



**Constantia Copenhagen ApS
Financial Statements 2023**

People Passion Packaging

Constantia Copenhagen ApS

Vejleåvej 46
2635 Ishøj
CVR No. 26728142

Annual report 2023

The Annual General Meeting adopted the annual report on 15.05.2024

René Willy Nielsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	9
Balance sheet at 31.12.2023	10
Statement of changes in equity for 2023	12
Notes	13
Accounting policies	17

Entity details

Entity

Constantia Copenhagen ApS

Vejleåvej 46

2635 Ishøj

Business Registration No.: 26728142

Registered office: Ishøj

Financial year: 01.01.2023 - 31.12.2023

URL: <https://www.cflex.com/locations/constantia-copenhagen-denmark/>

Executive Board

René Willy Nielsen, Chief Executive Officer

Marcin Jerzy Rozek

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Constantia Copenhagen ApS for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 15.05.2024

Executive Board

René Willy Nielsen
Chief Executive Officer

Marcin Jerzy Rozek

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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 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 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.

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.

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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	36,902	44,570	28,537	33,369	32,923
Operating profit/loss	14,543	22,445	7,861	13,533	12,242
Net financials	(2,651)	(1,240)	(833)	(1,661)	(872)
Profit/loss for the year	28,010	33,447	19,762	38,972	31,677
Total assets	205,945	212,276	203,150	193,482	201,236
Investments in property, plant and equipment	4,439	3,289	15,472	3,739	2,141
Equity	150,726	141,466	122,919	140,344	127,508
Ratios					
Return on equity (%)	19.17	25.30	15.01	29.10	26.20
Equity ratio (%)	73.19	66.64	60.51	72.54	63.36

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

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

Equity ratio (%):

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

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 2023 shows a profit of 28,010 t.DKK and at 31 December 2023 the balance sheet of the Entity shows equity of 150,726 t.DKK.

In year 2023 the Entity had a decrease in sold volumes (2% in respect of 2022) mainly due to lower consumers demand and high competition in the market. Costs growth driven by inflation mainly, incl. further increases of pre-material costs.

In addition, in year 2023 the Entity had once more a good contribution from the English subsidiary, which contributed 2,5 m.EUR dividend.

Profit/loss for the year in relation to expected developments

The net profit and gross profit has decreased compared to previous year, which is mainly due to gain on sale of tangible fixed assets in 2022.

Uncertainty relating to recognition and measurement

There is no uncertainty relating to recognition and measurement in the financial statements.

Unusual circumstances affecting recognition and measurement

Foreign exchange risks

The major currencies are DKK and EUR.

Credit risks

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

Outlook

For 2024 revenue and net profit are expected to improve and to be on a higher level as in 2023.

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 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		36,901,993	44,570,262
Staff costs	2	(18,019,991)	(17,701,129)
Depreciation, amortisation and impairment losses	3	(4,295,693)	(4,424,551)
Other operating expenses		(42,844)	0
Operating profit/loss		14,543,465	22,444,582
Income from investments in group enterprises		18,634,500	14,883,000
Other financial income	4	3,888,801	10,685,437
Other financial expenses	5	(6,539,398)	(11,925,615)
Profit/loss before tax		30,527,368	36,087,404
Tax on profit/loss for the year	6	(2,517,272)	(2,640,469)
Profit/loss for the year	7	28,010,096	33,446,935

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Plant and machinery		13,314,349	12,579,489
Other fixtures and fittings, tools and equipment		462,189	669,794
Leasehold improvements		7,902,165	8,286,446
Property, plant and equipment	8	21,678,703	21,535,729
Investments in group enterprises		137,365,000	137,365,000
Financial assets	9	137,365,000	137,365,000
Fixed assets		159,043,703	158,900,729
Raw materials and consumables		13,963,929	14,196,312
Inventories		13,963,929	14,196,312
Trade receivables		28,575,084	22,111,665
Receivables from group enterprises		0	465,071
Other receivables		641,734	116,562
Prepayments	10	902,957	1,155,090
Receivables		30,119,775	23,848,388
Cash		2,817,273	15,331,035
Current assets		46,900,977	53,375,735
Assets		205,944,680	212,276,464

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	11	3,280,000	3,280,000
Retained earnings		102,696,231	119,435,935
Proposed dividend		44,749,800	18,750,000
Equity		150,726,031	141,465,935
Deferred tax	12	762,308	540,594
Provisions		762,308	540,594
Payables to group enterprises		29,066,310	29,017,560
Non-current liabilities other than provisions	13	29,066,310	29,017,560
Trade payables		3,346,037	4,240,610
Payables to group enterprises		18,212,776	32,575,384
Tax payable		99,175	1,860,318
Other payables	14	3,732,043	2,576,063
Current liabilities other than provisions		25,390,031	41,252,375
Liabilities other than provisions		54,456,341	70,269,935
Equity and liabilities		205,944,680	212,276,464
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	15		
Related parties with controlling interest	16		
Non-arm's length related party transactions	17		
Group relations	18		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,280,000	119,435,935	18,750,000	141,465,935
Ordinary dividend paid	0	0	(18,750,000)	(18,750,000)
Profit/loss for the year	0	(16,739,704)	44,749,800	28,010,096
Equity end of year	3,280,000	102,696,231	44,749,800	150,726,031

Notes

1 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.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	15,526,311	15,178,013
Pension costs	1,190,251	1,104,702
Other social security costs	603,145	628,606
Other staff costs	700,284	789,808
	18,019,991	17,701,129
Average number of full-time employees	25	25

	Remuneration of Management 2023 DKK	Remuneration of Management 2022 DKK
Total amount for management categories	1,901,804	1,684,000
	1,901,804	1,684,000

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Depreciation of property, plant and equipment	4,295,693	4,424,551
	4,295,693	4,424,551

4 Other financial income

	2023	2022
	DKK	DKK
Other interest income	38,282	5,168
Exchange rate adjustments	3,850,519	10,680,269
	3,888,801	10,685,437

5 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	2,391,660	1,003,619
Other interest expenses	1,194	43,865
Exchange rate adjustments	3,882,341	10,811,694
Other financial expenses	264,203	66,437
	6,539,398	11,925,615

6 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	2,393,733	2,640,465
Change in deferred tax	221,714	(604,908)
Adjustment concerning previous years	(98,175)	604,912
	2,517,272	2,640,469

7 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	44,749,800	18,750,000
Retained earnings	(16,739,704)	14,696,935
	28,010,096	33,446,935

8 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	37,948,053	5,622,802	9,111,559
Additions	4,111,750	75,944	250,972
Cost end of year	42,059,803	5,698,746	9,362,531
Depreciation and impairment losses beginning of year	(25,368,563)	(4,953,008)	(825,113)
Depreciation for the year	(3,376,891)	(283,549)	(635,253)
Depreciation and impairment losses end of year	(28,745,454)	(5,236,557)	(1,460,366)
Carrying amount end of year	13,314,349	462,189	7,902,165

9 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	151,057,000
Cost end of year	151,057,000
Impairment losses beginning of year	(13,692,000)
Impairment losses end of year	(13,692,000)
Carrying amount end of year	137,365,000

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Constantia Sittingbourne Ltd.	UK	Ltd.	100.00	139,082,360	25,667,707

10 Prepayments

Accruals consist of prepaid expenses.

11 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	3,280	1,000	3,280,000
	3,280		3,280,000

12 Deferred tax

	2023 DKK
Property, plant and equipment	517,051
Inventories	267,472
Receivables	(9,015)
Provisions	(13,200)
Deferred tax	762,308

Changes during the year	2023 DKK	2022 DKK
Beginning of year	540,594	1,145,502
Recognised in the income statement	221,714	(604,908)
End of year	762,308	540,594

13 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Payables to group enterprises	29,066,310
	29,066,310

14 Other payables

	2023 DKK	2022 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	1,673,969	0
Holiday pay obligation	802,977	731,313
Other costs payable	1,255,097	1,844,750
	3,732,043	2,576,063

15 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	49,100,000	47,244,000

16 Related parties with controlling interest

Constantia Flexibles Holdings GmbH, Handelskai 92 Rivergate A-1200 Vienna owns all shares in the Entity, thus exercising control.

17 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Constantia Flexibles Holdings GmbH, Handelskai 92 Rivergate A-1200 Vienna, Austria

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Constantia International GmbH, Handelskai 92 Rivergate A-1200 Vienna, Austria

Copies of the consolidated financial statements of Constantia Flexibles Holdings GmbH may be ordered at the following address:

Handelskai 92 Rivergate A-1200 Vienna, Austria

Accounting policies

Reporting class

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

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

The entity has in the annual report for 2023 made reclassification of the comparison figures from 2022. An amount of DKK 29.017.560 related to payables to group enterprises have been reclassified between current liabilities and non-current liabilities. An amount of DKK 9.375.738 have been reclassified between other financial expenses and other financial income, and an amount of DKK 1.127.773 have been reclassified between cost of sales and other financial income. The reclassifications does not have any impact on the result for the year or the equity.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, 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 profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

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 normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's normal 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, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and 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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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

Plant and machinery, and 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:

	Useful life
Plant and machinery	3-9 years
Other fixtures and fittings, tools and equipment	5-12 years
Leasehold improvements	15 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 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.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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 the tax-based value of assets and liabilities, for which the tax-based value 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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable 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(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Constantia Flexibles Holdings GmbH, Handelskai 92 Rivergate A-1200 Vienna, Austria, Business Reg. No. FN 425945s