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Stenqvist Danmark A/S

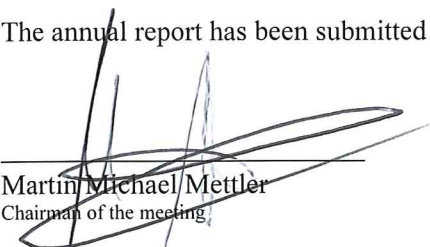
Fredensgade 14, 1., 7400 Herning

Company reg. no. 26 60 34 47

Annual report

1 January - 31 December 2015

The annual report has been submitted and approved by the general meeting on the 11.04.2016


Martin Michael Mettler
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Christensen Kjaerulff er medlem af Nexia International
- et internationalt netværk af uafhængige revisions- og konsulentvirksomheder.

 Revisorgruppen Danmark



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Management's report

The board of directors and the managing director have today presented the annual report of Stenqvist Danmark A/S for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Herning, 18 March 2016

Managing Director



Michael Handke

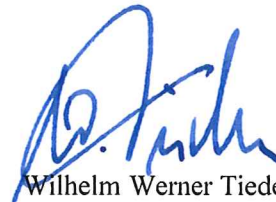
Board of directors



Martin Michael Mettler



Michael Handke



Wilhelm Werner Tiedemann



The independent auditor's reports

To the shareholder of Stenqvist Danmark A/S

Report on the annual accounts

We have audited the annual accounts of Stenqvist Danmark A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.



The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 18 March 2016

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
CVR-nr. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant



Company data

The company

Stenqvist Danmark A/S
Fredensgade 14, 1.
7400 Herning

Company reg. no.: 26 60 34 47
Established: 2 May 2002
Domicile: Herning
Financial year: 1 January - 31 December
14th financial year

Board of directors

Martin Michael Mettler
Michael Handke
Wilhelm Werner Tiedemann

Managing Director

Michael Handke

Auditors

Christensen Kjørulff, Statsautoriseret Revisionsaktieselskab



Management's review

The principal activities of the company

The principal activities of the company are distribution of packaging and wrapping of all kinds, including investment in companies and other related activities.

Unusual matters

None.

Uncertainties as to recognition or measurement

None.

Development in activities and financial matters

The gross profit for the year is DKK 2,3m against DKK 3,3m last year. The results from ordinary activities after tax are DKK -1,8m against DKK 0,5m last year. The management considers the results not satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross profit	2.309.168	3.342
1 Staff costs	-2.047.155	-2.609
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-2.082.814	-672
Operating profit	-1.820.801	61
Other financial income	73	0
2 Other financial costs	-54.332	-12
Results before tax	-1.875.060	49
Tax on ordinary results	80.503	458
Results for the year	-1.794.557	507
Proposed distribution of the results:		
Allocated to results brought forward	0	507
Allocated from results brought forward	-1.794.557	0
Distribution in total	-1.794.557	507



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Assets		
Fixed assets		
3 Goodwill	1.500.000	3.500
Intangible fixed assets in total	<u>1.500.000</u>	<u>3.500</u>
4 Production plant and machinery	16.840	31
5 Other plants, operating assets, and fixtures and furniture	<u>0</u>	<u>69</u>
Tangible fixed assets in total	<u>16.840</u>	<u>100</u>
Deposits	<u>71.775</u>	<u>69</u>
Financial fixed assets in total	<u>71.775</u>	<u>69</u>
Fixed assets in total	<u>1.588.615</u>	<u>3.669</u>
Current assets		
Manufactured goods and trade goods	1.733.592	2.478
Inventories in total	<u>1.733.592</u>	<u>2.478</u>
Trade debtors	2.516.024	5.951
Amounts owed by group enterprises	10.000.000	0
Receivable corporate tax	0	390
Other debtors	40.966	82
Accrued income and deferred expenses	<u>944.945</u>	<u>1.123</u>
Debtors in total	<u>13.501.935</u>	<u>7.546</u>
Cash funds	<u>4.019.474</u>	<u>10.672</u>
Current assets in total	<u>19.255.001</u>	<u>20.696</u>
Assets in total	<u>20.843.616</u>	<u>24.365</u>



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Equity and liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
6	Contributed capital	11.500.000	11.500
7	Results brought forward	5.266.523	7.061
	Equity in total	16.766.523	18.561
Liabilities			
	Trade creditors	1.410.452	3.021
	Corporate tax	271.205	0
	Other debts	1.937.229	2.344
	Accrued expenses and deferred income	458.207	439
	Short-term liabilities in total	4.077.093	5.804
	Liabilities in total	4.077.093	5.804
	Equity and liabilities in total	20.843.616	24.365
8	Contingencies		
9	Related parties		



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	1.836.606	2.311
Pension costs	125.313	221
Other costs for social security	10.800	12
Other staff costs	74.436	65
	<u>2.047.155</u>	<u>2.609</u>
Average number of employees	<u>5</u>	<u>6</u>
2. Other financial costs		
Other financial costs	54.332	12
	<u>54.332</u>	<u>12</u>
3. Goodwill		
Cost 1 January 2015	<u>5.000.000</u>	<u>5.000</u>
Cost 31 December 2015	<u>5.000.000</u>	<u>5.000</u>
Amortisation and writedown 1 January 2015	-1.500.000	-1.000
Amortisation for the year	-500.000	-500
Writedown for the year	-1.500.000	0
Amortisation and writedown 31 December 2015	<u>-3.500.000</u>	<u>-1.500</u>
Book value 31 December 2015	<u>1.500.000</u>	<u>3.500</u>



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
4. Production plant and machinery		
Cost 1 January 2015	56.547	158
Disposals during the year	<u>0</u>	<u>-101</u>
Cost 31 December 2015	<u>56.547</u>	<u>57</u>
Depreciation and writedown 1 January 2015	-25.570	-112
Depreciation for the year	-14.137	-15
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>101</u>
Depreciation and writedown 31 December 2015	<u>-39.707</u>	<u>-26</u>
Book value 31 December 2015	<u>16.840</u>	<u>31</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2015	704.600	877
Disposals during the year	<u>0</u>	<u>-172</u>
Cost 31 December 2015	<u>704.600</u>	<u>705</u>
Depreciation and writedown 1 January 2015	-635.923	-481
Depreciation for the year	-68.677	-195
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>40</u>
Depreciation and writedown 31 December 2015	<u>-704.600</u>	<u>-636</u>
Book value 31 December 2015	<u>0</u>	<u>69</u>
6. Contributed capital		
Contributed capital 1 January 2015	<u>11.500.000</u>	<u>11.500</u>
	<u>11.500.000</u>	<u>11.500</u>

The share capital consists of shares, each with a nominal value of DKK 1. No shares hold particular rights.



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
7. Results brought forward		
Results brought forward 1 January 2015	7.061.080	6.554
Profit or loss for the year brought forward	<u>-1.794.557</u>	<u>507</u>
	<u>5.266.523</u>	<u>7.061</u>

8. Contingencies

Contingent liabilities

The company has entered into general lease agreement, tDKK 174, of which tDKK 174 is due within one year.

Termination of the lease is possible by 1.12.2016 at the earliest.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 0 thousand. The liability relating to obligations in connection with withholding taxes represents an estimated maximum of DKK 128 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

9. Related parties

Ownership

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Papier-Mettler International GmbH, Germany



Accounting policies used

The annual report for Stenqvist Danmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.



Accounting policies used

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Goodwill

Purchased goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated financial life which is 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.



Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Technical plants and machinery	5 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Stenqvist Danmark A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Stenqvist Danmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.



Accounting policies used

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.