

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

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

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: 01.01.2017 - 31.12.2017

Phone: +4543560100

Website: www.constantia-corona.com

Executive Board

René Willy Nielsen, CEO

Peter Martin Nannerup

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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 31.05.2018

Executive Board

René Willy Nielsen
CEO

Peter Martin Nannerup



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 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 2017, 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 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, in our view, Management's Review 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 Review.



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 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

MNE-nr. mne30224

Management commentary

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	44.454	39.495	34.651	31.708	30.031
Operating profit/loss	20.288	17.687	17.685	15.958	13.482
Net financials	16.341	14.571	14.716	15.940	10.928
Profit/loss for the year	29.228	29.057	28.764	28.399	21.586
Total assets	188.543	174.798	183.457	155.997	130.777
Investments in property, plant and equipment	4.749	4.117	3.367	1.663	1.821
Equity	118.179	115.250	117.341	87.799	61.239
Ratios					
Return on equity (%)	25,0	25,0	28,0	38,1	40,6
Equity ratio (%)	62,7	65,9	64,0	56,3	46,8

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 2017 shows a profit of TDKK 29,228 and at 31 December 2017 the balance sheet of the Entity shows equity of TDKK 118.179.

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 2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Gross profit		44.454	39.495
Staff costs	1	(21.828)	(20.092)
Depreciation, amortisation and impairment losses		<u>(2.338)</u>	<u>(1.716)</u>
Operating profit/loss		20.288	17.687
Income from investments in group enterprises		17.908	15.936
Other financial income	2	2.930	5.005
Other financial expenses	3	<u>(4.497)</u>	<u>(6.370)</u>
Profit/loss before tax		36.629	32.258
Tax on profit/loss for the year	4	<u>(7.401)</u>	<u>(3.201)</u>
Profit/loss for the year	5	<u>29.228</u>	<u>29.057</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Land and buildings		3.221	3.359
Plant and machinery		10.727	8.290
Other fixtures and fittings, tools and equipment		310	354
Prepayments for property, plant and equipment		156	0
Property, plant and equipment	6	<u>14.414</u>	<u>12.003</u>
Investments in group enterprises		121.905	115.230
Fixed asset investments	7	<u>121.905</u>	<u>115.230</u>
Fixed assets		<u>136.319</u>	<u>127.233</u>
Raw materials and consumables		12.824	12.386
Inventories		<u>12.824</u>	<u>12.386</u>
Trade receivables		31.006	28.078
Receivables from group enterprises		1.719	2.729
Other receivables		417	257
Receivables		<u>33.142</u>	<u>31.064</u>
Cash		<u>6.258</u>	<u>4.115</u>
Current assets		<u>52.224</u>	<u>47.565</u>
Assets		<u>188.543</u>	<u>174.798</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Contributed capital	8	3.280	3.280
Retained earnings		81.397	89.668
Proposed dividend		<u>33.502</u>	<u>22.302</u>
Equity		<u>118.179</u>	<u>115.250</u>
Deferred tax		<u>745</u>	<u>510</u>
Provisions		<u>745</u>	<u>510</u>
Payables to group enterprises		<u>31.236</u>	<u>0</u>
Non-current liabilities other than provisions	9	<u>31.236</u>	<u>0</u>
Current portion of long-term liabilities other than provisions	9	14.489	39.402
Trade payables		3.692	4.105
Payables to group enterprises		15.042	11.106
Income tax payable		1.709	1.325
Other payables	10	<u>3.451</u>	<u>3.100</u>
Current liabilities other than provisions		<u>38.383</u>	<u>59.038</u>
Liabilities other than provisions		<u>69.619</u>	<u>59.038</u>
Equity and liabilities		<u>188.543</u>	<u>174.798</u>
Unrecognised rental and lease commitments	11		
Group relations	12		

Statement of changes in equity for 2017

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	3.280	89.668	22.302	115.250
Ordinary dividend paid	0	0	(22.302)	(22.302)
Exchange rate adjustments	0	(3.997)	0	(3.997)
Profit/loss for the year	0	(4.274)	33.502	29.228
Equity end of year	3.280	81.397	33.502	118.179

Notes

	2017	2016
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	18.529	17.614
Pension costs	1.347	1.208
Other social security costs	1.263	597
Other staff costs	689	673
	21.828	20.092
Average number of employees	33	30
	Remunera-	Remunera-
	tion of	tion of
	manage-	manage-
	ment	ment
	2017	2016
	DKK'000	DKK'000
Total amount for management categories	2.245	3.051
	2.245	3.051
	2017	2016
	DKK'000	DKK'000
2. Other financial income		
Financial income arising from group enterprises	0	171
Other financial income	2.930	4.834
	2.930	5.005
	2017	2016
	DKK'000	DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	1.469	1.329
Other financial expenses	3.028	5.041
	4.497	6.370

Notes

	2017	2016		
	DKK'000	DKK'000		
4. Tax on profit/loss for the year				
Tax on current year taxable income	3.869	3.347		
Change in deferred tax for the year	235	(146)		
Adjustment concerning previous years	3.297	0		
	7.401	3.201		
	2017	2016		
	DKK'000	DKK'000		
5. Proposed distribution of profit/loss				
Ordinary dividend for the financial year	33.502	22.302		
Retained earnings	(4.274)	6.755		
	29.228	29.057		
	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Prepay- ments for property, plant and equipment DKK'000
6. Property, plant and equipment				
Cost beginning of year	8.648	39.272	10.301	0
Additions	0	4.497	96	156
Cost end of year	8.648	43.769	10.397	156
Depreciation and impairment losses beginning of the year	(5.289)	(30.982)	(9.947)	0
Depreciation for the year	(138)	(2.060)	(140)	0
Depreciation and impairment losses end of the year	(5.427)	(33.042)	(10.087)	0
Carrying amount end of year	3.221	10.727	310	156

Notes

	Investments 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	(35.827)
Exchange rate adjustments	(3.997)
Share of profit/loss for the year	17.908
Dividend	(7.236)
Impairment losses end of year	(29.152)
Carrying amount end of year	121.905

	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	1000	3.280
	3.280		3.280
	Instalments within 12 months 2017 DKK'000	Instalments within 12 months 2016 DKK'000	Instalments beyond 12 months 2017 DKK'000
9. Liabilities other than provisions			
Payables to group enterprises	14.489	39.402	31.236
	14.489	39.402	31.236

Notes

	2017	2016
	DKK'000	DKK'000
10. Other payables		
VAT and duties	0	255
Holiday pay obligation	1.529	1.058
Other costs payable	1.922	1.787
	3.451	3.100

	2017	2016
	DKK'000	DKK'000
11. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	495	596

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 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of property, plant and equipment.

Accounting policies

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

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.

Accounting policies

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:

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.

Accounting policies

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.

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.