

## **C&A Invest A/S**

Energivej 40  
5260 Odense S  
Central Business Registration  
No 37273783

## **Annual report 2019**

The Annual General Meeting adopted the annual report on 20.04.2020

### **Chairman of the General Meeting**

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Name: Steen Hastrup

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## Entity details

### Entity

C&A Invest A/S  
Energivej 40  
5260 Odense S

Central Business Registration No (CVR): 37273783  
Founded: 20.11.2015  
Registered in: Odense  
Financial year: 01.01.2019 - 31.12.2019

### Board of Directors

Steen Hastrup  
Anders Top Hastrup  
Camilla Hastrup Hermansen

### Executive Board

Camilla Hastrup Hermansen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
Postboks 10  
5100 Odense C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of C&A Invest A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 20.04.2020

### Executive Board

Camilla Hastrup Hermansen

### Board of Directors

Steen Hastrup

Anders Top Hastrup

Camilla Hastrup Hermansen

# Independent auditor's report

## To the shareholders of C&A Invest A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of C&A Invest A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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.

## Independent auditor's report

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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 20.04.2020

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Lars Knage Nielsen  
State Authorised Public Accountant  
Identification No (MNE) mne10074

Allan Dydensborg Madsen  
State Authorised Public Accountant  
Identification No (MNE) mne34144

## Management commentary

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>	<b>2015/16</b> <b>DKK'000</b>
<b>Financial highlights</b>				
<b>Key figures</b>				
Revenue	570.818	593.785	583.627	625.957
Gross profit/loss	157.536	159.168	168.703	183.984
Operating profit/loss	24.837	28.633	33.922	41.079
Net financials	(4.717)	(5.647)	(5.813)	2.685
Profit/loss for the year	16.127	18.770	21.780	36.469
Profit/loss excl minority interests	8.323	9.145	9.929	20.606
Total assets	312.522	327.974	311.809	281.497
Investments in property, plant and equipment	12.531	38.979	23.417	23.658
Equity	114.215	106.909	100.428	89.153
Equity excl minority interests	47.772	41.751	36.813	30.790
Cash flows from (used in) operating activities	51.109	45.839	10.957	52.164
Cash flows from (used in) investing activities	(13.091)	(38.708)	(23.429)	(22.984)
Cash flows from (used in) financing activities	(7.755)	(9.955)	(13.768)	(25.838)
Average numbers of employees	226	227	221	216
<b>Ratios</b>				
Gross margin (%)	27,6	26,8	28,9	29,4
Net margin (%)	2,8	3,2	3,7	5,8
Return on equity (%)	18,6	23,3	29,4	100,6
Equity ratio (%)	15,3	12,7	11,8	10,9

Return on equity in 2015/16 is effected by the foundation and starting equity of the Entity.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

The Group's promise is to make food stand out. The Group designs, develops, manufactures and sells packaging solutions for food with a special focus on fresh convenience food and meals.

We work with customers, suppliers and end-users to identify improved, sustainable packaging solutions or processes, which can reduce the environmental impact. Focus is on preventing waste and increasing resource productivity, reducing CO2 emissions and growing a product assortment, which is easy to recycle and therefore "fit for future" in accordance with the guiding principles for material recycling within a circular economy.

The key business areas are customised and sustainable aluminium and plastic solutions for ready-to-eat, ready-to-heat and ready-to-cook applications like hot and cold ready meals, snacks, take-away and food service.

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.

### Development in activities and finances

The Group remains committed to its leading position as a provider of customized, innovative and sustainable packaging solutions.

The Group's net revenue for the 2019 financial year was m.DKK 571 compared to m.DKK 594 in 2018. Profit before tax amounted to m.DKK 20, compared with a profit before tax of m.DKK 23 the year before, which included an extraordinary income of m.DKK 4,4 from the winning of a more than 10 year old legal case. Group profit of the year was m.DKK 16 in 2019, compared with m.DKK 19 in 2018.

Excluding the extraordinary income of m.DKK 4,4 in 2018, the profit before tax improved slightly from m.DKK 19 in 2018 to m.DKK 20 in 2019 and after tax from m.DKK 16 to m.DKK 16. The improvement was driven by lower raw material costs and a reduction in overall fixed costs, while lower sales due to a slowing economy impacted the result negatively. The result for 2019 was not satisfactory.

Equity improved to DKK 114 million at 31 December 2019, compared with DKK 107 million at the beginning of the year.

In 2019, operations showed a positive cash flow of m.DKK 50. The Group's total investments during the 2019 financial year amounted to m.DKK 16 compared with m.DKK 39 in 2018. The number of employees within the Plus Pack group averaged 226 in 2019, compared to 227 in 2018.

## Management commentary

Plus Pack received two product awards in 2019, a Scanstar Award and a WorldStar Award, for a convenient easy-to-recycle aluminium container, as well as the Odense Global Goal Prize 2019 for pro-actively addressing the Sustainable Development Goals and integrating them into the business. Furthermore, Plus Pack was selected as chair of the Danish Government's Climate Partnerships on Waste, Water and Circular Economy, to help support the goal of Denmark's new climate law aiming at reducing CO<sub>2</sub>-emissions with 70% in 2030.

### Outlook

In 2020, Plus Pack will continue to partner with customers, suppliers and end-users to identify improved, sustainable packaging solutions that can help reduce the environmental impact. The focus remains at preventing waste and increasing resource productivity, while reducing CO<sub>2</sub> emissions and growing a product assortment, which is easy to recycle.

The activity level is expected to stay on same level as 2019, but the operational result is expected to improve in 2020. Investments are expected to be higher compared to 2019.

### Particular risks

The Group 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.

The Group 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 Group maintains its competitive engagement at all times.

### Statutory report on corporate social responsibility

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

For further information please visit the Plus Pack website:

<https://pluspack.com/wp-content/uploads/2020/04/plus-pack-csr-report-2019.pdf>

### Statutory report on 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.

## Management commentary

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 organisation 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 2019, two female members were elected on the board out of 6 members, which is in accordance with the plan. Plus Pack continue to promote that whenever possible both male and female candidates were processed in internal and external recruitments. In 2019, 17 new employees were hired in the company, of which 5 were female. In total there are 20 leaders in Plus Pack, of which 4 are female.

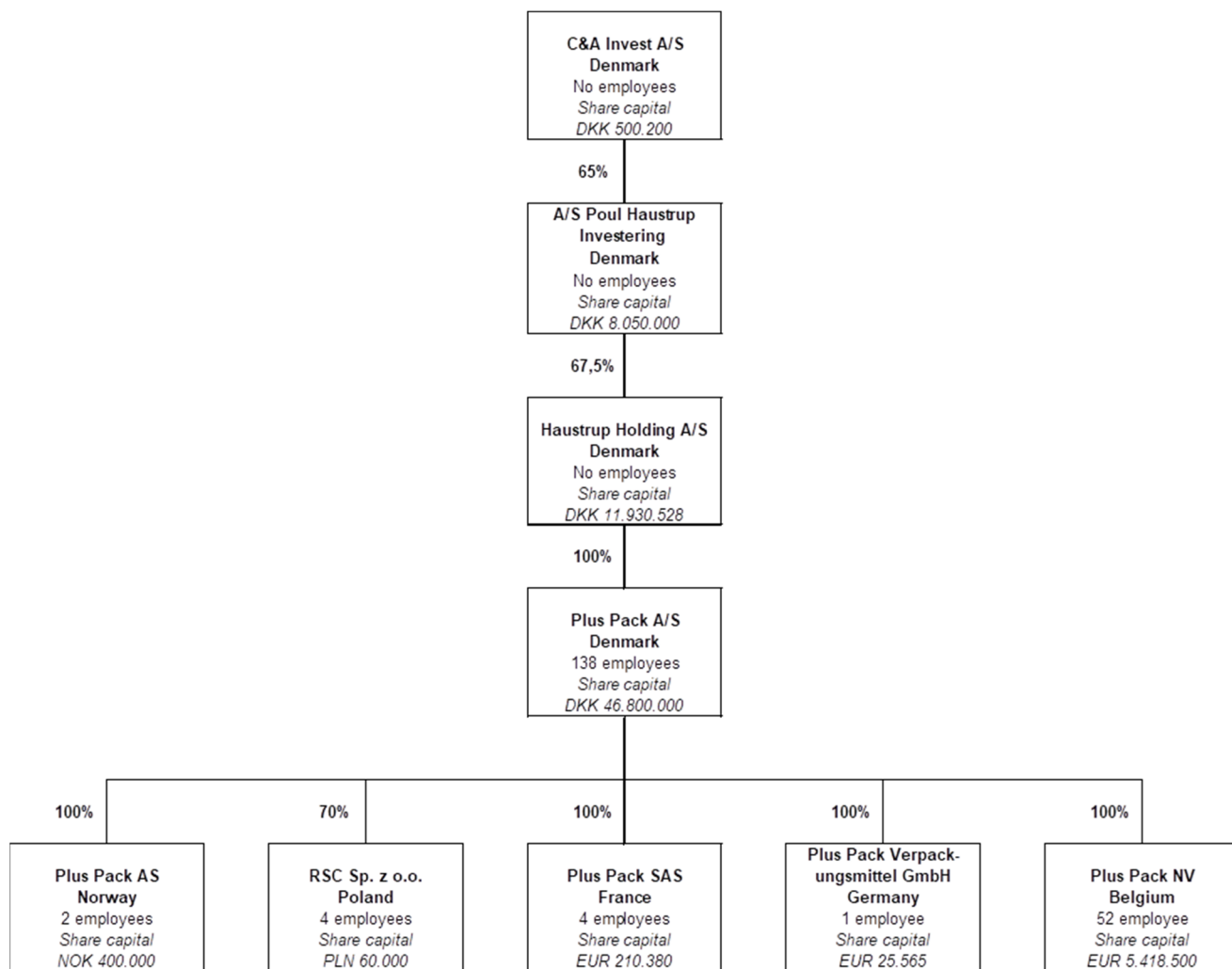
### **Events after the balance sheet date**

In January 2020, Plus Pack signed a financial lease agreement on the building in Odense. In 2019, the building has been on an operational lease agreement. The annual report for 2019 has not been impacted by the new financial lease agreement, however financial impacts will be recognised in the annual report for 2020.

The spread of COVID-19 throughout the world can potentially have an influence on the business of Plus Pack Group in 2020. Year to date, the spread of COVID-19 has not impacted Plus Pack Group significantly, however at this time it is not possible to predict the influence in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2020.

Besides above mentioned, no further events have taken place to change the assessments made in the annual report.

## Management commentary



### PLUS PACK GROUP COMPANIES

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**C&A Invest A/S**  
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DK-5260 Odense S  
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CEO:  
Camilla Hastrup Hermansen

## Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Revenue		570.818	593.785
Production costs	3, 4	(413.282)	(434.617)
<b>Gross profit/loss</b>		<b>157.536</b>	<b>159.168</b>
Distribution costs	3, 4	(96.292)	(94.105)
Administrative expenses	2, 3, 4	(36.563)	(40.616)
Other operating income		537	5.030
Other operating expenses		(381)	(844)
<b>Operating profit/loss</b>		<b>24.837</b>	<b>28.633</b>
Other financial income		1.227	1.622
Other financial expenses		(5.944)	(7.269)
<b>Profit/loss before tax</b>		<b>20.120</b>	<b>22.986</b>
Tax on profit/loss for the year	5	(3.993)	(4.216)
<b>Profit/loss for the year</b>	6	<b>16.127</b>	<b>18.770</b>

## Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Acquired intangible assets		7.336	7.923
Goodwill		4.438	5.721
Prepayments for intangible assets		909	0
<b>Intangible assets</b>	<b>7</b>	<b>12.683</b>	<b>13.644</b>
Land and buildings		5.756	6.230
Plant and machinery		78.426	65.111
Other fixtures and fittings, tools and equipment		11.685	13.141
Property, plant and equipment in progress		6.881	24.738
<b>Property, plant and equipment</b>	<b>8</b>	<b>102.748</b>	<b>109.220</b>
Deposits		8.176	8.170
<b>Fixed asset investments</b>	<b>9</b>	<b>8.176</b>	<b>8.170</b>
<b>Fixed assets</b>		<b>123.607</b>	<b>131.034</b>
Raw materials and consumables		35.206	34.595
Manufactured goods and goods for resale		39.329	49.611
<b>Inventories</b>		<b>74.535</b>	<b>84.206</b>
Trade receivables		78.502	83.593
Deferred tax	10	6.041	6.185
Other receivables		6.556	7.774
Prepayments		6.620	5.500
<b>Receivables</b>		<b>97.719</b>	<b>103.052</b>
Other investments		410	978
<b>Other investments</b>		<b>410</b>	<b>978</b>
<b>Cash</b>		<b>16.251</b>	<b>8.704</b>
<b>Current assets</b>		<b>188.915</b>	<b>196.940</b>
<b>Assets</b>		<b>312.522</b>	<b>327.974</b>

## Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		500	500
Share premium		9.683	9.683
Retained earnings		37.589	31.568
<b>Equity attributable to the Parent's owners</b>		<b>47.772</b>	<b>41.751</b>
<b>Share of equity attributable to minority interests</b>		<b>66.443</b>	<b>65.158</b>
<b>Equity</b>		<b>114.215</b>	<b>106.909</b>
Deferred tax	10	11.626	10.818
Other provisions		4.848	4.142
<b>Provisions</b>		<b>16.474</b>	<b>14.960</b>
Finance lease liabilities		19.265	20.100
Payables to shareholders and management		0	728
Other payables		7.725	7.630
<b>Non-current liabilities other than provisions</b>	11	<b>26.990</b>	<b>28.458</b>
Current portion of long-term liabilities other than provisions	11	5.640	4.514
Bank loans		45.891	69.175
Trade payables		69.872	70.860
Other payables		33.440	33.098
<b>Current liabilities other than provisions</b>		<b>154.843</b>	<b>177.647</b>
<b>Liabilities other than provisions</b>		<b>181.833</b>	<b>206.105</b>
<b>Equity and liabilities</b>		<b>312.522</b>	<b>327.974</b>
Events after the balance sheet date	1		
Financial instruments	13		
Assets charged and collateral	14		
Subsidiaries	15		

## Consolidated statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Share premium DKK'000</b>	<b>Retained earnings DKK'000</b>
Equity beginning of year	500	9.683	31.568
Purchase of treasury shares	0	0	0
Ordinary dividend paid	0	0	0
Exchange rate adjustments	0	0	30
Other entries on equity	0	0	(2.332)
Profit/loss for the year	0	0	8.323
<b>Equity end of year</b>	<b>500</b>	<b>9.683</b>	<b>37.589</b>
		<b>Share of equity attributable to minority interests DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year		65.190	106.941
Purchase of treasury shares		(7.626)	(7.626)
Ordinary dividend paid		(267)	(267)
Exchange rate adjustments		0	30
Other entries on equity		1.342	(990)
Profit/loss for the year		7.804	16.127
<b>Equity end of year</b>		<b>66.443</b>	<b>114.215</b>



## Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Operating profit/loss		24.838	28.633
Amortisation, depreciation and impairment losses		20.522	19.179
Working capital changes	12	14.286	6.090
Provisions and other adjustments		(187)	(283)
<b>Cash flow from ordinary operating activities</b>		<b>59.459</b>	<b>53.619</b>
Financial income received		1.381	1.622
Financial expenses paid		(6.098)	(7.270)
Income taxes refunded/(paid)		(3.633)	(2.132)
<b>Cash flows from operating activities</b>		<b>51.109</b>	<b>45.839</b>
Acquisition etc of intangible assets		(3.050)	0
Acquisition etc of property, plant and equipment		(12.531)	(38.979)
Change in deposit		2.490	271
<b>Cash flows from investing activities</b>		<b>(13.091)</b>	<b>(38.708)</b>
Repayments of loans etc		0	(11.330)
Incurrence of lease obligations		5.057	18.779
Reduction of lease commitments		(4.594)	(5.111)
Dividend paid		(267)	(314)
Acquisition of treasury shares		(11.001)	(12.000)
Other cash flows from financing activities		3.050	21
<b>Cash flows from financing activities</b>		<b>(7.755)</b>	<b>(9.955)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>30.263</b>	<b>(2.824)</b>
Cash and cash equivalents beginning of year		(59.493)	(56.670)
Currency translation adjustments of cash and cash equivalents		0	1
<b>Cash and cash equivalents end of year</b>		<b>(29.230)</b>	<b>(59.493)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		16.251	8.704
Securities		410	978
Short-term debt to banks		(45.891)	(69.175)
<b>Cash and cash equivalents end of year</b>		<b>(29.230)</b>	<b>(59.493)</b>

## Notes to consolidated financial statements

### 1. Events after the balance sheet date

In January 2020, Plus Pack signed a financial lease agreement on the building in Odense. In 2019, the building has been on an operational lease agreement. The annual report for 2019 has not been impacted by the new financial lease agreement, however financial impacts will be recognised in the annual report for 2020.

The spread of COVID-19 throughout the world can potentially have an influence on the business of Plus Pack Group in 2020. Year to date, the spread of COVID-19 has not impacted Plus Pack Group significantly, however at this time it is not possible to predict the influence in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2020.

Besides above mentioned, no further events have taken place to change the assessments made in the annual report.

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	508	594
Other assurance engagements	0	8
Tax services	161	112
Other services	479	134
	<b>1.148</b>	<b>848</b>
<b>3. Staff costs</b>		
Wages and salaries	105.372	111.163
Pension costs	8.134	8.075
Other social security costs	7.173	3.660
	<b>120.679</b>	<b>122.898</b>
Average number of employees	<b>226</b>	<b>227</b>

There are no remuneration of the Group Management for the Group Management assignment. The remuneration to the operation Management is disclosed in the Annual Report of Plus Pack A/S.

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	4.013	4.120
Depreciation on property, plant and equipment	16.597	14.846
	<b>20.610</b>	<b>18.966</b>

## Notes to consolidated financial statements

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Current tax	2.587	846
Change in deferred tax	2.034	3.520
Adjustment concerning previous years	(507)	(150)
Refund in joint taxation arrangement	(121)	0
	<b>3.993</b>	<b>4.216</b>

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>6. Proposed distribution of profit/loss</b>		
Retained earnings	8.323	9.145
Minority interests' share of profit/loss	7.804	9.625
	<b>16.127</b>	<b>18.770</b>

	<b>Acquired intangible assets DKK'000</b>	<b>Goodwill DKK'000</b>	<b>Prepay- ments for intangible assets DKK'000</b>
<b>7. Intangible assets</b>			
Cost beginning of year	24.432	37.654	0
Exchange rate adjustments	0	79	0
Additions	2.141	0	3.050
Disposals	0	0	(2.141)
<b>Cost end of year</b>	<b>26.573</b>	<b>37.733</b>	<b>909</b>
Amortisation and impairment losses beginning of year	(16.509)	(31.933)	0
Exchange rate adjustments	0	(77)	0
Amortisation for the year	(2.728)	(1.285)	0
<b>Amortisation and impairment losses end of year</b>	<b>(19.237)</b>	<b>(33.295)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7.336</b>	<b>4.438</b>	<b>909</b>

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.

## Notes to consolidated financial statements

	<b>Land and buildings DKK'000</b>	<b>Plant and machinery DKK'000</b>	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
<b>8. Property, plant and equipment</b>				
Cost beginning of year	8.624	306.616	61.931	24.738
Exchange rate adjustments	93	369	48	0
Transfers	0	12.692	0	0
Additions	30	25.853	4.505	12.531
Disposals	0	(7.464)	(7.841)	(30.388)
<b>Cost end of year</b>	<b>8.747</b>	<b>338.066</b>	<b>58.643</b>	<b>6.881</b>
Depreciation and impairment losses beginning of year	(2.394)	(241.505)	(48.790)	0
Exchange rate adjustments	(92)	(368)	(39)	0
Transfers	0	(12.692)	0	0
Reversal of impairment losses	0	0	5.424	0
Depreciation for the year	(505)	(12.539)	(3.553)	0
Reversal regarding disposals	0	7.464	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(2.991)</b>	<b>(259.640)</b>	<b>(46.958)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>5.756</b>	<b>78.426</b>	<b>11.685</b>	<b>6.881</b>
Recognised assets not owned by entity	-	<b>33.682</b>	-	<b>3.014</b>
				<b>Deposits DKK'000</b>
<b>9. Fixed asset investments</b>				
Cost beginning of year				8.170
Exchange rate adjustments				6
<b>Cost end of year</b>				<b>8.176</b>
<b>Carrying amount end of year</b>				<b>8.176</b>

## Notes to consolidated financial statements

	<b>2019</b> <b>DKK'000</b>
<b>10. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	4.633
Recognised in the income statement	551
Recognised directly in equity	401
<b>End of year</b>	<b>5.585</b>

Deferred tax is reported in the balance as:

Deferred tax - assets	(6.041)
Deferred tax - liabilities	11.626
	<b>5.585</b>

Plus Pack A/S is part of an international joint taxation. At 31 December 2019, the group has recognized a deferred tax asset totaling 6.041 t.DKK 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 reported in the balance sheet amounts to 23.854 t.DKK regarding losses to be carried forward in the Plus Pack NV and Plus Pack Verpackungsmittel GmbH.

	<b>Due within 12 months 2019 DKK'000</b>	<b>Due within 12 months 2018 DKK'000</b>	<b>Due after more than 12 months 2019 DKK'000</b>	<b>Outstanding after 5 years DKK'000</b>
<b>11. Liabilities other than provisions</b>				
Finance lease liabilities	5.640	4.514	19.265	3.276
Other payables	0	0	7.725	0
	<b>5.640</b>	<b>4.514</b>	<b>26.990</b>	<b>3.276</b>

Subordinated loan capital, are subordinated to all creditors. The loan is due in 2018.

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>12. Change in working capital</b>		
Increase/decrease in inventories	9.671	(4.274)
Increase/decrease in receivables	1.587	11.733
Increase/decrease in trade payables etc	3.028	(1.369)
	<b>14.286</b>	<b>6.090</b>

## Notes to consolidated financial statements

### 13. Financial instruments

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 1.950 t.PLN against DKK, 15.000 t.NOK against DKK and approx. 80% of next years unsecured LME. Hedge of recognized transactions comprise receivables and payables. The Group also use interest rate swap to secure fixed interest on liabilities. The Group has hedged 4.000 t.EUR to 4,07 % with expiration in 2021.

At 31 December 2019 unrealized net losses in derivative financial instruments for currency hedging, commodity futures and interest rate swaps totals to 2.270 t.DKK. The amount is recognized in the balance sheet under other debt and other receivables.

### 14. Assets charged and collateral

As security for the Groups's debt to banks and other credit institutions the Company has provided security or other collateral in its assets for a total amount of 100.000 t.DKK. The securities comprises of a business mortgage at 75.000 t.DKK and a chattel mortgage at 25.000 t.DKK. The carrying amount of the assets totals 183.472 t.DKK. Furthermore, the banks and other credit institutions are secured for their engagement by certain fixed and current assets as further pledges cannot be made without the banks approval.

A factoring agreement has been made with Fortis Factoring of 500 t.EUR for trade receivables in Plus Pack NV. The carrying amount at 31 December 2019 of the receivables totals 800 t.EUR. A factoring agreement has been made with Fortis Factoring of 2.000 t.EUR for trade receivables in Plus Pack SAS. The carrying amount at 31 December 2019 of the receivables totals 3.128 t.EUR.

(DKK '000)

Operational leasing contracts:

Relating to leasing contracts expiring in 2020  
 Relating to leasing contracts expiring in 2021  
 Relating to leasing contracts expiring in 2022  
 Relating to leasing contracts expiring in 2023

<b>GROUP</b>	
<u>Annual leasing payment</u>	
	2,172
	1,605
	918
	466
	<b>5,161</b>

The Group has entered into two leasing contracts for the lease of the Group's premises in Denmark and Belgium. The total amortized leasing liability at 31 December 2019 amounts to a total of 87.918 t.DKK.

The subsidiary A/S Poul Hastrup Investering's deposits in a limited partnership is EUR 288k and is listed under financial assets. In addition to deposit the subsidiary has a liability of EUR 62k against creditors.

## Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK'000</u>	<u>Profit/loss DKK'000</u>
<b>15. Subsidiaries</b>					
A/S Poul Hastrup Investering	Odense, Denmark	A/S	65,0	86.055	7.470
Hastrup Holding A/S	Odense, Denmark	A/S	67,0	111.130	15.501
Plus Pack A/S	Odense, Denmark	A/S	100,0	119.869	15.772
Plus Pack AS	Vollen, Norway	AS	100,0	2.014	1.442
Plus Pack SAS	Paris, France	SAS	100,0	2.551	2.731
Plus Pack Verpackungsmittel GmbH	Mainz, Germany	GmbH	100,0	(9.261)	150
Plus Pack NV	Genk, Belgium	NV	100,0	43.120	3.248
RSC Sp.Z.o.o.	Poznan, Poland	Sp.Z.o. o.	70,0	339	263

## Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Administrative expenses	1	(29)	(56)
<b>Operating profit/loss</b>		<b>(29)</b>	<b>(56)</b>
Income from investments in group enterprises		4.820	5.100
Other financial income		36	3
Other financial expenses		(116)	(304)
<b>Profit/loss before tax</b>		<b>4.711</b>	<b>4.743</b>
Tax on profit/loss for the year	3	237	165
<b>Profit/loss for the year</b>	4	<b>4.948</b>	<b>4.908</b>



## Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Investments in group enterprises		55.965	50.072
<b>Fixed asset investments</b>	5	<b>55.965</b>	<b>50.072</b>
<b>Fixed assets</b>		<b>55.965</b>	<b>50.072</b>
Receivables from group enterprises		1.585	3.383
Income tax receivable		1.934	0
<b>Receivables</b>		<b>3.519</b>	<b>3.383</b>
<b>Cash</b>		<b>47</b>	<b>6</b>
<b>Current assets</b>		<b>3.566</b>	<b>3.389</b>
<b>Assets</b>		<b>59.531</b>	<b>53.461</b>

## Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital	6	500	500
Share premium		9.683	9.683
Reserve for net revaluation according to the equity method		38.325	32.432
Retained earnings		(736)	(864)
<b>Equity</b>		<u><b>47.772</b></u>	<u><b>41.751</b></u>
Deferred tax	7	3.764	3.167
<b>Provisions</b>		<u><b>3.764</b></u>	<u><b>3.167</b></u>
Payables to shareholders and management		0	728
Other payables		7.725	7.629
<b>Non-current liabilities other than provisions</b>		<u><b>7.725</b></u>	<u><b>8.357</b></u>
Payables to group enterprises		233	139
Other payables		37	47
<b>Current liabilities other than provisions</b>		<u><b>270</b></u>	<u><b>186</b></u>
<b>Liabilities other than provisions</b>		<u><b>7.995</b></u>	<u><b>8.543</b></u>
<b>Equity and liabilities</b>		<u><b>59.531</b></u>	<u><b>53.461</b></u>
Contingent liabilities	8		
Related parties with controlling interest	9		

## Parent statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Share premium DKK'000</b>	<b>Reserve for net revaluation according to the equity method DKK'000</b>
Equity beginning of year	500	9.683	32.432
Exchange rate adjustments	0	0	30
Other entries on equity	0	0	1.043
Profit/loss for the year	0	0	4.820
<b>Equity end of year</b>	<b>500</b>	<b>9.683</b>	<b>38.325</b>
		<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year		(864)	41.751
Exchange rate adjustments		0	30
Other entries on equity		0	1.043
Profit/loss for the year		128	4.948
<b>Equity end of year</b>		<b>(736)</b>	<b>47.772</b>

## Notes to parent financial statements

	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>1. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	10	10
Other services	19	46
	<b>29</b>	<b>56</b>
	<b>2019</b>	<b>2018</b>
<b>2. Staff costs</b>		
Average number of employees	<b>0</b>	
<p>There are no remuneration of the Group Management for the Group Management assignment. The remuneration to the operation Management is disclosed in the Annual Report of Plus Pack A/S.</p>		
	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>3. Tax on profit/loss for the year</b>		
Adjustment concerning previous years	(141)	(165)
Refund in joint taxation arrangement	(96)	0
	<b>(237)</b>	<b>(165)</b>
	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
<b>4. Proposed distribution of profit/loss</b>		
Retained earnings	4.948	4.908
	<b>4.948</b>	<b>4.908</b>
		<b>Invest- ments in group enterprises DKK'000</b>
<b>5. Fixed asset investments</b>		
Cost beginning of year		17.640
<b>Cost end of year</b>		<b>17.640</b>
Revaluations beginning of year		32.432
Exchange rate adjustments		30
Adjustments on equity		1.043
Share of profit/loss for the year		4.820
<b>Revaluations end of year</b>		<b>38.325</b>
<b>Carrying amount end of year</b>		<b>55.965</b>

## Notes to parent financial statements

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
<b>6. Contributed capital</b>			
A-shares	2	0,1	0
B-shares	5.000	0,1	500
	<u>5.002</u>		<u>500</u>

Each A-share is assigned 2,501 votes and each B-share is assigned 1 vote.

	<u>2019 DKK'000</u>
<b>7. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	3.167
Changes due to international taxation	597
<b>End of year</b>	<u>3.764</u>

Deferred tax relating to retaxation in the Group's international joint taxation.

### 8. Contingent liabilities

The Entity serves as an administration company in a international joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

### 9. Related parties with controlling interest

#### Deciding influence

Steen Hastrup, Hunderupvej 216, 5230 Odense M.

All transactions with related parties are conducted on market terms and eliminated in the consolidated statement.

## Notes to parent financial statements

### Ownership

The following shareholders are registered in the book of owners owning minimum 5% of the votes or minimum 5% of the share capital:

Anders Top Hastrup, Skovgyden 40, 5230 Odense M

Camilla Hastrup Hermansen, Fangelvej 9, Vejle, 5672 Broby

Steen Hastrup, Hunderupvej 216, 5230 Odense M.

## Accounting policies

### Reporting class

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

The accounting principles applied for the annual report are consistent with those applied last year.

The annual report is compiled in DKK thousand.

### Recognition and measurement

The accounts have been prepared on the historical cost price principle.

Income is included in the income statement as it is earned. Adjustments in the value of financial assets and liabilities measured at fair value or amortised cost price are also included. The income statement also includes all the costs that have been paid to achieve the annual income, including amortisation and depreciation, writedowns and provisions as well as reversals as a result of the changed accounting estimates of amounts which were previously included in the income statement.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

Certain financial assets and liabilities are measured at amortised cost price where a constant effective interest over the maturity period is included. The amortised cost price is calculated as the original cost price less principal payments plus/minus the cumulative amortisation of the difference between the cost price and the nominal amount. In this way capital losses and gains are amortised over the maturity period.

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.

DKK will be used as the measurement currency. All other currencies will be regarded as foreign currency.

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates. An overview of the Group is shown earlier in the annual report.

## Accounting policies

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

### Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.



## Accounting policies

### Income statement

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Net revenue is measured at fair value of the agreed consideration exclusive VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

With reference to Danish Financial Statements Act §96 3<sup>rd</sup> sentence, segment information is omitted, as the submission of this information could cause seriously damage to the Group, which is justified by the relatively few competitors in the industry.

#### Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs include materials consumed and expenses incurred, including depreciation and wages.

#### Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including expenses relating to shipping, sales staff, warehouse staff, advertising and exhibitions etc. and depreciation.

#### Administrative expenses

Administrative expenses comprise costs incurred for the Entity's administrative functions, including expenses relating to administrative staff, management, office premises and office expenses etc. and depreciation.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

#### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

#### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

The Entity is jointly taxed with the Entity's Danish and foreign subsidiaries (international joint taxation). The Entity's subsidiaries are included in the joint taxation from the date on which they cease to be recognised in such statements. The relevant Danish corporation tax is distributed fully between the jointly taxed Danish subsidiaries according to their taxable income (full distribution).

C&A Invest A/S, the ultimate parent company, acts as the management company of the taxation.

### Balance sheet

#### Goodwill

Intangible assets are valued at their cost price less accumulated depreciation and writedowns. Amortisation and depreciation are applied on a straight-line basis over the expected lifetime of the asset, which is:

Goodwill .....	up to 20 years
Know-How .....	up to 20 years
Software .....	5 years

Assets with a short lifetime and low-value assets are charged to expenses in the year of acquisition.

The amortisation period of up to 20 years for goodwill and know-how 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.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

## Accounting policies

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery, aluminium prod.	10-20 years
Plant and machinery, plastic prod.	5-10 years
Tools for aluminium production	10 years
Tools for plastic production	5 years
Other plant, equipment and fixtures and fittings	3-8 years

Assets with a cost price of less than DKK 13,200 per unit are charged in the year of acquisition.

The costs of repair and maintenance of property, plant and equipment is included in production costs in the profit and loss account.

Gains or losses on the disposal or scrapping of property, plant and equipment are calculated as the difference between the sales price (less dismantling, sales and reinstatement costs) and the book value are included in the profit and loss account as other operating income or as costs of production, sales and distribution and administration costs.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

## Accounting policies

The financial statements of the Parent Company include a pro rata share of the subsidiaries' profit before tax for the year less amortisation of goodwill under the item "Income from investment in subsidiaries", while a pro rata share of the tax expenses is included in the item "Tax on profit for the year".

A pro rata share of the companies' net asset values, calculated in accordance with the accounting principles of the Parent Company and adjusted for the share of unrealised intragroup profits or losses and for positive or negative goodwill, is recognised on the balance sheet under the item "Investment in subsidiaries".

Subsidiaries with negative net asset values are valued at DKK 0, and any receivables from these companies are written down by the Parent Company's share of the negative net asset value. If the negative net asset value for accounting purposes exceeds the value of receivables, the residual amount is recorded under "Other provisions".

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Inventories

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

The cost price of goods for resale, raw materials and ancillary materials includes the invoice price plus delivery costs.

The cost price of manufactured, finished goods and work in progress includes the purchase price of the materials used and direct wage costs plus indirect production costs. Indirect production costs include indirect materials and wage costs, the maintenance and depreciation of machinery, factory buildings and equipment used in the production process, and factory administration and management costs. Any borrowing costs during the manufacturing period are not included.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Prepayments

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

### Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

### Cash

Cash comprises cash in hand and bank deposits.

## Accounting policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

### Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

### Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

The capitalised residual lease obligation is included in the balance sheet as a liability and the lease payment's interest rate component is charged on an on-going basis in the income statement.

All other leases are considered to be operating leases.

### Operating leases

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

### Other financial liabilities

Fixed-interest loans such as mortgage loans and bank loans which are expected to be held to maturity are recorded at the raising of the loan as the funds received less transaction costs incurred. In subsequent periods the loans are assessed at their amortised cost price, which corresponds to the capitalised value on the basis of the effective interest rate, such that the difference between the funds received and the nominal value (the capital loss) is included in the profit and loss account over the term of the loan.

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

## Accounting policies

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.