CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET REVISIONSAKTIESELSKAB
ØSTBANEGADE 123
2100 KØBENHAVN Ø
CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

Papier-Mettler Danmark A/S

Falstervej 7, 5800 Nyborg

Company reg. no. 26 60 34 47

Annual report

1 January - 31 December 2023

The annual report has been submitted and approved by the general meeting on the 4 April 2024.

Michael Martin Mettler
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Papier-Mettler Danmark A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Nyborg, 4 April 2024

Managing Director

Michael Handke

Board of directors

Michael Handke

Werner Wilhelm Tiedemann

Michael Martin Mettler

To the Shareholders of Papier-Mettler Danmark A/S

Opinion

We have audited the financial statements of Papier-Mettler Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities 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 determines is 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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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 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 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 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 financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent 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 that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 4 April 2024

Christensen Kjærulff

Company reg. no. 15 91 56 41

Vanja Margrethe Lawaetz Schultz
State Authorised Public Accountant
mne34194

Company information

The company	Papier-Mettler Danmark A/S Falstervej 7 5800 Nyborg	
	Company reg. no.	26 60 34 47
	Established:	2 May 2002
	Domicile:	Nyborg
	Financial year:	1 January - 31 December
Board of directors	Michael Handke Werner Wilhelm Tiedemann Michael Martin Mettler	
Managing Director	Michael Handke	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	

The principal activities of the company

The principal activities of the enterprise consist of distribution of paper and plastic packaging and related investment in enterprises in the packaging sector. The production takes place in group companies, whereas the sale of the group's products takes place from the subsidiaries, and from associated enterprises. Primarily, the products sold by the company are sold in Denmark.

Unusual circumstances

Management expects positive results for 2024.

Development in activities and financial matters

The gross profit for the year totals DKK 4,4m against DKK 4,8m last year. Income or loss from ordinary activities after tax totals DKK 2,0m against DKK 1,9m last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**4.375.975**	**4.761.021**
1	Staff costs	-2.275.789	-2.464.461
	Depreciation, amortisation, and impairment	-661.083	-755.881
	Operating profit	**1.439.103**	**1.540.679**
	Other financial income	383.584	31.746
2	Other financial expenses	-11.468	-102.533
	Pre-tax net profit or loss	**1.811.219**	**1.469.892**
3	Tax on net profit or loss for the year	217.455	437.773
	Net profit or loss for the year	**2.028.674**	**1.907.665**
	Proposed distribution of net profit:		
	Transferred to retained earnings	2.028.674	1.907.665
	Total allocations and transfers	**2.028.674**	**1.907.665**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
4	Goodwill	980.000	1.470.000
	Total intangible assets	980.000	1.470.000
5	Land and buildings	2.969.412	3.127.673
6	Other fixtures, fittings, tools and equipment	34.125	46.947
7	Property, plant and equipment in progress and prepayments for property, plant and equipment	24.013	24.013
	Total property, plant, and equipment	3.027.550	3.198.633
8	Deposits	41.600	41.600
	Total investments	41.600	41.600
	Total non-current assets	**4.049.150**	**4.710.233**
	Current assets		
	Manufactured goods and goods for resale	1.760.606	2.520.351
	Total inventories	1.760.606	2.520.351
	Trade receivables	14.626.803	22.577.688
9	Deferred tax assets	3.806.253	3.588.798
	Other receivables	131	131
10	Prepayments	13.689	25.249
	Total receivables	18.446.876	26.191.866
	Cash and cash equivalents	23.628.484	9.189.911
	Total current assets	**43.835.966**	**37.902.128**
	Total assets	**47.885.116**	**42.612.361**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	12.000.000	12.000.000
	Retained earnings	15.082.742	13.054.067
	Total equity	**27.082.742**	**25.054.067**
	Liabilities other than provisions		
	Trade payables	8.861.286	9.774.687
	Other payables	11.941.088	7.783.607
	Total short term liabilities other than provisions	20.802.374	17.558.294
	Total liabilities other than provisions	**20.802.374**	**17.558.294**
	Total equity and liabilities	**47.885.116**	**42.612.361**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	12.000.000	11.146.401	23.146.401
Retained earnings for the year	0	1.907.666	1.907.666
Equity 1 January 2022	12.000.000	13.054.067	25.054.067
Retained earnings for the year	0	2.028.675	2.028.675
	12.000.000	**15.082.742**	**27.082.742**

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	2.116.083	2.283.212
	Pension costs	151.564	172.161
	Other costs for social security	8.142	9.088
		2.275.789	**2.464.461**
	Average number of employees	4	4
2.	**Other financial expenses**		
	Other financial costs	11.468	102.533
		11.468	**102.533**
3.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	515.636	490.408
	Adjustment of deferred tax for the year	-733.091	-928.181
		-217.455	**-437.773**
4.	**Goodwill**		
	Cost 1 January	9.900.000	9.900.000
	Cost 31 December	**9.900.000**	**9.900.000**
	Amortisation and write-down 1 January	-8.430.000	-7.940.000
	Amortisation and depreciation for the year	-490.000	-490.000
	Amortisation and write-down 31 December	**-8.920.000**	**-8.430.000**
	Carrying amount, 31 December	**980.000**	**1.470.000**

Notes

All amounts in DKK.

		31/12 2023	31/12 2022
5.	**Land and buildings**		
	Cost 1 January	3.571.193	3.571.193
	Cost 31 December	**3.571.193**	**3.571.193**
	Revaluation 1 January	1.262.689	1.262.689
	Revaluation 31 December	**1.262.689**	**1.262.689**
	Depreciation and write-down 1 January	-1.706.209	-1.547.948
	Amortisation and depreciation for the year	-158.261	-158.261
	Depreciation and write-down 31 December	**-1.864.470**	**-1.706.209**
	Carrying amount, 31 December	**2.969.412**	**3.127.673**
6.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January	852.352	852.352
	Disposals during the year	-450.907	0
	Cost 31 December	**401.445**	**852.352**
	Depreciation and write-down 1 January	-805.405	-697.787
	Amortisation and depreciation for the year	-12.822	-107.618
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	450.907	0
	Depreciation and write-down 31 December	**-367.320**	**-805.405**
	Carrying amount, 31 December	**34.125**	**46.947**
7.	**Property, plant and equipment in progress and prepayments for property, plant and equipment**		
	Cost 1 January	24.013	24.013
	Cost 31 December	**24.013**	**24.013**
	Carrying amount, 31 December	**24.013**	**24.013**

All amounts in DKK.

		31/12 2023	31/12 2022
8.	**Deposits**		
	Cost 1 January	41.600	41.600
	Cost 31 December	**41.600**	**41.600**
	Carrying amount, 31 December	**41.600**	**41.600**
9.	**Deferred tax assets**		
	Deferred tax assets 1 January	3.588.798	3.151.025
	Deferred tax of the net profit or loss for the year	217.455	437.773
		3.806.253	**3.588.798**
	The following items are subject to deferred tax:		
	Intangible assets	1.333.828	1.226.028
	Property, plant, and equipment	409.811	401.139
	Losses carried forward to next years	2.062.614	1.961.631
		3.806.253	**3.588.798**

The basis for calculating deferred tax is adjusted to tDKK 3.806 based on an accounting estimate for the utilization of tax losses. Deferred tax is calculated by 22%. Of the deferred tax asset tDKK 3.259 is considered used more than one year from the balance date.

		31/12 2023	31/12 2022
10.	**Prepayments**		
	Other prepayments	13.689	25.249
		13.689	**25.249**

The annual report for Papier-Mettler Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Change in accounting estimates

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.