

CONSTANTIA COPENHAGEN APS

Vejleåvej 46 DK-2635 Ishøj

CVR NR. 26 72 81 42

Annual report 2020

**Approved by the company's general
meeting on 19 of May 2021**



René Willy Nielsen

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ENTITY DETAILS

Entity

Constantia Copenhagen ApS

Vejleåvej 46 DK-2635 Ishøj

Central Business Registration No: 26 72 81 42

Registered in: Ishøj

Financial year: 01.01.2020-31.12.2020

Phone: +4543560100

Website: www.cflex.com/locations/constantia-copenhagen-denmark

Executive Board

René Willy Nielsen, CEO

Matteo Rigon

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 København S

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive Board has today considered and approved the annual report of Constantia Copenhagen ApS for the financial year 2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 -31.12.2020.

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 19.05.2021

Executive Board


René Willy Nielsen
CEO


Matteo Rigon

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Constantia Copenhagen ApS

Opinion

We have audited the financial statements of Constantia Copenhagen ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

INDEPENDENT AUDITOR'S REPORT

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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management 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 of the management commentary.

Copenhagen 19.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56



Jan Larsen

State-Authorised Public Accountant

Identification number (MNE) mne16541

MANAGEMENT COMMENTARY

Financial Highlights

DKK'000

Key figures:	2020	2019	2018	2017	2016
Gross profit	33.369	32.923	42.240	44.454	39.495
Operating profit/loss	13.533	12.242	18.186	20.288	17.687
Net financials	27.998	21.960	16.752	16.341	14.571
Profit for the year	38.972	31.677	31.270	29.228	29.057
Total assets	193.482	201.236	185.814	188.543	174.798
Investments in property, plant and equipment	3.739	2.141	3.029	4.749	4.117
Equity	140.344	127.508	114.149	118.179	115.250
Ratios (%):					
Return on equity	29,1	26,2	26,9	25,0	25,0
Equity ratio	72,5	63,4	61,4	62,7	65,9

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

Ratios (%)

Calculation formula

Return on equity (The entity's return on capital invested in yhe entity by the owners)

$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Equity ratio (The financial strength of the entity)

$\frac{\text{Equity} \times 100}{\text{Total assets}}$

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 2020 shows a profit of TDKK 38.972 and at 31 December 2020 the balance sheet of the Entity shows equity of TDKK 140.344.

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.

COVID 19 Considerations

In year 2020 the company managed the consequences of COVID 19 crisis.

In terms of financial results, the company had no significant impacts in 2020 from the pandemic, with full continuity in production and deliveries to customers. The management will continue to work in 2021 to ensure safety and health environment in the company site and will analyze with attention the evolution of COVID 19 on the market and with our customers.

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 2020

<u>Note</u>	2020	2019
	<u>DKK'000</u>	<u>DKK'000</u>
Gross profit	33.369	32.923
1 Staff costs	-16.538	-17.673
Depreciation, amortisation and impairment losses	-3.298	-3.008
Operating profit	13.533	12.242
Income from investments in group enterprises	29.870	17.170
2 Other financial income	125	510
3 Other financial expenses	-1.997	-1.563
Profit before tax	41.531	28.359
4 Tax on profit for the year	-2.559	-2.525
5 Profit for the year	<u><u>38.972</u></u>	<u><u>25.834</u></u>

BALANCE SHEET AT 31. DECEMBER 2020

ASSETS

<u>Note</u>	2020 <u>DKK'000</u>	2019 <u>DKK'000</u>
Land and buildings	3.375	3.555
Plant and machinery	10.645	9.911
Other fixtures and fittings, tools and equipment	<u>287</u>	<u>381</u>
6 PROPERTY, PLANT AND EQUIPMENT	<u>14.307</u>	<u>13.847</u>
Investments in group enterprises	<u>137.365</u>	<u>137.365</u>
7 FIXED ASSET INVESTMENT	<u>137.365</u>	<u>137.365</u>
 TOTAL FIXED ASSETS	 <u>151.672</u>	 <u>151.212</u>
 Raw materials and consumables	 <u>9.196</u>	 <u>10.955</u>
INVENTORIES	<u>9.196</u>	<u>10.955</u>
Trade receivables	22.282	23.695
Receivables from group enterprises	535	309
Other receivables	<u>2.349</u>	<u>4.321</u>
RECEIVABLES	<u>25.166</u>	<u>28.325</u>
 CASH	 <u>7.448</u>	 <u>10.744</u>
 TOTAL CURRENT ASSETS	 <u>41.810</u>	 <u>50.024</u>
 TOTAL ASSETS	 <u>193.482</u>	 <u>201.236</u>

BALANCE SHEET AT 31. DECEMBER 2020

EQUITY AND LAIBILITIES

<u>Note</u>	2020	2019
	<u>DKK'000</u>	<u>DKK'000</u>
8 Contributed capital	3.280	3.280
Retained earnings	137.064	98.092
Proposed dividend	0	26.136
EQUITY	<u>140.344</u>	<u>127.508</u>
Deferred tax	640	821
PROVISIONS	<u>640</u>	<u>821</u>
Payables to group enterprises	29.049	29.124
NON-CURRENT LIABILITIES OTHER THAN PROVISIONS	<u>29.049</u>	<u>29.124</u>
9 Current portion of long-term liabilities other than provisions	0	0
Trade payables	4.335	4.483
Payables to group enterprises	14.905	36.518
Income tax payable	327	65
10 Other payables	3.882	2.717
CURRENT LIABILITIES OTHER THAN PROVISIONS	<u>23.449</u>	<u>43.783</u>
LIABILITIES OTHER THAN PROVISIONS	<u>52.498</u>	<u>72.907</u>
LIABILITIES AND EQUITY	<u><u>193.482</u></u>	<u><u>201.236</u></u>
11 Unrecognised rental and lease commitments		
12 Group Relations		

STATEMENT OF CHANGES IN EQUITY FOR 2020

	Contributed capital <u>DKK'000</u>	Retained earnings <u>DKK'000</u>	Proposed dividend <u>DKK'000</u>	Total <u>DKK'000</u>
Equity 01.01.2019	3.280	84.741	26.128	114.149
Changes in accounting policies	<u>0</u>	<u>13.653</u>	<u>0</u>	<u>13.653</u>
Adjusted equity, 01.01.2019	3.280	98.394	26.128	127.802
Ordinary dividend paid	0	0	-26.128	-26.128
Profit/loss for the year	<u>0</u>	<u>-302</u>	<u>26.136</u>	<u>25.834</u>
Equity 01.01.2020	3.280	98.092	26.136	127.508
Ordinary dividend paid	0	0	-26.136	-26.136
Profit/loss for the year	<u>0</u>	<u>38.972</u>	<u>0</u>	<u>38.972</u>
Equity 31.12.2020	<u>3.280</u>	<u>137.064</u>	<u>0</u>	<u>140.344</u>

NOTES

	2020 <u>DKK'000</u>	2019 <u>DKK'000</u>
1 Staff costs		
Wages and salaries	14.873	15.214
Pension costs	1.056	1.164
Other social security costs	89	814
Other staff costs	520	481
	<u>16.538</u>	<u>17.673</u>
Average number of employees: 25 (2019:28) .		
Total amount for management categories	<u>1.609</u>	<u>1.865</u>
2 Other financial income		
Other financial income	<u>125</u>	<u>510</u>
	<u>125</u>	<u>510</u>
3 Other financial expenses		
Financial expenses from group enterprises	747	1.053
Other financial expenses	<u>1.250</u>	<u>510</u>
	<u>1.997</u>	<u>1.563</u>
4 Tax on profit for the year		
Tax on current year taxable income	2.734	2.450
Change in deferred tax for the year	-175	-5
Adjustment concerning previous years	<u>0</u>	<u>80</u>
	<u>2.559</u>	<u>2.525</u>
5 Proposed distribution of profit/loss		
Ordinary dividend for the financial year	0	26.136
Retained earnings	<u>38.972</u>	<u>-302</u>
	<u>38.972</u>	<u>25.834</u>

NOTES

	Land and building <u>DKK'000</u>	Plant and machinery <u>DKK'000</u>	Other fixtures and fittings, tools and equipment <u>DKK'000</u>
6 Property, plant and equipment			
Cost beginning of year	9.307	48.114	10.719
Adjustments	0	-22.177	-6.474
Additions	0	3.703	36
Cost end of year	<u>9.307</u>	<u>29.640</u>	<u>4.281</u>
Depreciation and impairment losses beginning of the year	-5.752	-38.203	-10.338
Adjustments	104	22.092	6.474
Depreciation for the year	-284	-2.884	-130
Depreciation and impairment losses end of the year	<u>-5.932</u>	<u>-18.995</u>	<u>-3.994</u>
Carrying amount end of year	<u>3.375</u>	<u>10.645</u>	<u>287</u>
Carrying amount beginning of year	<u>3.555</u>	<u>9.911</u>	<u>381</u>
		Investments in group enterprises	
7 Fixed asset investments		<u>DKK'000</u>	
Cost beginning of year		<u>151.057</u>	
Cost end of year		<u>151.057</u>	
Impairment losses beginning of year		<u>-13.692</u>	
Impairment losses end of year		<u>-13.692</u>	
Carrying amount end of year		<u>137.365</u>	
Investments in group enterprises comprise:	Result <u>2019</u>	Equity <u>2019</u>	Equity <u>interest</u>
Constantia Sittingbourne Ltd.(UK)	23.013	137.365	100 %

NOTES

8 Contributed capital	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
Shares	3.280	1.000	3.280
9 Liabilities other than provisions	<u>Instalments within 12 months 2020 DKK'000</u>	<u>Instalments within 12 months 2019 DKK'000</u>	<u>Instalments beyond 12 months 2018 DKK'000</u>
Payables to group enterprises	0	21.215	20.318
10 Other payables		<u>2020 DKK'000</u>	<u>2019 DKK'000</u>
Wages and salaries, personal income taxes, social security costs,		1.228	79
Holiday pay obligation		1.415	1.247
Other costs payable		1.239	1.391
		<u>3.882</u>	<u>2.717</u>
11 Unrecognised rental and lease commitments			
Hereof liabilities under rental or lease agreements until maturity in total		<u>23</u>	<u>160</u>
12 Group relations			
Name and registered office of the Parent preparing consolidated financial statements for the largest group: Constantia Flexibles Holding GmbH.			
Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Constantia International GmbH.			
The consolidated financial statements are available at Constantia Copenhagen ApS, Vejleåvej 46, 2635 Ishøj, Denmark.			

ACCOUNTING POLICIES APPLIED

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.

Change in accounting policies

The Entity has changed its accounting policies with regard to investments in group enterprises. In 2019 the investments in group enterprises were measured according to the equity method. In 2020 the investments in group enterprises is measured according to cost.

The investments in group enterprises has a preliminary result for 2020 of TDKK 17.291 and the dividend paid out in 2020 was TDKK 29.870. The effect of the change in accounting policies is an increase in this year's pre-tax profit of TDKK 12.579. The result for 2019 has been reduced from TDKK 31.677 to TDKK 25.834 or with TDKK 5.843.

The change in accounting policies has increase the equity at 31.12.2020 with TDD 12.579.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

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.

ACCOUNTING POLICIES APPLIED

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

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 dividends etc received from the individual group enterprises in the financial year.

ACCOUNTING POLICIES APPLIED

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:

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.

ACCOUNTING POLICIES APPLIED

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 measured at cost. Investments 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.

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.

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.

ACCOUNTING POLICIES APPLIED

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, Constantia Copenhagen ApS has not prepared any cash flow statement.