C&A Invest A/S

Energivej 40, DK-5260 Odense S

Annual Report for 1 January - 31 December 2022

CVR No 37 27 37 83

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 02/05 2023

Steen Haustrup
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of C&A Invest A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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.

Odense S, 2 May 2023

Executive Board

Camilla Haustrup Hermansen
Executive Officer

Board of Directors

Anders Top Haustrup Chairman	Steen Haustrup	Camilla Haustrup Hermansen

Independent Auditor's Report

To the Shareholders of C&A Invest A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of C&A Invest A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the 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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Odense, 2 May 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam State Authorized Public Accountant mne27768	Claus Damhave State Authorized Public Accountant mne34166

Company Information

The Company	C&A Invest A/S Energivej 40 DK-5260 Odense S CVR No: 37 27 37 83 Financial period: 1 January - 31 December Municipality of reg. office: Odense
Board of Directors	Anders Top Haustrup, Chairman Steen Haustrup Camilla Haustrup Hermansen
Executive Board	Camilla Haustrup Hermansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

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

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	727.274	633.290	559.968	570.818	593.785
Gross profit/loss	195.538	192.454	157.405	157.536	159.168
Operating profit/loss	51.920	62.112	34.234	24.682	28.633
Net financials	-6.744	-6.715	-7.850	-4.719	-5.647
Net profit/loss for the year	34.142	44.012	22.211	16.126	18.770
Balance sheet					
Balance sheet total	494.191	441.558	366.503	312.524	327.974
Equity	186.313	164.049	121.797	114.215	106.909
Cash flows					
Cash flows from:					
- operating activities	3.780	65.061	67.240	54.160	45.839
- investing activities	-60.066	-41.186	-106.079	-13.091	-38.708
including investment in property, plant and equipment	-53.269	-35.647	-103.402	-12.531	38.979
- financing activities	51.796	-8.845	33.525	-34.089	-9.955
Change in cash and cash equivalents for the year	-4.490	15.030	-5.314	6.980	-2.824
Number of employees	198	190	197	226	227
Ratios					
Gross margin	26,9%	30,4%	28,1%	27,6%	26,8%
Profit margin	7,1%	9,8%	6,2%	4,4%	4,8%
Return on assets	10,5%	14,1%	9,4%	7,9%	8,7%
Solvency ratio	37,7%	37,2%	33,2%	36,5%	32,6%
Return on equity	19,5%	30,8%	18,8%	14,6%	18,1%

Management's Review

Key activities

The Group wants to lead the food packaging industry forward by driving the transition from linear to circular packaging. We know that food packaging plays a defining role in building a more sustainable tomorrow. By continuously developing and providing truly circular food packaging, we enable our customers to protect and make food stand out, using ever less of our planet's resources.

The Group designs, develops, manufactures, and sells packaging solutions for food. We work with customers, suppliers, end-users, and relevant stakeholders to identify packaging solutions or processes, which can help reduce the environmental impact. Focus is on preventing waste, minimizing footprint and increasing resource productivity while reducing overall carbon emissions and growing a product assortment, which is easy to recycle in accordance with the guiding principles for material recycling within a circular economy.

The key business areas are aluminium and plastic packaging solutions for applications like frozen, cold and warm food and ready meals sold in segments like Retail, Food service, Horeca and Industry.
The Group has considerable insight into regional food markets and trends through local sales organizations in Europe and representatives globally.

The operating activities in the Group are using the "Plus Pack"-brand.

Management's Review

Development in the year

The Group remains committed to its leading position as a provider of circular and customized food packaging solutions.

The Group's net revenue for the 2022 financial year was TDKK 727.274 compared to TDKK 633.290 in 2021. Profit before tax amounted to TDKK 45.140, compared with a profit before tax of TDKK 55.425 the year before. Group profit for the year was TDKK 34.142 in 2022 compared with TDKK 44.012 in 2021.

The result for 2022 was overall satisfactory. As forecasted, the activity level decreased in 2022 due to a normalization of the market after Covid-19. Net sales were impacted by higher sales prices due to higher raw material costs. Beginning 2022, the Group increased the volume of raw material stock to offset supply disruptions and secure deliveries to our customers. During the year, the increased volume in raw materials and higher raw material costs led to a significant increase in working capital, hurting the operating cash flow.

In 2022, the Group invested in a new warehouse building, constructed with elements that are easy to dismantle, reuse and recycle. The framework of the building is made of steel and wood, while the roof is covered with a white coating that helps reduce the amount of NOx particles being emitted from the atmosphere. It ensures cleaner air and aids the reduction of emissions. Additionally, the Group invested in solar panels on the new warehouse building as well as the existing production and warehouse buildings in Odense. The solar panels are capable of producing 30% of the Group's electricity consumption in Odense, supporting our goal to reduce scope 1&2 emissions. The new warehouse building is DGNB certified Silver according to the standard by the German Sustainable Building Council.

The operating activities showed a positive cash flow of t.DKK 3.780 vs. t.DKK 65.061 in 2021. The Group's total investments with cash flow impact during the 2022 financial year amounted to t.DKK 60.066 compared with t.DKK 41.186 in 2021. Equity improved to t.DKK 186.313 by 31 December 2022, compared with t.DKK 164.049 at the beginning of the year. The number of employees within the Group averaged 198 in 2022, compared to 190 in 2021.

Management's Review

The future

In 2023, the Group will continue the implementation of our strategy Circular 2024, aimed at further transforming food packaging to circularity. Food packaging has become a symbol of singleuse consumption, where products are only used once, and materials are wasted after use. This needs to change to ensure a more sustainable consumption and production aligned with the UN Sustainable Development Goals.

This transformation will require prevention and reduction of waste in all activities, improved reuse and recycling of food packaging after use and increased use of recycled material in packaging solutions. The Group's ambition is to deliver circular food packaging that protect food, is fit for purpose, and can be reused where possible and recycled after use being fit for future, too. It is the Group's target to reduce CO_2 emissions in scope 1 and 2 to net zero, and collaborate with customers and suppliers to reduce scope 3 emissions, focusing on real impact in the value chain of food packaging.

To deliver on Circular 2024, the Group will continue to invest in new circular products and services and reduce CO_2 emissions related to both production and consumption of our products. In 2023, no large property investments are planned, whereby the total level of investments is expected to be lower than 2022, when the new warehouse building was built. The activity level is expected to decrease compared to 2022 as the European and global economy is expected to slow down compared to recent years. Profit after tax is expected to decrease due to the lower volume and higher cost level driven by increasing inflation. Net revenue is expected to be in the range of MDKK 675-725. Profit after tax is expected to be in the range of MDKK 25-29.

Financial risks

The Groups continually seeks to reduce the Group's risks in relation to commodity purchases and currency transactions through hedging within a specified timeframe. Interest rate risks relating to the Group's loan financing are hedged as far as this is deemed profitable.

Plus Pack does not pursue a policy of participating in speculative financial transactions, and hedging relating to commodities, interest and currencies is always founded on underlying business transactions.

The Group is working proactively in partnership with existing financing partners to exercise diligence in relation to the Group's financial risks and in such a way that the company maintains its competitive engagement at all times.

Management's Review

Statement of corporate social responsibility

For a description of our business model, please refer to page 7 of the Management's Review.

This is the Group's second annual report, where relevant Group sustainability data is integrated into the management's review. The company will continuously work on improving sustainability data and reporting and to further integrate it into business operations and processes. The Group has set ambitious targets on sustainability efforts, which are central in Circular 2024. Large investments are planned to introduce new circular products and increase share of renewable energy use.

t.dkk	2022	2021	2020	2019	2018
KPI					
CO2 emissions, tons, scope 1	196	265	243	321	321
CO2 emissions, tons, scope 2	911	1.094	952	1.071	1.440
Energy consumption, KWh	7.411	9.008	8.306	8.283	8.711
Materials, easy-to-recycle, %	99,6	99,4	99,5	99,6	n.a
Circular Sales, %	88	85	86	86	86
Gender diversity, in company, %	37	36	37	37	37
Gender diversity, leadership, %	33	25	22	24	25
Gender diversity, BoD, %	33	33	33	33	17
Sick leave, %	7,9	7,3	6,7	6,3	8,2
Accidents, no.	9	7	5	11	7
Employee well-being score	7,1	6,7	6,8	6,8	n.a
Response rate, %	86	86	91	88	n.a
Ratios					
CO2e in kg/ton material converted	82,3	84,6	84,7	102,2	119,0
KWh/ton material converted	550,7	560,5	588,4	608,4	588,5
Accidents/million working hours	30,9	24,9	17,6	34,6	21,6

The ratios are calculated as follows:
CO2e in kg/ton material converted = CO2 emissions, tons (scope 1 and 2)/ton material converted
KWh/ton material converted = Energy consumption in KWh/ton material converted
Accidents/million working hours = Number of accidents/number of realized working hours x 1.000.000

Climate and environment

The environmental impact from food packaging is an important buying criteria in the food industry.

It is the Group's policy to:
- ensure a sustainable development through targeted and balanced initiatives
- comply with all relevant regulatory requirements in the environmental field
- minimise use of resources through reduction of waste, optimization of raw materials and energy use
- develop new circular packaging solutions, products and services

The Group's commitment is demonstrated by the implementation of the environmental management system ISO 14.001, which is being audited accordingly.

Management's Review

Increasing reuse of packaging and recycling of packaging materials is a guiding principle in the Group's efforts to design, develop, produce, and sell circular packaging solutions. Production scrap and discarded raw materials are collected, separated, and sold to authorized partners in the market, who recycle the materials.

The Group focuses on UN Sustainable Development Goal no. 12 (Responsible Consumption and Production) and four selected sub targets, which give strategic direction to the Group's long-term sustainability efforts. These are 12.2 (We minimize footprint); 12.3 (We fight food waste); 12.5 (Wethink circular) and 12.8 (We engage and inspire). The Group is actively participating in both local, national and international collaborations, partnerships and projects, which aim at preventing packaging waste and improving reuse and recycling of food packaging materials from existing waste streams.

In 2022, the Group continued to chair the Danish Government's Climate Partnership on Waste, Waterand Circular Economy and participate in the Green Business Forum and co-chair the Retail Sector Cooperation on Plastic Packaging under the Danish Ministry of Environment. Furthermore, the Group participated in the cross-sector project Climate-Ready Manufacturing Company by the Confederation of Danish Industry (DI) to validate its CO2 reporting principles in scope 1, 2 and 3. The Group had its near-term science-based CO2 emission target approved by the Science Based Targets initiative. The target is to reduce CO2 emissions in scope 1 and 2 with 50% by 2030 compared to 2018 and to measure and reduce CO2 emissions in scope 3.

In 2023, the Group will continue to drive projects and actively participate in partnerships and projects, which aim at substantially reduce waste generation through prevention, reduction, reuse, and recycling of food packaging materials. In 2023, the Group will get its scope 3 CO2 reduction plan in place and activate it with key stakeholders. Focus will be to increase recycled content in materials and use of renewable energy sources used in the initial phases of production of raw materials, which is sourced and used in the Group's production. Conversion of aluminium and plastic material into packaging solutions does not itself cause significant CO2 emissions, these are classified and reported in scope 1 and 2. However, the Group will continue to invest in emission reductions across all scopes.

In 2022, the scope 1 and 2 emissions amounted to 1.107 tons, 37% lower than the 2018 baseline at 1.761 tons and 18% lower than 2021 at 1.359 tons. Energy consumption in 2022 reduced with 1.597 KWh or 17% compared to 2021. The CO2 emissions per kilo material used in production was reduced with 3% in 2022 vs. 2021 and with more than 30% compared to the baseline year 2018. In 2022 abroad energy efficiency program was rolled out including a new energy monitoring system in Genk to ensure continuous improvements.

In 2023 the absolute CO2 emissions in scope 1 and 2 are expected to further decrease as the installed solar panels in Odense will deliver full year impact and focus on continuous energy efficiency gains across the Group will continue.

In 2022 the Group grew its share of easy-to-recycle raw materials used in production to 99,6% vs. 99,4% in 2021. Circular Sales grew to 88% in 2022 vs. 85% in 2021. In 2023 the Group will continue investments in recyclable materials and circular products in order to expand its market offering.

Statement on gender composition

Social responsibility

The Group has established policies within social responsibility covering equality, working environment, human rights, suppliers and use of energy and resources.

Objectives and policies for the underrepresented gender

The aim of the Group's equality policy is equal opportunities for men and women at the Group's workplaces, covering all managerial levels.

It is the Group's policy to:
- ensure equal career opportunities
- ensure equal access to skills development
- ensure equal pay for equal work
- strive to qualify and recruit employees of both sexes for committees, working groups, managerial positions, etc.

Equality is not about making men and women the same, but about benefitting from the different competencies and resources of men and women working alongside each other. Certain functions within the Group's organization are traditionally male- or female-dominated. It is therefore vital that specific initiatives are targeted at specific areas.

The Group works towards the goal of achieving equality between men and women on the Board of Directors. In 2022, two female members were elected to the board out of 6 members, which is in accordance with the plan, and thus the Group have reached its gender diversity target. Also, the Group signed the Gender Diversity Pledge from DI, which promotes greater gender diversity in the business sector towards 2030. The Group continues to promote that whenever possible both male and female candidates are processed in internal and external recruitments. In 2022, 32 new employees were hired in the company, of which 13 are female. In total there were 220 employees or head counts in the Group, of which 82 are female. There were 21 leaders in the Group, of which 7 are female.

People, health & safety

A strong health and safety record is essential to ensure a good and attractive working environment for all employees.

It is the Group's policy to ensure full compliance with relevant regulations in all areas and to limit any risks to harmful physical and psychological effects from the working environment, for example work related stress or injuries, by way of systematic preventive measures. Internal workplace assessments are carried out on a regular basis, and improvements to the working environment are made continually by setting and following up on clear goals.

Management's Review

In addition to its defined working environment policy the Group has other policies that directly affect the working environment, including alcohol, ethics, racial issues, pregnancy, hygiene, bullying, stress and safety at work.

The Group reported 9 accidents in 2022 compared to 7 accidents in 2021. The result was not satisfactory and above the long-term target of 0 accidents and the yearly target of maximum 3 accidents. The Group's activity level was lower in 2022 than 2021, which led to an accident frequency rate of 30,9 in 2022 vs. 24,9 in 2021. There were no severe accidents during the year and 66% of the accidents resulted in 7 or less days of absence. The 3 most severe accidents resulted in twists or sprains in hands or legs. We remain focused on building a strong safety culture across all departments in the Group and has initiated extra safety awareness campaigns. In 2023, the Group is continuing both safety trainings and the awareness campaigns with the ambition to reduce accidents to below 4 and increase the number of recorded near misses.

During 2022, the Group conducted leadership training for the top management team and the overall leadership team. Furthermore, workshops were held to improve teamwork, communication, and productivity in the workplace and digital training, focusing on cyber security and safe online behavior. In 2023, the Group will continue the Leadership Development training to ensure direction, alignment and commitment. Employees in production and the warehouse will be trained in 5S to ensure more focus on a lean production. Next step in the awareness training of employees in both GDPR and cyber security will be completed in 2023. Additionally, we will roll out the second edition of our Plus Pack Packaging School to develop knowledge and skills within circularity and sustainable development in all departments and production shifts.

In 2022, the Group continued to perform employee well-being surveys and received a score of 7,1, equivalent to a score at the high end of the normal range. In 2023, the Group will continue to focus on building an even more attractive and healthy workplace. At the start of the year, workshops are planned in Denmark for blue collars on the topic of work rhythm, a potential improvement area in the well being survey. Similar initiatives are planned for Genk to help improve the site's well being score.

Reported sick leave was above target in 2022, reaching 7,9% vs. 7,3% in 2021 and a target of maximum 5%. The start of 2022 was impacted by covid-19, but during the year Covid-19 infections dropped significantly. Long term sickness accounted for a large share of the absence in 2022, whereas the short term sick leave excluding Covid-19 only accounted for a minor share. New follow-up procedures have been implemented to increase attendance and reduce the overall sick leave in 2023.

Human rights and suppliers

Working with national as well as global standards for human rights and trade is central to us as well as our customers and suppliers.

It is the Group's policy to focus on potential risks related to human rights such as discrimination of employees. These standards contain policies, targets and norms in relation to:

- employee issues (child labor, discrimination, health and safety, working hours, etc.)

- corruption, gifts and kickbacks
- confidentiality, communication, anti-trust and competition issues
- environmental issues
- compliance with relevant legislation

Global standards for suppliers are an invariable part of the cooperation with all large suppliers and form part of the Group's on-going supplier audit program. The program is based on specific measurements as well as on supply performance evaluation.

In 2022, the Group continued its supplier excellence program with focus on supply chain resilience and initiated a risk assessment of supplier compliance to increasing demands on sustainability reporting, due diligence in supply chain and Code of Conduct.

In 2023, the supplier excellence program will continue and the Group will increase its focus on sustainability in supply chain to enable customers' need for future reporting on ESG and sustainability matters.

Corruption and bribery

The Group is aware of and focused on any potential risks in relation to corruption and bribery. For example, if we were perceived to use illegal means to obtain an advantage. Currently, we do not have a specific policy on corruption and bribery due to working on low-risk markets.

Statement on data ethics

The Group has not had any policy on data ethics in 2022, as the Group has assessed that their policy regarding GDPR has been comprehensive for this.

Sustainability data reporting principles

CO_2 emission reporting

The group uses the international standard, the Greenhouse Gas (GHG) Protocol, to classify and calculate its direct climate emissions, scope 1, and indirect climate emissions, scope 2, which are linked to the company's own and controlled activities. Data considerations are based on relevance (data sources and criteria are evaluated fit for purpose), completeness (calculations are based on accessible and valid data), consistency (data sources and criteria make continuous reporting possible), transparency (progress is reported on a monthly basis) and accuracy (uncertainties are continually evaluated, addressed and reduced as much as possible). 2018 is the group's baseline year.

In general, CO_2 emissions in scope 1 and 2 make up a minor part of a production company's overall carbon footprint. Material input is estimated to make up the majority of the Group's total climate emissions i.e. the Group's products represent the largest share of the company's overall climate emissions. These are classified as scope 3 emissions and are related to more thorough life cycle analyses, according to the GHG Protocol. The Group's sustainability reporting for 2022 focuses on scope 1 and 2 where relevant data sources are accessible and valid. With the approval of the Group's near-term science-based emissions target by the Science-Based Target initiative the Group has committed to changing its CO_2 emission reporting from being market based to location based. Data for years 2018-2021 is updated correspondingly. This has positively influenced all the results.

Co2 emissions, scope 1 and 2

Company cars
The emissions are based on fuel consumption related to leased company cars. The emissions per driven km are based on a weighted average carbon consumption per km (actual CO_2 emissions year-to-date (calculated per car)/actual driven km year-to-date). This model has been used from 2020. During 2018-2019 driven km were not reported. The driven km per month during 2018-2019 are calculated as an average of the max km allowed according to the leasing contracts. Consumption by electric and/or hybrid cars is not included in this model as the actual consumption split between fuel and KWh/per car is currently not accessible and/or evaluated too difficult to measure. The model will be revisited in 2023 as the share of leased electric and/or hybrid cars is growing.

Heating oil
The emissions are based on actual consumption of heating oil in Genk, Belgium. Consumption of heating oil is measured in liters which are converted to kWh and calculated into CO_2 emissions with Energids' relevant emission factor. Same factors are used for years 2018-2022.

Electricity
The emissions are based on actual consumption of electricity in Odense, Denmark, and Genk, Belgium. Consumption of electricity in Denmark is reported in KWh and calculated into CO_2 emissions with EnergiNet's relevant emission factors from environmental declarations, which are updated on yearly basis. Consumption in Genk is reported in KWh and calculated into CO_2 emissions with Luminus' relevant emission factors, which are updated on yearly basis. . During 2019 the Group bought green electricity certificates from its supplier in Odense. However, the positive impact has not been taken into account as the documentation lacked proof of additionality and the Group stopped buying green electricity in Odense from 2020. Data for years 2018-2021 is updated correspondingly.

District Heating
The emissions are based on actual consumption of district heating in Odense, Denmark. Consumption of district heating is calculated in GJ and converted into KWh and multiplied with Fjernvarme Fyn emission factors, which are updated on yearly basis. Data for years 2018-2021 is updated correspondingly.

Energy consumption

The data is based on actual energy consumption of electricity in Odense, Denmark and Genk, Belgium, district heating in Odense, Denmark and oil used for heating in Genk, Belgium. The consumption of heating oil is measured in liters which are converted to kWh and calculated into CO_2 emissions with Energids' relevant emission factor.

Management's Review

Raw materials, easy-to-recycle

The data is based on purchased raw materials used in the Group's production, also called material conversion and the percentage is calculated as share of materials, which is used and sorted for recycling relative to the share of waste, which is non-recyclable and sorted for incineration. The Group defines its easy-to-recycle packaging materials as materials, which fulfill common market requirements for recyclable materials and/or enter into a closed loop recycling system established together with industrial recyclers. Valid data is not available for 2018.

Circular sales

The data is based on realized sales of circular products in the market and calculated as share of sales of circular products relative to total sales of all products. Circular products are products that are placed on the market, and which support a circular economy by being manufactured from materials, which fulfill common requirements set by existing design guidelines for reuse and recycling i.e. Design for Recycling Guidelines by RecyClass, Recyclability of Plastic Packaging by COTREP and the design guide by The Danish Plastics Federation "Reuse and recycling of plastic packaging for private consumers". Aluminium, clear/NIR detectable PP and PET are examples of materials used to convert the circular products in the Group's product assortment. When plastic products (trays and lids) are sold in combinations as sets, where one of components (lid or tray) is defined as circular and the other as non-circular, a 50/50 split apply when reporting.

Gender diversity

In company
The number is the actual number of female employees in the Group organisation calculated in % relative to the total number of head counts.

Leadership
The number is the actual number of female employees in the Group Leadership Team calculated in % relative to the total number of members in the leadership team.

In BoD
The number is based on the actual number of female board members elected on the yearly general assembly calculated in % relative to the total number of members in the Board of Directors elected on the yearly general assembly.

Sick leave

The data is based on sick leave calculated for the Group's two biggest sites, which is Denmark and Belgium. Data for France, Norway, Germany and Poland is not included in this 2022 report but planned to be included in future reporting.

Odense
Sick leave is calculated based on total absence including short-term absence and long-term absence. Short-term absence is defined as absence less than 9 weeks for blue-collars and less than 31 days for white-collars. The Group includes child's first day of illness. The calculation method and reporting is

aligned with guidelines from Danish Industry in collaboration with The Danish Employers' Association and has been used since 2019. In 2017-2018 the calculation method and reporting was less structured as it has been since 2019.

Genk
Sick leave is calculated based on total absence including short-term absence and long-term absence. Short-term absence is defined as absence up to 4 weeks for both blue-collars and white-collars and long-term absence is more than 1 month and less than 1 year. The calculation method and reporting is aligned with Certimed, who is the market leader in medical monitoring. Certimed is calculating sick leave for Belgian companies.

Accidents

Number of accidents, accidents without absence and accidents with absence, and near-misses are reported on a daily-, weekly-, monthly- and yearly basis. The frequency of accidents, also called the H-value (H-værdi) is calculated by dividing the realized number of accidents with the number of hours worked by all employees multiplied with 1 million. The number of hours is defined as the number of hours worked by all employees with absence being deducted from the time that the employees could have worked. Working hours includes Belgium and Denmark, and not France, Norway, Germany and Poland in this 2022 report, but planned to be included in future reporting.

Employee well-being score

The employee well-being survey is done in collaboration with an external partner. The survey is anonymous. Reports can only be made with a minimum of 5 respondents in a given department, team or production shift. The survey takes form as an online questionnaire and the score is based on a rating between 1-10, where the score 5,8 to 7,2 is regarded normal. In comparison the score 0 to 4,4 is regarded very low whereas the score 4,4 to 5,7 is regarded low. The score 7,3 to 8,7 is regarded high and the score 8,8 to 10 is regarded very high. Respondents are all employees in the Group, both blue-collars and white-collars.

Response rate
The response rate is calculated as the share of actual respondents relative to the total number of available respondents equal to total number of head counts in the Group.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**727.274**	**633.290**	**0**	**0**
Cost of sales		-531.736	-440.836	0	0
Gross profit/loss		**195.538**	**192.454**	**0**	**0**
Distribution expenses		-99.882	-89.916	0	0
Administrative expenses		-43.736	-40.426	-128	-52
Operating profit/loss		**51.920**	**62.112**	**-128**	**-52**
Other operating income		637	333	0	0
Other operating expenses		-673	-305	0	0
Profit/loss before financial income and expenses		**51.884**	**62.140**	**-128**	**-52**
Income from investments in subsidiaries		0	0	22.890	28.926
Financial income	3	2.709	1.384	158	30
Financial expenses	4	-9.453	-8.099	-125	-332
Profit/loss before tax		**45.140**	**55.425**	**22.795**	**28.572**
Tax on profit/loss for the year	5	-10.998	-11.413	148	1.406
Net profit/loss for the year		**34.142**	**44.012**	**22.943**	**29.978**

Balance Sheet 31 December

Assets

	Note	Group 2022 TDKK	Group 2021 TDKK	Parent 2022 TDKK	Parent 2021 TDKK
Completed development projects		4.344	5.986	0	0
Goodwill		568	1.850	0	0
Development projects in progress		1.451	490	0	0
Intangible assets	6	**6.363**	**8.326**	**0**	**0**
Land and buildings		146.010	94.435	0	0
Plant and machinery		67.979	5.912	0	0
Other fixtures and fittings, tools and equipment		4.921	72.646	0	0
Property, plant and equipment in progress		11.792	28.150	0	0
Property, plant and equipment	7	**230.702**	**201.143**	**0**	**0**
Investments in subsidiaries	8	0	0	123.086	112.462
Other investments	9	3.250	3.250	0	0
Deposits	9	12.772	8.139	0	0
Other receivables	9	300	500	0	0
Fixed asset investments		**16.322**	**11.889**	**123.086**	**112.462**
Fixed assets		**253.387**	**221.358**	**123.086**	**112.462**

Balance Sheet 31 December

Assets

		Group		Parent	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Inventories	10	**105.507**	**90.903**	**0**	**0**
Trade receivables		95.721	82.257	0	0
Receivables from group enterprises		0	0	10.229	2.676
Other receivables	17	6.010	12.595	0	0
Deferred tax asset	14	1.326	2.974	0	0
Corporation tax receivable from group enterprises		4.656	0	5.873	217
Prepayments	11	5.696	5.093	0	0
Receivables		**113.409**	**102.919**	**16.102**	**2.893**
Current asset investments		**0**	**382**	**0**	**0**
Cash at bank and in hand		**21.888**	**25.996**	**675**	**1.080**
Currents assets		**240.804**	**220.200**	**16.777**	**3.973**
Assets		**494.191**	**441.558**	**139.863**	**116.435**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
		TDKK	TDKK	TDKK	TDKK
Share capital	12	500	500	500	500
Reserve for net revaluation under the equity method		0	0	93.639	94.822
Reserve for hedging transactions		-1.024	2.056	0	0
Reserve for currency exchange		-250	-64	0	0
Retained earnings		129.907	106.964	34.994	14.134
Equity attributable to shareholders of the Parent Company		**129.133**	**109.456**	**129.133**	**109.456**
Minority interests		57.180	54.593	0	0
Equity		**186.313**	**164.049**	**129.133**	**109.456**
Provision for deferred tax	14	2.873	6.238	0	0
Other provisions	15	5.510	4.826	0	0
Provisions		**8.383**	**11.064**	**0**	**0**
Lease obligations		136.703	94.385	0	0
Other payables		13.618	13.435	5.994	5.903
Long-term debt	16	**150.321**	**107.820**	**5.994**	**5.903**
Credit institutions		31.129	15.956	0	0
Lease obligations	16	8.472	6.175	0	0
Trade payables		55.662	87.854	0	0
Payables to group enterprises		0	0	29	292
Corporation tax		9.730	1.394	4.568	715
Payables to group enterprises relating to corporation tax		88	0	88	29
Other payables	16,17	44.093	47.246	51	40
Short-term debt		**149.174**	**158.625**	**4.736**	**1.076**
Debt		**299.495**	**266.445**	**10.730**	**6.979**
Liabilities and equity		**494.191**	**441.558**	**139.863**	**116.435**

Balance Sheet 31 December

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Reserve for currency exchange	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	0	2.056	-64	106.964	109.456	54.593	164.049
Exchange adjustments	0	0	0	-186	0	-186	-89	-275
Purchase of minority interest	0	0	0	0	0	0	-36	-36
Ordinary dividend paid	0	0	0	0	0	0	-7.003	-7.003
Fair value adjustment of hedging instruments, beginning of year	0	0	-2.635	0	0	-2.635	-1.270	-3.905
Fair value adjustment of hedging instruments, end of year	0	0	-1.313	0	0	-1.313	-633	-1.946
Tax on adjustment of hedging instruments for the year	0	0	868	0	0	868	419	1.287
Net profit/loss for the year	0	0	0	0	22.943	22.943	11.199	34.142
Equity at 31 December	**500**	**0**	**-1.024**	**-250**	**129.907**	**129.133**	**57.180**	**186.313**

Statement of Changes in Equity

Parent

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Reserve for currency exchange	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	94.822	0	0	14.134	109.456	0	109.456
Exchange adjustments	0	-186	0	0	0	-186	0	-186
Other equity movements	0	-3.080	0	0	0	-3.080	0	-3.080
Net profit/loss for the year	0	2.083	0	0	20.860	22.943	0	22.943
Equity at 31 December	**500**	**93.639**	**0**	**0**	**34.994**	**129.133**	**0**	**129.133**

Cash Flow Statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Net profit/loss for the year		34.142	44.012
Adjustments	18	46.514	42.678
Change in working capital	19	-62.325	1.007
Cash flows from operating activities before financial income and expenses		**18.331**	**87.697**
Financial income		2.709	1.384
Financial expenses		-9.454	-8.099
Cash flows from ordinary activities		**11.586**	**80.982**
Corporation tax paid		-7.806	-15.921
Cash flows from operating activities		**3.780**	**65.061**
Purchase of intangible assets		-2.444	-1.792
Purchase of property, plant and equipment		-53.269	-35.647
Change in deposits and other investments		-4.642	-3.747
Sale of property, plant and equipment		289	0
Cash flows from investing activities		**-60.066**	**-41.186**
Reduction of lease obligations		-6.480	-6.178
Raising of loans from credit institutions		15.173	1.373
Lease obligations incurred		51.095	0
Minority interests		-989	0
Dividend paid		-7.003	-4.040
Cash flows from financing activities		**51.796**	**-8.845**
Change in cash and cash equivalents		**-4.490**	**15.030**
Cash and cash equivalents at 1 January		26.378	11.348
Cash and cash equivalents at 31 December		**21.888**	**26.378**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		21.888	25.996
Current asset investments		0	382
Cash and cash equivalents at 31 December		**21.888**	**26.378**

Notes to the Financial Statements

		Group		Parent	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Business segments				
	Aluminium	524.593	391.082	0	0
	Plastic	202.681	242.208	0	0
		727.274	**633.290**	**0**	**0**
2	**Staff**				
	Wages and Salaries	105.401	102.290	0	0
	Pensions	8.416	7.830	0	0
	Other social security expenses	7.409	7.231	0	0
		121.226	**117.351**	**0**	**0**
	Including remuneration to the Executive Board	**5.353**	**3.585**	**0**	**0**
	Average number of employees	**198**	**190**	**0**	**0**
3	**Financial income**				
	Interest received from group enterprises	0	0	158	30
	Other financial income	2.709	1.384	0	0
		2.709	**1.384**	**158**	**30**

Notes to the Financial Statements

		Group		Parent	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
4	**Financial expenses**				
	Interest paid to group enterprises	0	0	0	3
	Other financial expenses	9.453	8.099	125	329
		9.453	**8.099**	**125**	**332**
5	**Tax on profit/loss for the year**				
	Current tax for the year	12.496	14.910	-2	2.776
	Deferred tax for the year	-1.717	-1.795	0	-3.340
	Adjustment of tax concerning previous years	-146	1.069	-146	1.069
	Adjustment of deferred tax concerning previous years	-922	-1.911	0	-1.911
		9.711	**12.273**	**-148**	**-1.406**
	which breaks down as follows:				
	Tax on profit/loss for the year	10.998	11.413	-148	-1.406
	Tax on changes in equity	-1.287	860	0	0
		9.711	**12.273**	**-148**	**-1.406**

Notes to the Financial Statements

6 Intangible assets

Group

	Completed development projects	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	31.495	37.559	490
Exchange adjustment	-74	0	0
Additions for the year	0	0	2.444
Transfers for the year	1.483	0	-1.483
Cost at 31 December	32.904	37.559	1.451
Impairment losses and amortisation at 1 January	25.509	35.709	0
Amortisation for the year	3.097	1.282	0
Impairment and amortisation of sold assets for the year	-46	0	0
Impairment losses and amortisation at 31 December	28.560	36.991	0
Carrying amount at 31 December	**4.344**	**568**	**1.451**

The amortisation period of 20 years for goodwill is determined on the basis of the Management's experience in the Group's areas of business and, in the Management's opinion, reflects the best estimate of the acquired company's economic lifetime.

Development projects comprises primarily of costs for developing the Group's ERP system, as well as other internal reporting systems (software). Costs comprises solely of external costs. The development projects are depreciated, when completed, over 5 years, which reflects the best estimate of the economic lifetime of the systems. Management has not found any indications of a need for impairment of the carrying amount.

	2022	2021
	TDKK	TDKK
Amortisation and impairment of intangible assets are recognised in the following items:		
Administrative expenses	4.379	4.745
	4.379	**4.745**

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	103.990	376.425	50.147	28.150
Additions for the year	0	0	0	53.269
Disposals for the year	-112	-1.268	-2.594	0
Transfers for the year	54.664	13.608	1.355	-69.627
Cost at 31 December	158.542	388.765	48.908	11.792
Impairment losses and depreciation at 1 January	9.555	303.779	44.235	0
Depreciation for the year	3.067	18.059	2.159	0
Impairment and depreciation of sold assets for the year	-90	-1.052	-2.407	0
Impairment losses and depreciation at 31 December	12.532	320.786	43.987	0
Carrying amount at 31 December	**146.010**	**67.979**	**4.921**	**11.792**
Including assets under finance leases amounting to	135.168	20.352	0	0

	2022	2021
	TDKK	TDKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:		
Production costs	19.583	16.210
Administration costs	3.432	3.595
	23.015	**19.805**

Notes to the Financial Statements

8 Investments in subsidiaries

	Parent 2022 TDKK	Parent 2021 TDKK
Cost at 1 January	17.640	17.640
Cost at 31 December	17.640	17.640
Value adjustments at 1 January	94.822	68.357
Exchange adjustment	-186	136
Net profit/loss for the year	22.890	28.926
Dividend to the Parent Company	-9.000	-4.000
Other equity movements, net	-3.080	1.403
Value adjustments at 31 December	105.446	94.822
Carrying amount at 31 December	**123.086**	**112.462**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
A/S Poul Haustrup Investering	Odense, DK	100%
Haustrup Holding A/S	Odense, DK	67,47%
Plus Pack A/S	Odense, DK	100%
Plus Pack NV	Belgium	100%
Plus Pack SAS	France	100%
Plus Pack AS	Norway	100%
Plus Pack Verpackungsmittel GmbH	Germany	100%
RSC Sp. Z.o.o. in liquidation, Poland	Poland	100%

Notes to the Financial Statements

9 Other fixed asset investments

	Group		
	Other investments	Deposits	Other receiv-ables
	TDKK	TDKK	TDKK
Cost at 1 January	3.250	8.139	300
Exchange adjustment	0	-9	0
Additions for the year	0	4.642	0
Cost at 31 December	3.250	12.772	300
Carrying amount at 31 December	**3.250**	**12.772**	**300**

10 Inventories

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Raw materials and consumables	59.472	42.882	0	0
Finished goods and goods for resale	46.035	48.021	0	0
	105.507	**90.903**	**0**	**0**

11 Prepayments

Prepayments consist of prepaid expenses concerning office rent, IT, insurance premiums, subscriptions etc.

Notes to the Financial Statements

12 Share capital

The share capital is broken down as follow:

	Number	Nominal value
		TDKK
A-shares	2	0
B-shares	5.000	500
		500

There have been no changes in the share capital during the last 5 years.

Each A-share is assigned 2.501 votes and each B-share is assigned 1 vote.

13 Distribution of profit

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Reserve for net revaluation under the equity method	0	0	2.083	24.926
Minority interests' share of net profit/loss of subsidiaries	11.199	14.034	0	0
Retained earnings	22.943	29.978	20.860	5.052
	34.142	**44.012**	**22.943**	**29.978**

Notes to the Financial Statements

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

14 Provision for deferred tax

	2022	2021	2022	2021
Provision for deferred tax at 1 January	3.264	5.059	0	3.340
Amounts recognised in the income statement for the year	-1.717	-1.795	0	-3.340
Provision for deferred tax at 31 December	**1.547**	**3.264**	**0**	**0**

The carrying amount of deferred taxes are presented in the balance sheet at 31 December 2022 with a deferred tax asset of TDKK 1.326 (2021: TDKK 2.974) and a deferred tax liability of TDKK 2.873 (2021: TDKK 6.238).

At 31 December 2022, the group has recognized a deferred tax asset totaling TDKK 2.005 regarding losses to be carried forward in the Plus Pack NV and Plus Pack Verpackungsmittel GmbH. Based on budgets, Management considers it likely that there will be future taxable income against which non-utilized tax losses can be offset.

Deferred tax assets not recognized in the balance sheet at 31 December 2022 amount to TDKK 14.914 (2021: TDKK 15.007).

15 Other provisions

Other provision comprises provisions for pensions to employees.

	2022	2021	2022	2021
Other provisions at 1 January	4.826	4.813	0	0
Adjustments for the year	684	13	0	0
	5.510	**4.826**	**0**	**0**

Notes to the Financial Statements

16 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:

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Lease obligations				
After 5 years	109.741	73.144	0	0
Between 1 and 5 years	26.962	21.241	0	0
Long-term part	136.703	94.385	0	0
Within 1 year	8.472	6.175	0	0
	145.175	**100.560**	**0**	**0**
Other payables				
After 5 years	6.846	6.439	0	0
Between 1 and 5 years	6.772	6.996	5.994	5.903
Long-term part	13.618	13.435	5.994	5.903
Within 1 year	40	168	0	0
Other short-term payables	44.053	47.078	51	40
Short-term part	44.093	47.246	51	40
	57.711	**60.681**	**6.045**	**5.943**

Notes to the Financial Statements

17 Derivative financial instruments

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Assets	93	4.230	0	0
Liabilities	2.038	324	0	0

As part of the hedge of recognized transactions, the Group uses hedging instruments in form of forward exchange contracts and hedge of LME. The group has secured sales of 1.625 TPLN against DKK, 15.000 TNOK against DKK and approx. 70% of next years unsecured LME. Hedge of recognized transactions comprise receivables and payables.

At 31 December 2022 unrealized net losses in derivative financial instruments for currency hedging and commodity futures totals to 1.946 t.DKK. The amount is recognized in the balance sheet under other debt and other receivables.

18 Cash flow statement - adjustments

	Group	
	2022	2021
	TDKK	TDKK
Financial income	-2.709	-1.384
Financial expenses	9.453	8.099
Depreciation, amortisation and impairment losses, including losses and gains on sales	28.772	24.550
Tax on profit/loss for the year	10.998	11.413
	46.514	**42.678**

Notes to the Financial Statements

19 Cash flow statement - change in working capital

	Group	
	2022	2021
	TDKK	TDKK
Change in inventories	-14.604	-29.994
Change in receivables	-7.481	-14.312
Change in other provisions	684	0
Change in trade payables, etc	-35.073	43.234
Fair value adjustments of hedging instruments	-5.851	2.079
	-62.325	**1.007**

20 Contingent assets, liabilities and other financial obligations

Charges and security

As security for the Group's debt to banks and other credit institutions the Group has provided security or other collateral in its assets for a total amount of 100.000 TDKK. The securities omprises of a business mortgage at 75.000 TDKK and a chattel mortgage at 25.000 TDKK. The arrying amount of the assets totals 240.950 TDKK. Furthermore, the banks and other credit institutions are secured for their engagement by certain fixed and current assets as further ledges cannot be made without the banks approval.

A factoring agreement has been made with Fortis Factoring of 700 TEUR for trade receivables in Plus Pack NV. The carrying amount at 31 December 2022 of the receivables totals 1.532 TEUR. A factoring agreement has been made with Fortis Factoring of 1.800 TEUR for trade receivables in Plus Pack SAS. The carrying amount at 31 December 2022 of the receivables totals 4.263 TEUR.

The Group has granted an absolute guarantee for credits and bank loans at a total amount of t.DKK 3.346.

20 Contingent assets, liabilities and other financial obligations (continued)

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2.454	2.689	0	0
Between 1 and 5 years	3.082	4.442	0	0
	5.536	**7.131**	**0**	**0**

The Group has entered into two leasing contracts for the lease of the Group's premises in Belgium. The total amortized leasing liability at 31 December 2022 amounts to a total of 13.605 TDKK. The lease agreement runs until 31 December 2027.

Besides the lease liability for the Group's premises, a total rent liabilities currently amounts to TDKK 40.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

21 Related parties

	Basis
Controlling interest	
Anders Top Haustrup	Ownership
Camilla Haustrup Hermansen	Ownership

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.

The have been no such transactions.

22 Fee to auditors appointed at the general meeting

	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	599	515	19	11
Tax advisory services	128	118	6	5
Other services	336	84	92	15
	1.063	**717**	**117**	**31**

23 Subsequent events

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

Notes to the Financial Statements

24 Accounting Policies

The Annual Report of C&A Invest A/S for 2022 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 Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

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

Assets are recognised 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 recognised 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, C&A Invest A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised 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 Group.

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

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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 recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

24 Accounting Policies (continued)

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 recognised in financial income and expenses in the income statement.

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised recognised in reserve for hedging transactions under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Revenue

Information is given on product categories. Segment information follows the Group's accounting policies, risks and internal financial management.

Notes to the Financial Statements

24 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised 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.

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. Amortisation 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. Amortisation 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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

24 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

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 recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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 recognised in cost over the period of construction.

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:

Notes to the Financial Statements

24 Accounting Policies (continued)

Buildings	5-20	years
Plant and machinery	5-20	years
Other fixtures and fittings, tools and equipment	3-8	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 amortisation and depreciation.

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

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

24 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

The net realisable 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 realisable 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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

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

Prepayments

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

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

24 Accounting Policies (continued)

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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 realised, 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 crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised 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 repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

24 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group´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 Group´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, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

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.

Notes to the Financial Statements

24 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$