

Borgen ingeniør og smedefirma A/S

Fabriksvangen 7
3550 Slangerup
Denmark

CVR no. 29 54 00 55

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

12 May 2022

Christian Zmölnig
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Borgen ingeniør og smedefirma A/S for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the annual general meeting.

Frederikssund, 12 May 2022
Executive Board:



Birgitta Maria Schiöld
CEO

Board of Directors:



Christian Zmölnig
Chairman



Carl Anders Persson



Ivar Andreas Vatne



Ricardo Rehm

Independent auditor's report

To the shareholders of Borgen ingeniør og smedefirma A/S

Opinion

We have audited the financial statements of Borgen ingeniør og smedefirma A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the 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 of the Management's review.

København, 12 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Borgen ingeniør og smedefirma A/S
Annual report 2021
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Management's review

Company details

Borgen ingeniør og smedefirma A/S
Fabriksvangen 7
3550 Slangerup
Denmark

CVR no.: 29 54 00 55
Established: 16 May 2006
Registered office: Frederikssund
Financial year: 1 January – 31 December

Board of Directors

Christian Zmólnig, Chairman
Carl Anders Persson
Ivar Andreas Vatne
Ricardo Rehm

Executive Board

Birgitta Maria Schiöld, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98



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Management's review

Operating review

Principal activities

The Company's main activities are to conduct trading, manufacturing, investment activities and other related business.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 195,894 as against a loss of DKK -539,925 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK -1,395,640 as against DKK -1,591,534 at 31 December 2020.

Material uncertainties regarding going concern

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the capital can be reestablish from operations going forward.

Events after the balance sheet date

No events have incurred after the balance sheet date that has significant impact on the financial statements.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit		322,551	2,877
Staff costs	3	-2,025	-146,703
Depreciation, amortisation and impairment losses		-141,351	76,697
Profit/loss before financial income and expenses		179,175	-67,129
Other financial expenses		-6,826	-75,972
Profit/loss before tax		172,349	-143,101
Tax on profit/loss for the year	4	23,545	-396,824
Profit/loss for the year		195,894	-539,925
Proposed profit appropriation/distribution of loss			
Other reserves		-104,480	-160,225
Retained earnings		300,374	-379,700
		195,894	-539,925

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Land and buildings		<u>2,891,588</u>	<u>3,032,939</u>
Total fixed assets		<u>2,891,588</u>	<u>3,032,939</u>
Current assets			
Receivables			
Receivables from group entities		<u>0</u>	<u>4,245</u>
Cash at bank and in hand		<u>281,905</u>	<u>60,954</u>
Total current assets		<u>281,905</u>	<u>65,199</u>
TOTAL ASSETS		<u><u>3,173,493</u></u>	<u><u>3,098,138</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Other reserves		1,468,631	1,573,111
Retained earnings		<u>-3,364,271</u>	<u>-3,664,645</u>
Total equity		<u>-1,395,640</u>	<u>-1,591,534</u>
Provisions			
Provisions for deferred tax		<u>373,279</u>	<u>396,824</u>
Total provisions		<u>373,279</u>	<u>396,824</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage loans	6	<u>224,354</u>	<u>336,458</u>
Current liabilities other than provisions			
Current portion of non-current liabilities	6	112,500	112,000
Payables to group entities		3,785,392	3,789,637
Other payables		<u>73,608</u>	<u>54,753</u>
		<u>3,971,500</u>	<u>3,956,390</u>
Total liabilities other than provisions		<u>4,195,854</u>	<u>4,292,848</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,173,493</u></u>	<u><u>3,098,138</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Other reserves	Retained earnings	Total
Equity at 1 January 2021	500,000	1,573,111	-3,664,645	-1,591,534
Transferred over the profit appropriation	0	-104,480	300,374	195,894
Equity at 31 December 2021	500,000	1,468,631	-3,364,271	-1,395,640

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Borgen ingeniør og smedefirma A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs related to administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial expenses

Financial expenses comprise interest expenses.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative Company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Revaluations of the property is depreciated over the course of it's useful life.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Equity

Other reserves

The other reserve for revaluation at cost price relates to a reassessment of the value of the property to reflect a more realistic value after having depreciated the building for a longer period.

The reserve will be depreciated over the useful life of the building.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as intercompany balance with the Parent Company.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

Financial statements 1 January – 31 December

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2 Material uncertainties regarding going concern

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the capital can be reestablish from operations going forward.

DKK	2021	2020
3 Staff costs		
Wages and salaries	0	374,363
Pensions	0	37,370
Other social security costs	2,025	22,061
Other staff costs	0	-287,091
	<u>2,025</u>	<u>146,703</u>
Average number of full-time employees	<u>0</u>	<u>1</u>
4 Tax on profit/loss for the year		
Deferred tax for the year	<u>-23,545</u>	<u>396,824</u>
	<u>-23,545</u>	<u>396,824</u>

5 Property, plant and equipment

DKK	Land and buildings
Cost at 1 January 2021	<u>5,999,231</u>
Cost at 31 December 2021	<u>5,999,231</u>
Revaluations at 1 January 2021	2,016,809
Revaluations for the year	<u>-133,949</u>
Revaluations at 31 December 2021	<u>1,882,860</u>
Depreciation and impairment losses at 1 January 2021	-4,983,101
Depreciation for the year	<u>-7,402</u>
Depreciation and impairment losses at 31 December 2021	<u>-4,990,503</u>
Carrying amount at 31 December 2021	<u><u>2,891,588</u></u>

Financial statements 1 January – 31 December

Notes

6 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2021	Total debt at 31/12 2020	Current debt	Outstanding debt after five years
Mortgage loans	336,854	448,458	112,500	0
	<u>336,854</u>	<u>448,458</u>	<u>112,500</u>	<u>0</u>

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly and severally liable together with the parent Company and the other companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes such as dividend tax, etc.

Tax payable on the group's joint taxable income is stated in the annual report of Paper Bottle Company A/S, which serves as the administrative Company for the joint taxation.

Verification

Transaction 09222115557469341289

Document

Borgen Ingeniør og smedefirma AS_Annual report
2021_rev2
Main document
17 pages
*Initiated on 2022-05-16 08:42:21 CEST (+0200) by
Thomas Dethlefsen (TD)
Finalised on 2022-05-25 17:20:01 CEST (+0200)*

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