

## ANNUAL REPORT 2020/21

### **PlastPack Defence ApS**

Maglemøllevej 21  
4700 Næstved

CVR nr. 34203539

#### **Submitter:**

Sønderup I/S  
Statsautoriserede revisorer

**Presented and approved at the company's ordinary  
general meeting December 2, 2021**

#### **Chairman**

Jørgen Dahl



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# Management's Statement on the Annual Report

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The management have today considered and approved the annual report for PlastPack Defence ApS for the financial year 1 July 2020 to 30 June 2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In the managements opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2021 and of its financial performance for the financial year 1 July 2020 to 30 June 2021.

We recommend the annual report for approval at the annual general meeting.

Næstved, December 2, 2021

## **Executive Board**

Jan Bendix Engmann

## **Board of Directors:**

Jørgen Dahl

Jan Bendix Engmann

Anders Katharus Bang Lassen

Jørgen Leif Svane

Tom Weidner

# Independent Auditor's Report

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## To the shareholders of PlastPack Defence ApS

### Opinion

We have audited the Financial Statements of PlastPack Defence ApS for the financial year 1 July 2020 - 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. 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 financial position at 30 June 2021 and of the results of the Company's operations for the financial year 1 July 2020 - 30 June 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 Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of accounting information taken on the basis of these Financial Statements.

# Independent Auditor's Report

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## **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.

# Independent Auditor's Report

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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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Ringsted, December 2, 2021

**SØNDERUP I/S**  
**statsautoriserede revisorer**  
**CVR 31824559**

Dennis Cronbach  
State Authorised Public Accountant  
mne32222

## Management's review

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### **Principal activities**

The company's main activity is production of and trade with plastic parts for the defense industry or related industries.

### **Development in activities and financial position**

The result from the year shows a deficit of t.kr 844. Which is a clear improvement compare to last years deficit on t.kr 2272. Furthermore the earnings contribution went from a deficit in 2019/20 on t.kr 878 to a positive results in 20/21 on t.kr 787. The year 20/21 was still impacted by COVID19, with projects and sales postponed into early 2021, where several activities was relaunched Though the results is not acceptable, they are within expectation due to the COVID19 situation.

The management continued the work with bringing in new investors and securing of financial strength. In march 2021 a loan from the National Growth Fund was granted, and over the summer/autumn 2021 the new investor came on-board. With the support from the Growth Fund and the new investor PPD will be able to start its scale up strategy with 5-7 more employees within sales, marketing and development.

### **Significant events after the end of the financial year**

After the end of the financial year, the company has obtained financing that at least covers the company's operations until 1 July 2022.

No other events materially affecting the assessment of the annual report have occurred after the balance sheet date.

## Accounting principles applied

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The annual report for PlastPack Defence ApS 2020/21 has been prepared in accordance with the Danish Financial Statements Act for class B companies with optional rules of class C companies.

The income statement is presented by type of expenditure and the balance sheet is presented in account from. The measurement currency used is Danish kroner. All other currencies are considered foreign currency.

The accounting principles were applied consistently with the principles of last year's financial reporting.

### **General information on recognition and measurement**

Income is recognized in the income statement as earned, including any value adjustments of financial assets and liabilities. Furthermore, all costs, including amortisation/depreciation and write-downs, are recognized in the income statement.

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

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

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 statement**

#### **Gross profit**

In pursuance of section 32 (1) of the Danish Financial Statements Act, the first item in the income statement is the gross profit. The item gross profit is the result of revenue, cost of sales, other external cost and other operating income.

#### **Revenue**

Net sales in connection with sales of commercial products and finished products are recognized in the profit and loss account, if delivery has taken place and the risk has passed to the customer before the end of the year. Net sales are recognized ex. VAT and net of discounts related to the individual sale.

#### **Other operating income and expenses**

Other operating income and expenses comprise items of a secondary nature in relation to the company's core business.



# Accounting principles applied

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## **Other external costs**

Other external cost comprise costs for distribution, sales, advertising, administration, premises, bad debts, operating leasing costs etc.

## **Staff expenses**

Staff expenses contains salaries and wages, including holiday payment, pensions and other social security costs etc. to the company's employees. In staff expenses are received subsidies from public authorities, deducted.

## **Financial items**

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense, realized and unrealized exchange rate, gains and losses resulting from transactions in foreign currencies and surcharges and refunds regarding corporation tax.

## **Tax for the year**

The company is jointly taxed with other group companies. The current corporation tax is divided between the jointly taxed companies pro rata to their taxable incomes. The parent company functions as the management company for the joint taxation and handles the tax payments to the danish tax authorities.

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly on equity by the portion attributable to entries directly on equity.

## **Balance sheet**

### **Intangible fixed assets**

Patents, development projects and licenses are measured at cost less accumulated depreciation and the recoverable amount, whichever is lower. Patents are amortized over the remaining patent period, and licenses are amortized over the period, not exceeding 8 years.

Earnings or loss on disposal of intangible fixed assets is calculated as the difference between the sales price less sales costs and the book value at the time of sale. Profit and losses are entered in the income statement under other operating income and -costs.

### **Tangible fixed assets**

Operating equipment and tools and fixtures as well as leasehold improvements are measured at cost price less accumulated depreciation and write-down.

Depreciation is based on cost price less expected residual value after end of service life. The cost price includes acquisition price and costs directly linked to the acquisition until the time when the asset is ready for commencement of use.

Straight-line depreciation is based on the following assesment of the assets expected useful lives:

## Accounting principles applied

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Technical plant and machinery, other fixtures and fittings, tools and equipment: 5-10 år. Assets with a cost per unit under the tax threshold for small assets are recognized as expenses in the year of acquisition.

Profits or losses in connection with disposal of tangible fixed assets are calculated as the difference between the sales price less sales costs and the book value at the time of sale. Profits and losses are entered in the income statement under other operating income and -costs.

### **Financial fixed assets**

#### **Investments in group companies and associates**

Investments in group companies and associates are measured at cost. In cases where the cost exceeds net realizable value, it is written down to its recoverable amount.

Dividends from investments in group companies and associates are recognized in the parent company's income statement in the period in which the dividend is declared. To the extent that distributed dividends exceed the accumulated earnings after the transfer date, the dividend is recognized as a reduction of the investment cost.

#### **Other receivables**

Deposits are measured at cost.

#### **Inventories**

Inventories are valued at cost using the FIFO method. In cases where net realizable value is lower than cost, it will be written down to this lower value.

Cost of goods for resale, raw materials and consumables comprise of purchase price plus transportation costs.

The cost of finished goods and work in progress comprises raw materials, direct labor and direct production costs.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs to be incurred to make the sale and is determined taking into account marketability, obsolescence and development in expected sales.

#### **Receivables**

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Value is reduced by provisions for bad debts.

#### **Contract work in progress**

Contract work in progress is measured at market value of the work performed. Revenue is measured at the stage of completion at the balance sheet date and the total estimated income from the contract work.

# Accounting principles applied

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## **Dividend**

Proposed dividend for the financial year is recognized as a separate component of the equity. Proposed dividends are recognized as a liability at the time of adoption.

## **Tax payable and deferred tax**

Current tax liabilities and current tax assets are recognized in the balance sheet as tax calculated on the taxable income allocated with the current tax rate, and adjusted for tax on prior years taxable income and prepaid taxes.

Deferred tax is measured by the liability method concerning temporary differences between the carrying value and tax value of assets and liabilities, calculated based on the planned use of the assets and settlement of the obligation, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carry-forward, are measured at the value at which the asset is expected to be realisable, either through elimination in tax on future earnings or through offsetting in deferred tax liabilities in the same legal tax unit. Any deferred net tax assets are measured at their net realisation values.

Deferred tax is measured based on the tax rules and tax rates applicable in pursuance of the legislation in force on the balance sheet date when the deferred tax is expected to become payable as current tax. Changes in deferred tax due to change in tax rates is recognized in the income statement.

## **Liabilities**

Financial liabilities are recognized when loans are raised as the proceeds is received less transaction costs paid. Other liabilities are measured at amortised cost corresponding to the nominal value.

## **Deferred revenue**

Deferred revenue is received payments regarding income related to future financial years.

## **Conversion of foreign currency**

Transactions in foreign currencies are converted at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognized in the income statement as a financial income or expense. If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognized directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are converted at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the receivable or payable is recognized in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are converted at the rate of exchange on the transaction date.

## Income statement 1 July 2020 - 30 June 2021

Note	2020/21	2019/20
Gross profit	850.191	-1.410.253
1. Staff costs	-63.020	531.878
2. Depreciation and write-downs	-803.064	-777.930
<b>OPERATING PROFIT</b>	<b>-15.893</b>	<b>-1.656.305</b>
Income from investments in group companies	-98.464	-560.903
Other financial costs	-940.737	-546.826
<b>PROFIT/-LOSS BEFORE TAX</b>	<b>-1.055.094</b>	<b>-2.764.034</b>
Tax for the year	210.459	492.022
<b>NET PROFIT/-LOSS FOR THE YEAR</b>	<b>-844.635</b>	<b>-2.272.012</b>
<b>Appropriation of profit</b>		
Retained earnings	-844.635	-2.272.012
<b>Total appropriation</b>	<b>-844.635</b>	<b>-2.272.012</b>

## Balance sheet 30 June 2021

Note	2020/21	2019/20
<b>ASSETS</b>		
<b>Intangible fixed assets</b>		
Development projects	5.565.385	6.017.085
Acquired concessions, patents, licenses and similar	2.888.912	2.246.428
<b>Total intangible fixed assets</b>	<b>8.454.297</b>	<b>8.263.513</b>
<b>Tangible fixed assets</b>		
3. Technical plant, machinery and fixtures	3.303.993	3.310.038
<b>Total tangible fixed assets</b>	<b>3.303.993</b>	<b>3.310.038</b>
<b>Financial fixed assets</b>		
Other receivables	8.294	5.625
<b>Total financial fixed assets</b>	<b>8.294</b>	<b>5.625</b>
<b>TOTAL FIXED ASSETS</b>	<b>11.766.584</b>	<b>11.579.176</b>
Finished goods and merchandise	613.145	877.628
<b>Total inventories</b>	<b>613.145</b>	<b>877.628</b>
Receivables from sales and services	394.985	65.827
Contract work in progress	4.835.000	4.109.419
Receivables from group companies	531.716	532.207
Other receivables	237	0
Prepayments	296.742	41.611
<b>Total receivables</b>	<b>6.058.680</b>	<b>4.749.064</b>
Cash funds	79.115	149.674
<b>Total cash funds</b>	<b>79.115</b>	<b>149.674</b>
<b>TOTAL CURRENT ASSETS</b>	<b>6.750.940</b>	<b>5.776.366</b>
<b>TOTAL ASSETS</b>	<b>18.517.524</b>	<b>17.355.542</b>

## Balance sheet 30 June 2021

Note	2020/21	2019/20
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
4. Share capital	119.400	119.400
Reserve for development projects	2.720.726	2.668.311
Retained earnings	-2.453.167	-1.556.117
<b>TOTAL EQUITY</b>	<b><u>386.959</u></b>	<b><u>1.231.594</u></b>
Provisions for deferred tax	1.380.056	1.590.515
<b>TOTAL PROVISIONS</b>	<b><u>1.380.056</u></b>	<b><u>1.590.515</u></b>
<b>5. Long-term liabilities</b>		
6. Subordinated loan capital	3.821.052	3.706.721
Other credit institutions	5.563.448	3.152.346
Payables to associates	3.949.752	2.870.736
<b>Total long-term liabilities</b>	<b><u>13.334.252</u></b>	<b><u>9.729.803</u></b>
Current share of long-term liabilities	1.267.357	765.019
Other credit institutions	6.740	1.091.420
Suppliers of goods and services	1.876.198	2.624.425
Other payables	251.597	322.275
Debt to shareholders and management	14.365	491
<b>Total short-term liabilities</b>	<b><u>3.416.257</u></b>	<b><u>4.803.630</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>16.750.509</u></b>	<b><u>14.533.433</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>18.517.524</u></b>	<b><u>17.355.542</u></b>

7. Charges and securities

## Statement of changes in equity

	2020/21	2019/20
<b>Share capital</b>		
Beginning of year	119.400	119.400
<b>End of year</b>	<b>119.400</b>	<b>119.400</b>
<b>Reserve for development costs</b>		
Beginning of year	2.668.311	3.260.541
Additions during the year	52.415	-592.230
<b>End of year</b>	<b>2.720.726</b>	<b>2.668.311</b>
<b>Retained earnings</b>		
Beginning of year	-1.556.117	123.665
Transferred from net profit	-844.635	-2.272.012
Correction for net revaluation under the equity method	-52.415	592.230
<b>End of year</b>	<b>-2.453.167</b>	<b>-1.556.117</b>
<b>Equity end of year</b>	<b>386.959</b>	<b>1.231.594</b>

## Noter

	2020/21	2019/20
<b>1. Staff costs</b>		
Salaries	51.668	-129.791
Pension costs	0	-411.500
Other social security costs	11.352	9.413
<b>Total staff costs</b>	<b>63.020</b>	<b>-531.878</b>

Number of people employed on average	1	1
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<b>2. Depreciation and write-downs</b>		
Depreciation and write-downs of fixed assets	803.064	777.930
<b>Total depreciation and write-downs</b>	<b>803.064</b>	<b>777.930</b>

	Technical machinery	Fixtures	Total
<b>3. Technical plant, machinery and fixtures</b>			
<b>Cost:</b>			
Cost, beginning of year	3.399.861	30.223	3.430.084
<b>Cost end of year</b>	<b>3.399.861</b>	<b>30.223</b>	<b>3.430.084</b>
<b>Accumulated depreciation and write-downs:</b>			
Depreciation and write-downs, beginning of year	-101.911	-18.135	-120.046
Depreciation and write-downs in the year	0	-6.045	-6.045
<b>Depreciation and write-downs end of year</b>	<b>-101.911</b>	<b>-24.180</b>	<b>-126.091</b>
<b>Book value end of year</b>	<b>3.297.950</b>	<b>6.043</b>	<b>3.303.993</b>
<b>Hereoff funded with reservation of property</b>	<b>3.297.950</b>	<b>0</b>	<b>0</b>

#### 4. Share capital

The share capital consists of 1.194 shares of DKK 100. No shares have special rights.

#### 5. Long-term liabilities

DKK 0 of long-term debt are due after 5 years.

#### 6. Subordinated loan capital

Subordinated loan capital matures no earlier than 1 July 2022 and resigns for the benefit of all the company's other creditors in order to cover their receivables in the company.



## Noter

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### **7. Charges and securities**

Technical plant and machinery are pledged as security for debt to Promens AS, Estonia, totaling DKK 2.981.248.

Indemnity Letter totaling DKK 2.000.000 secured in stocks of raw materials, semi-finished and finished products as well as operating equipment, machinery and motor vehicles, which are or have previously been registered as per the Land Registration Act § 47c paragraph. 3, No. 2-4, is deposited as security for debt to Jyske Bank.

The company has pledged to provide liquidity to subsidiaries to the extent that it is necessary for the companies to operate. Letter of intent is given until the next financial reporting.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Jørgen Dahl

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Som Bestyrelsesformand NEM ID  
PID: 9208-2002-2-729765890815  
Tidspunkt for underskrift: 02-12-2021 kl.: 16:25:34  
Underskrevet med NemID

## Jan Bendix Engmann

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Som Direktør NEM ID  
PID: 9208-2002-2-848168939691  
Tidspunkt for underskrift: 06-12-2021 kl.: 10:09:07  
Underskrevet med NemID

## Jan Bendix Engmann

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Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-848168939691  
Tidspunkt for underskrift: 06-12-2021 kl.: 10:09:07  
Underskrevet med NemID

## Anders Katharus Bang Lassen

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Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-226867206101  
Tidspunkt for underskrift: 02-12-2021 kl.: 13:02:57  
Underskrevet med NemID

## Jørgen Leif Svane

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Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-292095849557  
Tidspunkt for underskrift: 02-12-2021 kl.: 14:27:16  
Underskrevet med NemID

## Tom Weidner

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Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-368887511582  
Tidspunkt for underskrift: 02-12-2021 kl.: 12:56:08  
Underskrevet med NemID

## Dennis Cronbach

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Som Revisor NEM ID  
På vegne af Sønderup I/S, statsautoriserede revisorer  
RID: 1232019904532  
Tidspunkt for underskrift: 06-12-2021 kl.: 10:40:59  
Underskrevet med NemID

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