

Corona Packaging ApS
Industriskellet 2
DK-2635 Ishøj
Central Business Registration No
26728142

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: René Willy Nielsen

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Entity details

Entity

Corona Packaging ApS
Industriskellet 2
DK-2635 Ishøj

Central Business Registration No: 26728142

Registered in: Ishøj

Financial year: 01.01.2018 - 31.12.2018

Phone: +4543560100

Website: www.constantia-corona.com

Executive Board

René Willy Nielsen, CEO

Matteo Rigon

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Ndr. Ringgade 70A

4200 Slagelse

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Herredsvej 32

7100 Vejle

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Corona Packaging ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ishøj, 31.05.2019

Executive Board

René Willy Nielsen
CEO

Matteo Rigon



Independent Auditor's Report

To the Shareholders of Corona Packaging ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Corona Packaging ApS at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Corona Packaging ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 Financial Statements section of our report. We are independent of the Company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Commentary

Management is responsible for Management's Commentary.

Our opinion on the financial statements does not cover Management's Commentary, 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 Commentary and, in doing so, consider whether Management's Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Commentary.



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.

Trekantområdet, 31. maj 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

Management commentary

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------|----------------|----------------|----------------|----------------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Financial highlights | | | | | |
| Key figures | | | | | |
| Gross profit | 42.240 | 44.454 | 39.495 | 34.651 | 31.708 |
| Operating profit/loss | 18.186 | 20.288 | 17.687 | 17.685 | 15.958 |
| Net financials | 16.752 | 16.341 | 14.571 | 14.716 | 15.940 |
| Profit/loss for the year | 31.270 | 29.228 | 29.057 | 28.764 | 28.399 |
| Total assets | 185.814 | 188.543 | 174.798 | 183.457 | 155.997 |
| Investments in property, plant and equipment | 3.029 | 4.749 | 4.117 | 3.367 | 1.663 |
| Equity | 114.149 | 118.179 | 115.250 | 117.341 | 87.799 |
| Ratios | | | | | |
| Return on equity (%) | 26,9 | 25,0 | 25,0 | 28,0 | 38,1 |
| Equity ratio (%) | 61,4 | 62,7 | 65,9 | 64,0 | 56,3 |

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

| Ratios | Calculation formula | Ratios |
|----------------------|--|--|
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The entity's return on capital invested in the entity by the owners. |
| Equity ratio (%) | $\frac{\text{Equity} \times 100}{\text{Total assets}}$ | The financial strength of the entity. |

Management commentary

Primary activities

The activities of the Entity are development, production and marketing of specialty lidding materials for the food processing industry as well as development and building of the machines and tools required in the production of die cut lidding materials.

Development in activities and finances

The income statement of the Entity for 2018 shows a profit of TDKK 31,270 and at 31 December 2018 the balance sheet of the Entity shows equity of TDKK 114,149.

Particular risks

Foreign exchange risks

The major currencies are DKK and EUR. Occasional major exposures in other currencies are covered by forward exchange contracts.

Credit risks

The credit risk related to all large customers is evaluated regularly. For many years, bad debts have been very limited.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

| | <u>Notes</u> | <u>2018</u> <u>DKK'000</u> | <u>2017</u> <u>DKK'000</u> |
|--|--------------|-------------------------------|-------------------------------|
| Gross profit | | 42.240 | 44.454 |
| Staff costs | 1 | (21.326) | (21.828) |
| Depreciation, amortisation and impairment losses | | <u>(2.728)</u> | <u>(2.338)</u> |
| Operating profit/loss | | 18.186 | 20.288 |
| Income from investments in group enterprises | | 18.346 | 17.908 |
| Other financial income | 2 | 7.147 | 2.930 |
| Other financial expenses | 3 | <u>(8.741)</u> | <u>(4.497)</u> |
| Profit/loss before tax | | 34.938 | 36.629 |
| Tax on profit/loss for the year | 4 | <u>(3.668)</u> | <u>(7.401)</u> |
| Profit/loss for the year | 5 | <u>31.270</u> | <u>29.228</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK'000</u> | <u>2017 DKK'000</u> |
|--|--------------|-------------------------|-------------------------|
| Land and buildings | | 3.698 | 3.221 |
| Plant and machinery | | 10.733 | 10.727 |
| Other fixtures and fittings, tools and equipment | | 283 | 310 |
| Prepayments for property, plant and equipment | | <u>0</u> | <u>156</u> |
| Property, plant and equipment | 6 | <u>14.714</u> | <u>14.414</u> |
| Investments in group enterprises | | <u>123.711</u> | <u>121.905</u> |
| Fixed asset investments | 7 | <u>123.711</u> | <u>121.905</u> |
| Fixed assets | | <u>138.425</u> | <u>136.319</u> |
| Raw materials and consumables | | <u>10.122</u> | <u>12.824</u> |
| Inventories | | <u>10.122</u> | <u>12.824</u> |
| Trade receivables | | 24.398 | 31.006 |
| Receivables from group enterprises | | 1.927 | 1.719 |
| Other receivables | | <u>283</u> | <u>417</u> |
| Receivables | | <u>26.608</u> | <u>33.142</u> |
| Cash | | <u>10.659</u> | <u>6.258</u> |
| Current assets | | <u>47.389</u> | <u>52.224</u> |
| Assets | | <u>185.814</u> | <u>188.543</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018</u> <u>DKK'000</u> | <u>2017</u> <u>DKK'000</u> |
|--|--------------|-------------------------------|-------------------------------|
| Contributed capital | 8 | 3.280 | 3.280 |
| Retained earnings | | 84.741 | 81.397 |
| Proposed dividend | | <u>26.128</u> | <u>33.502</u> |
| Equity | | <u>114.149</u> | <u>118.179</u> |
| Deferred tax | | <u>740</u> | <u>745</u> |
| Provisions | | <u>740</u> | <u>745</u> |
| Payables to group enterprises | | <u>30.169</u> | <u>31.236</u> |
| Non-current liabilities other than provisions | 9 | <u>30.169</u> | <u>31.236</u> |
| Current portion of long-term liabilities other than provisions | 9 | 20.318 | 14.489 |
| Trade payables | | 2.190 | 3.692 |
| Payables to group enterprises | | 13.891 | 15.042 |
| Income tax payable | | 866 | 1.709 |
| Other payables | 10 | <u>3.491</u> | <u>3.451</u> |
| Current liabilities other than provisions | | <u>40.756</u> | <u>38.383</u> |
| Liabilities other than provisions | | <u>70.925</u> | <u>69.619</u> |
| Equity and liabilities | | <u>185.814</u> | <u>188.543</u> |
| Unrecognised rental and lease commitments | 11 | | |
| Group relations | 12 | | |

Statement of changes in equity for 2018

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Proposed dividend DKK'000 | Total DKK'000 |
|-------------------------------|--|--|--|--------------------------|
| Equity beginning of year | 3.280 | 81.397 | 33.502 | 118.179 |
| Ordinary dividend paid | 0 | 0 | (33.502) | (33.502) |
| Exchange rate adjustments | 0 | (1.798) | 0 | (1.798) |
| Profit/loss for the year | 0 | 5.142 | 26.128 | 31.270 |
| Equity end of year | 3.280 | 84.741 | 26.128 | 114.149 |

Notes

| | 2018 DKK'000 | 2017 DKK'000 |
|---|--|--|
| 1. Staff costs | | |
| Wages and salaries | 18.294 | 18.529 |
| Pension costs | 1.418 | 1.347 |
| Other social security costs | 1.022 | 1.263 |
| Other staff costs | 592 | 689 |
| | 21.326 | 21.828 |
| | | |
| Average number of employees | 33 | 33 |
| | | |
| | Remunera- tion of manage- ment 2018 DKK'000 | Remunera- tion of manage- ment 2017 DKK'000 |
| Total amount for management categories | 2.677 | 2.245 |
| | 2.677 | 2.245 |
| | | |
| | 2018 DKK'000 | 2017 DKK'000 |
| 2. Other financial income | | |
| Other financial income | 7.147 | 2.930 |
| | 7.147 | 2.930 |
| | | |
| | 2018 DKK'000 | 2017 DKK'000 |
| 3. Other financial expenses | | |
| Financial expenses from group enterprises | 1.369 | 1.469 |
| Other financial expenses | 7.372 | 3.028 |
| | 8.741 | 4.497 |

Notes

| | 2018 | 2017 | | |
|---|---------------------------|----------------------------|---|--|
| | DKK'000 | DKK'000 | | |
| 4. Tax on profit/loss for the year | | | | |
| Tax on current year taxable income | 3.673 | 3.869 | | |
| Change in deferred tax for the year | (5) | 235 | | |
| Adjustment concerning previous years | 0 | 3.297 | | |
| | 3.668 | 7.401 | | |
| | | | | |
| | 2018 | 2017 | | |
| | DKK'000 | DKK'000 | | |
| 5. Proposed distribution of profit/loss | | | | |
| Ordinary dividend for the financial year | 26.128 | 33.502 | | |
| Retained earnings | 5.142 | (4.274) | | |
| | 31.270 | 29.228 | | |
| | | | | |
| | Land and buildings | Plant and machinery | Other fixtures and fittings, tools and equipment | Prepayments for property, plant and equipment |
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| 6. Property, plant and equipment | | | | |
| Cost beginning of year | 8.648 | 43.769 | 10.397 | 156 |
| Transfers | 0 | 156 | 0 | (156) |
| Additions | 631 | 2.305 | 93 | 0 |
| Cost end of year | 9.279 | 46.230 | 10.490 | 0 |
| Depreciation and impairment losses beginning of the year | (5.427) | (33.042) | (10.087) | 0 |
| Depreciation for the year | (154) | (2.455) | (120) | 0 |
| Depreciation and impairment losses end of the year | (5.581) | (35.497) | (10.207) | 0 |
| Carrying amount end of year | 3.698 | 10.733 | 283 | 0 |

Notes

| | Investment s in group enterprises DKK'000 |
|--------------------------------------|--|
| 7. Fixed asset investments | |
| Cost beginning of year | 151.057 |
| Cost end of year | 151.057 |
| Impairment losses beginning of year | (29.152) |
| Exchange rate adjustments | (1.798) |
| Share of profit/loss for the year | 18.346 |
| Dividend | (14.741) |
| Impairment losses end of year | (27.345) |
| Carrying amount end of year | 123.712 |

| | Registered in | Corpo- rate form | Equity inte- rest % |
|--|----------------------|---------------------------------|--|
| Investments in group enterprises comprise: | | | |
| Constantia Sittingbourne Ltd. | UK | Ltd | 100,0 |

| | Number | Par value DKK'000 | Nominal value DKK'000 |
|---|--|--|--|
| 8. Contributed capital | | | |
| Shares | 3.280 | 1.000 | 3.280 |
| | 3.280 | | 3.280 |
| | Instalments within 12 months 2018 DKK'000 | Instalments within 12 months 2017 DKK'000 | Instalments beyond 12 months 2018 DKK'000 |
| 9. Liabilities other than provisions | | | |
| Payables to group enterprises | 20.318 | 14.489 | 30.169 |
| | 20.318 | 14.489 | 30.169 |

Notes

| | 2018 | 2017 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| 10. Other payables | | |
| VAT and duties | 169 | 0 |
| Wages and salaries, personal income taxes, social security costs, etc payable | 1 | 0 |
| Holiday pay obligation | 1.477 | 1.529 |
| Other costs payable | 1.844 | 1.922 |
| | 3.491 | 3.451 |

| | 2018 | 2017 |
|---|----------------|----------------|
| | DKK'000 | DKK'000 |
| 11. Unrecognised rental and lease commitments | | |
| Hereof liabilities under rental or lease agreements until maturity in total | 804 | 495 |

12. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
CP Group Holding Coöperatief U.A.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Constantia Packaging AG, Austria.

The consolidated financial statements are available at Corona Packaging ApS, Industriskellet 2, 2635 Ishøj, Denmark.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Accounting policies

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Accounting policies

| | |
|--|------------|
| Production buildings | 5-25 years |
| Plant and machinery | 3-9 years |
| Other fixtures and fittings, tools and equipment | 5-12 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method, and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities, or as net tax assets.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86 of the Danish Financial Statements Act, Corona Packaging ApS has not prepared any cash flow statement.