | 37 | |
| Wages and salaries..... | 17.458.682 | 19.268.022 | 13.363.689 | 14.430.422 | |
| Pensions..... | 1.094.308 | 1.165.820 | 1.094.308 | 1.165.820 | |
| Social security costs..... | 1.440.229 | 1.444.644 | 212.828 | 242.244 | |
| Other staff costs..... | 40.371 | 27.039 | 20.100 | 27.039 | |
| | 20.033.590 | 21.905.525 | 14.690.925 | 15.865.525 | |
| Pursuant to section 98b (3) of the Danish Financial Statements Act, remuneration of Management and the Board of Directors is not disclosed. | | | | | |
| Other financial income | | | | | 2 |
| Group enterprises..... | 20.793 | 25.167 | 20.793 | 25.167 | |
| Other interest income..... | 765 | 0 | 765 | 0 | |
| | 21.558 | 25.167 | 21.558 | 25.167 | |
| Tax on profit/loss for the year | | | | | 3 |
| Calculated tax on taxable income of the year..... | 494.245 | 1.120.293 | 493.702 | 828.293 | |
| Adjustment of tax in previous years..... | -1.341 | 0 | -1.341 | 0 | |
| Adjustment of deferred tax..... | 24.702 | -20.758 | 24.702 | -20.758 | |
| | 517.606 | 1.099.535 | 517.063 | 807.535 | |
| Proposed distribution of profit | | | | | 4 |
| Allocation to reserve for net revaluation under the equity method..... | 0 | 0 | 1.457.503 | 1.377.131 | |
| Retained earnings..... | 3.290.380 | 6.448.381 | 1.832.877 | 5.071.250 | |
| | 3.290.380 | 6.448.381 | 3.290.380 | 6.448.381 | |
| Intangible assets | | | | | 5 |
| | | | Group | | |
| | | | Intangible fixed assets acquired | | |
| Cost at 1 January 2020..... | | | 529.955 | | |
| Additions..... | | | 146.344 | | |
| Disposals..... | | | -36.543 | | |
| Cost at 31 December 2020..... | | | 639.756 | | |
| Amortisation at 1 January 2020..... | | | 275.000 | | |
| Reversal of amortisation of assets disposed of | | | -36.543 | | |
| Amortisation for the year..... | | | 42.800 | | |
| Amortisation at 31 December 2020..... | | | 281.257 | | |
| Carrying amount at 31 December 2020..... | | | 358.499 | | |

NOTES

Note

Property, plant and equipment

6

| | Group | | |
|--|--------------------------------|--|------------------------|
| | Production plant and machinery | Other plant, machinery tools and equipment | |
| Cost at 1 January 2020..... | 38.123.469 | 4.009.932 | |
| Additions..... | 3.240.431 | 355.022 | |
| Disposals..... | -143.644 | -59.829 | |
| Cost at 31 December 2020..... | 41.220.256 | 4.305.125 | |
| Depreciation and impairment losses at 1 January 2020..... | 21.742.895 | 2.876.771 | |
| Reversal of depreciation of assets disposed of..... | -143.644 | -59.829 | |
| Depreciation for the year..... | 3.103.426 | 569.539 | |
| Depreciation and impairment losses at 31 December 2020.... | 24.702.677 | 3.386.481 | |
| Carrying amount at 31 December 2020..... | 16.517.579 | 918.644 | |
| Finance lease assets..... | 943.283 | | |
| | Group | | |
| | Leasehold improvements | Tangible fixed assets in progress and prepayment | |
| Cost at 1 January 2020..... | 1.729.156 | 874.808 | |
| Additions..... | 0 | 7.365 | |
| Disposals..... | 0 | -240.016 | |
| Cost at 31 December 2020..... | 1.729.156 | 642.157 | |
| Depreciation and impairment losses at 1 January 2020..... | 1.402.140 | | |
| Depreciation for the year..... | 145.526 | | |
| Depreciation and impairment losses at 31 December 2020.... | 1.547.666 | | |
| Carrying amount at 31 December 2020..... | 181.490 | 642.157 | |
| | Parent Company | | |
| | Production plant and machinery | Other plant, machinery tools and equipment | Leasehold improvements |
| Cost at 1 January 2020..... | 26.298.249 | 2.880.211 | 1.729.156 |
| Additions..... | 2.772.578 | 295.349 | 0 |
| Disposals..... | -786.250 | 0 | 0 |
| Cost at 31 December 2020..... | 28.284.577 | 3.175.560 | 1.729.156 |
| Depreciation and impairment losses at 1 January 2020..... | 14.713.289 | 2.161.608 | 1.402.140 |
| Reversal of depreciation of assets disposed of.. | -541.552 | 0 | 0 |
| Depreciation for the year..... | 1.912.160 | 369.890 | 145.526 |
| Depreciation and impairment losses at 31 December 2020..... | 16.083.897 | 2.531.498 | 1.547.666 |
| Carrying amount at 31 December 2020..... | 12.200.680 | 644.062 | 181.490 |

NOTES

Note

Financial non-current assets

7

| | <u>Group</u> |
|---|---------------------------------------|
| | Rent deposit and other receivables |
| Cost at 1 January 2020..... | 522.000 |
| Cost at 31 December 2020..... | 522.000 |
| Carrying amount at 31 December 2020..... | 522.000 |

| | <u>Parent Company</u> | |
|---|--|---------------------------------------|
| | Equity investments in group enterprises | Rent deposit and other receivables |
| Cost at 1 January 2020..... | 21.660 | 522.000 |
| Cost at 31 December 2020..... | 21.660 | 522.000 |
| Revaluation at 1 January 2020..... | 5.325.968 | 0 |
| Exchange adjustment..... | -37.813 | 0 |
| Profit/loss for the year..... | 1.457.503 | 0 |
| Revaluation at 31 December 2020..... | 6.745.658 | 0 |
| Carrying amount at 31 December 2020..... | 6.767.318 | 522.000 |

Investments in subsidiaries

| Name and domicil | Ownership |
|----------------------------------|-----------|
| Meta-Plast LSEZ Ltd, Latvia..... | 100 % |

Prepayments

8

Prepayments include accrual of expenses relating to subsequent financial years, including insurance policies, software licenses, etc.

| | 2020 DKK | 2019 DKK |
|---|------------------|------------------|
| Share capital - Parent company | | |
| Allocation of share capital: | | |
| A share, 1 unit in the denomination of 3.800.000 DKK..... | 3.800.000 | 3.800.000 |
| | 3.800.000 | 3.800.000 |

9

NOTES

Note

Provision for deferred tax

10

Deferred tax is provided for on production property, plant and equipment.

| | <u>Group</u> | | <u>Parent Company</u> | |
|---|------------------|------------------|-----------------------|------------------|
| | 2020 DKK | 2019 DKK | 2020 DKK | 2019 DKK |
| Deferred tax, beginning of year..... | 1.324.898 | 1.304.140 | 1.324.898 | 1.304.140 |
| Deferred tax of the year, income statement..... | 24.702 | 20.758 | 24.702 | 20.758 |
| Provision for deferred tax 31 December 2020..... | 1.349.600 | 1.324.898 | 1.349.600 | 1.324.898 |

Long-term liabilities

11

| | <u>Group</u> | | | |
|-----------------------------------|---------------------------------|------------------------|--------------------------------------|---------------------------------|
| | 31/12 2020 total liabilities | Repayment next year | Debt outstanding after 5 years | 31/12 2019 total liabilities |
| Accruals and deferred income..... | 104.750 | 52.375 | 0 | 158.000 |
| Frozen holiday pay..... | 691.400 | 0 | 691.400 | 367.000 |
| | 796.150 | 52.375 | 691.400 | 525.000 |
| | <u>Parent Company</u> | | | |
| | 31/12 2020 total liabilities | Repayment next year | Debt outstanding after 5 years | 31/12 2019 total liabilities |
| Frozen holiday pay..... | 691.400 | 0 | 691.400 | 367.000 |
| | 691.400 | 0 | 691.400 | 367.000 |

Contingencies etc.

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Contingent liabilities

Rent and lease liabilities include a rent obligation totalling T.DKK 4.361 in interminable rent agreements with remaining contract terms of 4 years. Furthermore, the Company has liabilities under operating leases for cars, totalling T.DKK 93, with remaining contract terms of 1-2 years.

NOTES

Note

Related parties

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The Company's related parties include:

Controlling interest

Röchling Engineering Plastics SE & Co KG, Röchlingstrasse 1, 49733 Haren, Germany

Röchling Engineering Plastics SE & Co KG holds the majority of the contributed capital in the Company.

Röchling Meta-Plast A/S is part of the consolidated financial statements of Röchling Engineering Plastics SE & Co KG, Haren, Germany, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Röchling Engineering Plastics SE & Co KG can be obtained by contacting the company at the above adress.

Transactions with related parties

DKK'000

| Group | 2020 | 2019 |
|--------------------------------|-------------|-------------|
| Sale of goods and services | 4.294 | 6.085 |
| Purchase of goods and services | 28.409 | 16.670 |
| Interest income | 21 | 25 |

Receivables and payables to group entities are disclosed in the balance sheet and interest income is disclosed in note 5.

Pursuant to section 98c (3) of the Danish Financial Act, related party transactions with fully owned subsidiaries in Röchling Meta-Plast A/S group are not disclosed.

ACCOUNTING POLICIES

The Annual Report of Röchling Meta-Plast A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Röchling Meta-Plast A/S and the subsidiaries in which Röchling Meta-Plast A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is DKK ('000) 0.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts and operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay, pensions, and other costs for social security etc., for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from equity interests in subsidiaries

The Income Statement of the Parent Company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis, not exceeding 3 years.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

ACCOUNTING POLICIES

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

| | Useful life | Residual value |
|--|-------------|----------------|
| Production plant and machinery..... | 5-10 years | 0 % |
| Other plant, fixtures and equipment..... | 3-7 years | 0 % |
| Leasehold improvements..... | 5 years | 0 % |

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Acquired enterprises are recognised in the consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods.

At calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Consolidated goodwill is amortised over the expected useful life determined based on Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation, which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Equity

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in associates in proportion to cost.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates. Reserves cannot be recognised at a negative amount.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.