

Elopak Denmark A/S

Hovmarken 8, DK-8520 Lystrup

Annual Report for 1 January - 31 December 2023

CVR No 29 93 84 90

The Annual Report was
presented and adopted at
the Annual General Meeting
of the Company on 25/4
2024

Ivar Jevne
Chairman of the General
Meeting

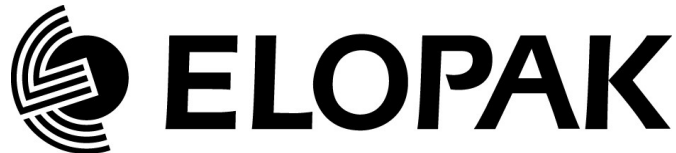


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Management's Statement and Auditor's Report

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Elopak Denmark A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations and cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lystrup, 25 April 2024

Executive Board

Mogens Juul

Board of Directors

Ivar Jevne
Chairman

Steffen Thestrup Emanuelsen

Nete Bechmann

Stephen Dirk Naumann

Tommy Thøgersen

Independent Auditor's Report

To the Shareholders of Elopak Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Elopak Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, 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' 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.

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

Independent Auditor's Report

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 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 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.

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.

Aarhus, 25 April 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thyge Belter
State Authorised Public Accountant
mne30222

Management's Review

Company Information

The Company

Elopak Denmark A/S
Hovmarken 8
DK-8520 Lystrup

CVR No: 29 93 84 90

Financial period: 1 January - 31 December

Municipality of reg. office: Aarhus

Board of Directors

Ivar Jevne, Chairman
Steffen Thestrup Emanuelsen
Nete Bechmann
Stephen Dirk Naumann
Tommy Thøgersen

Executive Board

Mogens Juul

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Management's Review

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	415.937	399.350	351.307	348.961	380.589
Gross profit/loss	87.223	77.572	74.839	75.635	127.671
Operating profit/loss	31.166	30.662	25.746	25.826	30.195
Profit/loss before financial income and expenses	31.154	30.257	25.234	25.813	28.316
Net financials	-17.734	-12.247	-12.576	-17.052	-22.095
Net profit/loss for the year	-13.834	42.037	-15.452	6.830	4.824
Balance sheet					
Balance sheet total	367.371	378.180	431.804	465.656	508.101
Equity	89.181	143.015	100.978	120.230	113.400
Cash flows					
Investment in property, plant & equipment	-40.591	-32.715	-23.680	-21.916	-28.151
Average number of employees	304	299	291	308	326
Ratios					
Gross margin	21,0%	19,4%	21,3%	21,7%	33,5%
Profit margin	7,5%	7,6%	7,2%	7,4%	7,4%
Return on assets	8,5%	8,0%	5,8%	5,5%	5,6%
Solvency ratio	24,3%	37,8%	23,4%	25,8%	22,3%

The ratios have been prepared in accordance with the definitions in the accounting policies section.

Management's Review

Key activities

Elopak Denmark A/S operates as an integrated part of the Elopak group (Norway) within the packaging industry. The main activity is the production of carton based packaging for beverages (cartons for milk and juices mainly). The sourcing of key raw materials mainly happens through the Group's Procurement Organization, which also handles the majority of Waste Disposal. Apart from the production of beverage cartons the company also provides sales and technical services to Group entities, which manage the commercial and technical customer support.

Development in the year

The Company's income statement for 2023 shows a loss of DKK 13.834k, and the Company's balance sheet at 31 December 2023 shows equity of DKK 89.181k.

Loss for the year of DKK 13.834k is affected negatively with DKK 22.817k related to tax adjustments prior years and late payment charges related hereto of DKK 8.803k. Prior years' tax adjustment is related to a tax case where a ruling has been received and taxes have been expensed accordingly. The ruling will be appealed. As the case involves a double taxation dispute it will most probably be resolved through Mutual Agreement Procedures (MAP). The remaining part of the result DKK 17.786k is considered satisfactory in view of the current market conditions and the Company's risk profile in 2023.

The year 2023 was a good year with fairly stable demand for the company's products and satisfactory productivity in the production facility. Cost development was reasonable with staff cost inflation being offset by price reduction on energy. Overall the development for the year met the expectations.

Non-financial issues

In terms of volume, demand for the Company's products dropped by 5% in 2023. The expectation to 2024 is that volumes will remain at unchanged levels.

Intellectual capital resources

The Company had an average of 304 employees in the financial year compared to 299 last year. The Company undertakes supplementary training of its employees on a current basis.

Impact on the external environment (CSR) cf. Section 99 a of the Danish Financial Statements Act

Please refer to section "Key Activities" within this Management Review for a brief description of the company's business model.

Elopak Denmark A/S is committed to comply with all national and international laws regulating work environment, human rights and protection of the environment, climate and natural resources.

1) Environment

The company assesses that the biggest environmental risks related to its activities are related to the production of the raw carton board used in the production and in the use/disposal of the cartons after use. The company has a high focus on reducing the quantity of wasted material throughout the production process

Management's Review

and has agreements in place with vendors, who can sustainably re-process any waste material.

Elopak Denmark A/S actively supports the initiatives in Denmark to segregate and collect separately the used cartons for subsequent processing and reuse. Plans are in place for replacing about 60% of operations using LPG to be electrified within 1-3 years. A comprehensive mapping of CO2 emissions was done in 2022 and the company was ISO14001 certified for the first time during 2023 – 2 years earlier than targeted.

Elopak Denmark A/S has no unsettled issues in relation to the act on environmental protection.

2) Social and personnel

Through the Elopak Group's procurement organization the company ensures to have Code of Conduct agreements in place with all major suppliers in order to ensure good working conditions throughout the supply chain.

Avoidance of work-related accidents is a key priority for the company and a zero-accident target is being pursued through an active safety and work environment organization lead by a designated safety officer. Work safety activities are being monitored through an annual Group audit and monthly reporting.

Through the Elopak Group employees have access to an anonymized Whistleblower portal. No incidents were reported during 2023.

An ambition and long-term plan is in place aiming to bring the company's safety culture towards a "stage 4" on the Bradley curve by developing the safety culture even further. The company will continue demanding that main suppliers sign our Code of Conduct and will on collaboration with the Elopak Group's quality department ensure that supplier assessments are conducted.

3) Human rights

Elopak is committed to comply with all Danish and international regulations regarding human rights and labour rights.

Elopak Denmark A/S acknowledges its social responsibility not only in relation to its own employees, but also in relation to the employees of suppliers. Elopak Denmark A/S supports and respects internationally recognized human rights as formulated in the UN Universal Declaration of Human Rights as well as the core conventions of the International Labour Organization (ILO).

The risk of human rights violations is most significant in Elopak Denmark A/S's supply chain. To minimize such risk, Elopak asks suppliers to sign the Company's Code of Conduct. This Code of Conduct contains basic requirements and expectations of suppliers in relation to human and labour rights. Also in 2023 all new major suppliers of raw materials signed the Elopak Group's Code of Conduct.

The company believes it's current efforts within the area of human rights are satisfactory and will continue implementing current policies and procedures.

Management's Review

4) Anti-corruption

Elopak Denmark A/S does not tolerate any type of corruption or bribery.

As Elopak Denmark A/S works across borders and cultures, there is a risk that our employees may be exposed to situations involving corruption or bribery. Through the year Elopak Denmark A/S continued its practice of introducing all new employees to the Company's business ethics, including the policy on gifts and entertainment.

The company believes it's current efforts within the area of anti-corruption are satisfactory and will continue implementing current policies and procedures.

No breaches of business ethics and no corruption were reported in 2023.

Report on gender composition cf. Section 99 b of the Danish Financial Statements Act

Elopak continuously works on ensuring equal opportunity and avoiding discrimination at all levels of the organization. We want to fill management positions with the most qualified candidates at the same time as upskilling suitable candidates of the underrepresented gender.

Board of Directors

The share of the underrepresented gender increased from 0% to 33% in 2023, as the Board of Directors elected at the annual general meeting now consists of one woman and two men. The target of the Company's Board of Directors being represented by at least one woman by the end of 2023 has been met. Since the number of elected board members is 3, the 33% meets the ambition of equal representation.

Other management levels

"Other management levels" consist of the general manager and the core leadership team in the company. The share of the underrepresented gender in other senior management positions remained unchanged at 20% in 2023, as the senior management group at year-end consisted of four men and one woman. No concrete measures were taken during the year to improve the ratio, since the team is well established and no change in personnel happened during the year.

It is Company policy to increase the share of the underrepresented gender of the remaining day-to-day management through a variety of measures, including the establishment of relevant middle management groups and internal guidelines specifying that, generally, candidates from both genders should be included when new managers are being recruited.

Day-to-day management

In 2023, the share of the underrepresented gender in the remaining day-to-day management group increased from 25% to 42% and thus exceeding the target as the middle management group at the factory in 2023 consisted of 7 men and 5 women like last year. Following this positive development the target has been revised to ">40%".

Management's Review

Gender composition in summary

Number of managers and underrepresented gender's share of total in %		Actual					Target	
		2023	2022	2021	2020	2019	2023	new
Board of Directors, elected by General Assembly	No. of people	3	3	3	3	3		
	Share	33%	0%	0%	0%	0%	25%	33%
Other Management Levels	No. of people	5	5	3	4	6		
	Share	20%	20%	33%	25%	33%	25%	25%
Remaining Day-to-day management	No. of people	12	12	12	18	20		
	Share	42%	25%	25%	25%	25%	30%	>40%

It is the company's ambition to reach the new targets no later than 2026.

Data ethics cf. Section 99 d of the Danish Financial Statements Act

The company has not developed a policy for data ethics. Such a policy is judged to be of less relevance, since:

- The company exclusively works with internal data.
- The company does not apply any artificial intelligence nor algorithms in decision making.
- The company does not collect or store any customer or user data. (the company has only group-internal customers)
- Personal data on employees and job applicants are not processed in any other way, that required for basic administrative purposes (such as payroll).

ESG indicators

SAFETY AND ENERGY

<u>SAFETY KPIs</u>		<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
LTIFR (lost time injury rate)		1,8	0	1,8	1,68	0
TRIFR (total reportable injury rate)		5,41	0	5,41	5,03	4,76
<u>ENERGY CONSUMPTION</u>						
Electricity (green)	Enhed MwH	<u>20.550</u>	<u>20.647</u>	<u>19.311</u>	<u>20.033</u>	<u>19.743</u>
Water Consumption	M3	27.730	28.506	26.542	25.268	n/a
LPG (liquid petroleum gas)	Tons	419	422	398	406	436
Heating oil	L	0	0	0	61.504	133.387
District Heating	MwH	4.567	4.058	5.182	3.270	3.168

(A lost time injury (LTI) is an injury sustained on the job by an employee that results in the loss of productive work time. Total recordable injuries (TRI) is a measure that encompasses all fatalities, lost time injuries, cases restricted for work, cases of substitute work due to injury, and medical treatment cases by medical professionals. LTIFT and TRIFT are these same two numbers expressed per 1 million working hours)

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Outlook

In 2024 the production and sales of the Company's packaging product is expected to remain unchanged.

The Company's profit for the coming year is expected to be around DKK 14 million, reflecting the Company's risk profile as a production unit of the Elopak Group.

Financial Statements

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Revenue	1	415.937	399.350
Cost of sales	2	<u>-328.715</u>	<u>-321.778</u>
Gross profit/loss		87.223	77.572
Distribution expenses	2	-9.577	-9.528
Administrative expenses	2	<u>-46.480</u>	<u>-37.382</u>
Operating profit/loss		31.166	30.662
Other operating income		20	70
Other operating expenses		<u>-32</u>	<u>-475</u>
Profit/loss before financial income and expenses		31.154	30.257
Financial income	3	1.413	111
Financial expenses	4	<u>-19.147</u>	<u>-12.359</u>
Profit/loss before tax		13.420	18.010
Tax on profit for the year and adjustments	5	<u>-27.254</u>	<u>24.027</u>
Net profit/loss for the year	6	<u>-13.834</u>	<u>42.037</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Land and buildings		128.025	136.794
Plant and machinery		130.648	164.592
Other fixtures and fittings, tools and equipment		10.039	11.660
Leasehold improvements		17.960	14.832
Property, plant and equipment in progress		<u>33.402</u>	<u>11.701</u>
Property, plant and equipment	7	<u>320.073</u>	<u>339.579</u>
Fixed assets		<u>320.073</u>	<u>339.579</u>
Inventories	8	<u>15.315</u>	<u>16.370</u>
Trade receivables		3	7
Receivables from group enterprises		23.370	14.344
Other receivables		6.252	5.599
Tax receivable		0	336
Prepayments	9	<u>1.964</u>	<u>1.554</u>
Receivables		<u>31.588</u>	<u>21.840</u>
Cash at bank and in hand		<u>395</u>	<u>391</u>
Currents assets		<u>47.298</u>	<u>38.601</u>
Assets		<u>367.371</u>	<u>378.180</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Share capital		1.134	1.134
Retained earnings		88.047	101.881
Proposed dividend for the year		0	40.000
Equity		<u>89.181</u>	<u>143.015</u>
Provision for deferred tax	10	<u>4.982</u>	<u>9.723</u>
Provisions		<u>4.982</u>	<u>9.723</u>
Lease obligations		134.519	140.042
Other payables		<u>18.488</u>	<u>18.326</u>
Long-term debt	11	<u>153.007</u>	<u>158.368</u>
Lease obligations	11	17.545	17.360
Trade payables		32.364	20.611
Corporation tax		27.473	0
Other payables	11	<u>42.818</u>	<u>29.102</u>
Short-term debt		<u>120.201</u>	<u>67.074</u>
Debt		<u>273.208</u>	<u>225.441</u>
Liabilities and equity		<u>367.371</u>	<u>378.180</u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1.134	101.881	40.000	143.015
Paid out dividend	0	0	-40.000	-40.000
Net profit/loss for the year	<u>0</u>	<u>-13.834</u>	0	<u>-13.834</u>
Equity at 31 December	<u>1.134</u>	<u>88.047</u>	<u>0</u>	<u>89.181</u>

Cash Flow Statement 1 January - 31 December

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
Profit/loss before financial income and expenses	31.154	30.257
Depreciation, amortisation and impairment losses, including losses and gains on sales	62.302	61.520
Change in group receivables	4.301	35.198
Change in trade and other receivables	-1.058	1.012
Change in inventory	1.055	-675
Change in trade payables, etc	<u>16.828</u>	<u>-4.436</u>
Change in working capital	<u>21.126</u>	<u>31.100</u>
Cash flows from operating activities before financial income and expenses	114.582	122.877
Financial income	1.413	111
Financial expenses	-10.344	-12.359
Cash flows from ordinary activities	105.651	110.630
Corporation tax paid (net)	<u>-4.186</u>	<u>-6.412</u>
Cash flows from operating activities	<u>101.465</u>	<u>104.218</u>
Purchase of property, plant and equipment	-40.591	-32.715
Cash flows from investing activities	<u>-40.591</u>	<u>-32.715</u>
Reduction of lease obligations	-7.543	-7.913
This years change in cash-pool accounts	-13.327	-63.587
Dividend paid	<u>-40.000</u>	<u>0</u>
Cash flows from financing activities	<u>-60.870</u>	<u>-71.500</u>
Change in cash and cash equivalents	4	3
Cash and cash equivalents at 1 January	<u>391</u>	<u>388</u>
Cash and cash equivalents at 31 December	<u>395</u>	<u>391</u>
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand	<u>395</u>	<u>391</u>
Cash and cash equivalents at 31 December	<u>395</u>	<u>391</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
1 Revenue		
Geographical segments		
Revenue, Europe	<u>415.937</u>	<u>399.350</u>
	<u>415.937</u>	<u>399.350</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
2 Staff		
Wages and Salaries	178.932	171.945
Pensions	19.308	16.963
Other social security expenses	<u>3.231</u>	<u>3.304</u>
	<u>201.471</u>	<u>192.212</u>
Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
Cost of sales	165.722	162.605
Distribution expenses	7.418	7.031
Administrative expenses	<u>28.330</u>	<u>22.576</u>
	<u>201.471</u>	<u>192.212</u>
Average number of employees	<u>304</u>	<u>299</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
3 Financial income		
Other financial income	<u>1.413</u>	<u>111</u>
	<u>1.413</u>	<u>111</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
4 Financial expenses		
Interest paid to group enterprises	696	1.803
Other financial expenses	<u>18.452</u>	<u>10.555</u>
	<u>19.147</u>	<u>12.359</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
5 Tax on profit/loss for the year		
Tax adjustment prior years	22.817	-27.786
Current tax for the year	9.179	7.287
Deferred tax for the year	<u>-4.742</u>	<u>-3.527</u>
	<u>27.254</u>	<u>-24.027</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
6 Distribution of profit		
Proposed dividend for the year	0	40.000
Retained earnings	<u>-13.834</u>	<u>2.037</u>
	<u>-13.834</u>	<u>42.037</u>

7 Property, plant and equipment

	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Property, plant and equipment in progress</u>	<u>Total</u>
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	178.916	619.820	28.374	38.938	11.701	877.750
Additions for the year	2.137	5.528	2.004	771	32.356	42.796
Transfers	0	5.276	831	4.548	-10.654	0
Disposals during the year	<u>0</u>	<u>-93</u>	<u>-877</u>	<u>0</u>	<u>0</u>	<u>-970</u>
Cost at 31 December	<u>181.054</u>	<u>630.531</u>	<u>30.333</u>	<u>44.256</u>	<u>33.402</u>	<u>919.576</u>
Impairment losses and depreciation at 1 January	42.122	455.229	16.714	24.106	0	538.171
Depreciation for the year	10.907	44.716	4.457	2.191	0	62.270
Reversed depreciation on disposals	<u>0</u>	<u>-61</u>	<u>-877</u>	<u>0</u>	<u>0</u>	<u>-938</u>
Impairment losses and depreciation at 31 December	<u>53.029</u>	<u>499.883</u>	<u>20.294</u>	<u>26.297</u>	<u>0</u>	<u>599.503</u>
Carrying amount at 31 December	<u>128.025</u>	<u>130.648</u>	<u>10.039</u>	<u>17.960</u>	<u>33.402</u>	<u>320.073</u>
Including right of use assets	<u>128.025</u>	<u>1.720</u>	<u>1.272</u>	<u>0</u>	<u>0</u>	<u>131.017</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
8 Inventories		
Raw materials and consumables	<u>15.315</u>	<u>16.370</u>
	<u>15.315</u>	<u>16.370</u>
9 Prepayments		
Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.		
10 Provision for deferred tax		
Provision for deferred tax at 1 January	9.723	13.251
Amounts recognised in the income statement for the year	<u>-4.742</u>	<u>-3.527</u>
Provision for deferred tax at 31 December	<u>4.982</u>	<u>9.723</u>
Property, plant and equipment	9.639	13.667
Other payables	-5	-19
Leasing	<u>-4.652</u>	<u>-3.925</u>
	<u>4.982</u>	<u>9.723</u>

Notes to the Financial Statements

11 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
Lease obligations		
After 5 years	66.691	74.295
Between 1 and 5 years	<u>67.828</u>	<u>65.747</u>
Long-term part	134.519	140.042
Within 1 year	<u>17.545</u>	<u>17.360</u>
	<u>152.064</u>	<u>157.402</u>
Other payables		
Between 1 and 5 years	<u>18.488</u>	<u>18.327</u>
Long-term part	18.488	18.327
Other short-term payables	<u>42.818</u>	<u>29.102</u>
	<u>61.306</u>	<u>47.429</u>

12 Contingent assets, liabilities, and other financial obligations

Other contingent assets and liabilities

The company is part of a tax case that is not expected to incur tax costs in addition to what has been expensed in the financial statements.

Notes to the Financial Statements

13 Related parties

Basis

Controlling interest

Elopak ASA	Immediate parent company
Ferd Holding AS	Ultimate parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company Elopak AS and the ultimate parent company Ferd Holding AS

<u>Name</u>	<u>Place of registered office</u>
Ferd Holding AS	Norge
Elopak AS	Norge

The consolidated report for Ferd Holding AS can be requested at the following address: www.ferd.no

The consolidated report for Elopak ASA can be requested at the following address:

Elopak ASA
Karenlyst Alle 53
0279 Oslo
Norway

14 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

15 Accounting Policies

The Annual Report of Elopak Denmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leasing contracts are recognized in the balance sheet at the value of the calculated leasing obligation. Lease obligations are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

15 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

The company has chosen IFRS 15 as an interpretative contribution for recognition of revenue.

Revenue from contracts with customers is recognized based on the transfer of control, which according to IFRS 15 takes place at the time when control of the delivered product is transferred to the customer.

The control is considered transferred when:

- there is a binding sales agreement,
- delivery has taken place before the end of the financial year,
- the sales price has been determined, and
- the payment has been received or can be expected to be received with reasonable certainty.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc., as well as operation, administration and management of factories.

Notes to the Financial Statements

15 Accounting Policies (continued)

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortization of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortization of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognized in cost over the period of construction. All indirectly attributable borrowing expenses are recognized in the income statement.

Notes to the Financial Statements

15 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5-30	years
Other fixtures and fittings, tools and equipment	3-7	years
Leasehold improvements	5-10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value.

The net realizable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realizable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

15 Accounting Policies (continued)

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayments under the on-account taxation scheme are recognized in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortized cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt including items included in cash and cash equivalents.

Notes to the Financial Statements

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$