
C&A Invest A/S

Energivej 40, DK-5260 Odense S

Annual Report for 1 January - 31 December 2020

CVR No 37 27 37 83

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/4 2021

Steen Hastrup
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 2020.

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 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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, 19 April 2021

Executive Board

Camilla Hastrup Hermansen
Executive Officer

Board of Directors

Steen Hastrup
Chairman

Anders Top Hastrup

Camilla Hastrup 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 2020 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 2020 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 2020, 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' 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.

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

Independent Auditor's Report

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 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, 19 April 2021

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

Steen Hastrup, Chairman
Anders Top Hastrup
Camilla Hastrup Hermansen

Executive Board

Camilla Hastrup 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				
	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2015/16 TDKK
Key figures					
Profit/loss					
Revenue	559.968	570.818	593.785	583.627	625.957
Gross profit/loss	157.405	157.536	159.168	168.703	183.984
Operating profit/loss	34.234	24.682	28.633	33.922	41.079
Net financials	-7.848	-4.719	-5.647	-5.813	2.685
Net profit/loss for the year	22.213	16.126	18.770	21.780	36.469
Balance sheet					
Balance sheet total	366.503	312.524	327.974	311.809	281.497
Equity	121.797	114.215	106.909	100.427	89.153
Cash flows					
Cash flows from:					
- operating activities	67.240	54.160	45.839	10.957	52.164
- investing activities	-106.079	-13.091	-38.708	-23.429	-22.984
including investment in property, plant and equipment	-103.402	-12.531	38.979	23.417	23.658
- financing activities	33.525	-34.089	-9.955	-13.768	-25.838
Change in cash and cash equivalents for the year	-5.314	6.980	-2.824	-26.240	3.342
Number of employees	197	226	227	221	216
Ratios					
Gross margin	28,1%	27,6%	26,8%	28,9%	29,4%
Profit margin	6,2%	4,4%	4,8%	5,8%	6,6%
Return on assets	9,4%	7,9%	8,7%	10,9%	14,6%
Solvency ratio	33,2%	36,5%	32,6%	32,2%	31,7%
Return on equity	18,8%	14,6%	18,1%	23,0%	51,4%

Management's Review

Key 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.

Management's Review

Development in the year

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 2020 financial year was TDKK 559.968 compared to TDKK 570.818 in 2019. Profit before tax amounted to TDKK 26.631, compared with a profit before tax of TDKK 20.119 the year before. Group profit for the year was TDKK 22.213 in 2020, compared with TDKK 16.126 in 2019, which was according to our expectations for the year.

The result for 2020 was as initially expected and overall satisfactory given the unexpected development of Covid-19, which led to reduced predictability and rapid changes both negative and positive in the underlying demand for packaging solutions. During the year, the company did not make use of any cost-supporting Covid-19 financial packages. The improvement in the result was positively impacted by lower costs, driven by both lower raw material prices as well as a reduction in the overall fixed costs. On the other hand, lower demand and sales due to Covid-19 restrictions especially in the HORECA segment impacted the result negatively.

Equity improved to TDKK 121.797 at 31 December 2020, compared with TDKK 114.215 at the beginning of the year. In 2020, operations showed a positive cash flow of TDKK 66.890. The Group's total investments with cash flow impact during the 2020 financial year amounted to TDKK 106.079 compared with TDKK 13.091 in 2019. The number of employees within the Plus Pack group averaged 197 in 2020, compared to 226 in 2019.

In January 2020, Plus Pack signed a financial lease agreement on the building in Odense, and thereby converted the financial treatment of the building from an operational lease agreement to a financial lease agreement. This impacted the fixed assets and leasing debt with an increase of t.DKK 90.198.

Plus Pack received a WorldStar Award 2020 from World Packaging Organisation for an easy-torecycle aluminium snack container.

During 2020 Plus Pack participated in the development and launch of an European Plastics Pact, which is a collaboration between front runner companies and nations, to accelerate the transition towards a European circular plastics economy. Furthermore, Plus Pack continued to chair the Danish Government's Climate Partnership on Waste, Water and Circular Economy and participate in the Green Business Forum.

The group has acquired 2.817.500 treasury shares during the year, corresponding to 35 % of the share capital in A/S Poul Hastrup Investering. The shares have not been cancelled and are therefore held as treasury shares. The shares have been acquired as part of the group's strategy.

Management's Review

The future

In 2021, the Group 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 CO2 emissions and growing a product assortment, which is easy to recycle.

The activity level is expected to increase compared to 2020, and with an increased Profit after tax compared to 2020. Net revenue is expected to be in the range of MDKK 560-580. Profit after tax is expected to be in the range of MDKK 23-27. In 2021, investments are expected to be higher than 2020.

Statement of 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/2021/04/plus-pack-csr-report-2020.pdf>

Statement on gender composition

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 Plus Pack'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. For 2020, the board continues to comprise of three members, where one is female, and thus the Group have reached equal gender distribution. The group continue to promote that whenever possible, both male and female candidates in the group companies, are processed in internal and external recruitments. In 2020, 7 new employees were hired in the group, of which 3 were female. In total there are 19 leaders in the Group, of which 4 are female.

Management's Review

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		Parent	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Revenue	1	559.968	570.818	0	0
Cost of sales		-402.563	-413.282	0	0
Gross profit/loss		157.405	157.536	0	0
Distribution expenses		-84.978	-96.292	0	0
Administrative expenses		-38.193	-36.562	-261	-30
Operating profit/loss		34.234	24.682	-261	-30
Other operating income		530	537	0	0
Other operating expenses		-285	-381	0	0
Profit/loss before financial income and expenses		34.479	24.838	-261	-30
Income from investments in subsidiaries		0	0	15.348	4.820
Financial income	3	831	1.227	20	37
Financial expenses	4	-8.679	-5.946	-100	-117
Profit/loss before tax		26.631	20.119	15.007	4.710
Tax on profit/loss for the year	5	-4.418	-3.993	476	237
Net profit/loss for the year		22.213	16.126	15.483	4.947

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Completed development projects		7.600	7.336	0	0
Goodwill		3.126	4.438	0	0
Development projects in progress		549	909	0	0
Intangible assets	6	11.275	12.683	0	0
Land and buildings		95.475	5.757	0	0
Plant and machinery		7.681	11.685	0	0
Other fixtures and fittings, tools and equipment		77.454	78.426	0	0
Property, plant and equipment in progress		4.701	6.881	0	0
Property, plant and equipment	7	185.311	102.749	0	0
Investments in subsidiaries	8	0	0	85.997	55.965
Deposits	9	8.142	8.176	0	0
Fixed asset investments		8.142	8.176	85.997	55.965
Fixed assets		204.728	123.608	85.997	55.965
Inventories	10	60.909	74.535	0	0
Trade receivables		74.316	78.502	0	0
Receivables from group enterprises		0	0	3.005	1.586
Other receivables		7.065	6.556	0	0
Deferred tax asset	14	3.884	6.041	0	0
Corporation tax		0	0	472	1.934
Prepayments	11	4.253	6.620	0	0
Receivables		89.518	97.719	3.477	3.520
Værdipapirer		371	411	0	0
Cash at bank and in hand		10.977	16.251	0	47
Currents assets		161.775	188.916	3.477	3.567
Assets		366.503	312.524	89.474	59.532

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Share capital	12	500	500	500	500
Reserve for net revaluation under the equity method		0	0	68.357	38.325
Reserve for hedging transactions		653	0	0	0
Reserve for currency exchange		-200	0	0	0
Retained earnings		76.986	47.272	9.082	8.946
Equity attributable to shareholders of the Parent Company		77.939	47.772	77.939	47.771
Minority interests		43.858	66.443	0	0
Equity		121.797	114.215	77.939	47.771
Provision for deferred tax	14	8.944	11.626	3.341	3.764
Other provisions	15	4.813	4.848	0	0
Provisions		13.757	16.474	3.341	3.764
Lease obligations		100.242	19.265	0	0
Other payables		15.627	10.442	7.821	7.725
Long-term debt	16	115.869	29.707	7.821	7.725
Credit institutions		14.583	45.891	70	0
Lease obligations	16	6.496	5.640	0	0
Trade payables		56.223	69.851	0	0
Payables to group enterprises		0	0	270	233
Corporation tax		4.107	0	0	0
Other payables	16	33.671	30.746	33	39
Short-term debt		115.080	152.128	373	272
Debt		230.949	181.835	8.194	7.997
Liabilities and equity		366.503	312.524	89.474	59.532

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>
Distribution of profit	13
Contingent assets, liabilities and other financial obligations	19
Related parties	20
Fee to auditors appointed at the general meeting	21
Accounting Policies	22

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	0	0	47.272	47.772	66.443	114.215
Exchange adjustments	0	0	0	-200	0	-200	-109	-309
Purchase of treasury shares	0	0	0	0	13.100	13.100	-30.100	-17.000
Fair value adjustment of hedging instruments, beginning of year	0	0	0	0	1.532	1.532	738	2.270
Fair value adjustment of hedging instruments, end of year	0	0	837	0	0	837	403	1.240
Tax on adjustment of hedging instruments for the year	0	0	-184	0	-337	-521	-251	-772
Other equity movements	0	0	0	0	-64	-64	4	-60
Net profit/loss for the year	0	0	0	0	15.483	15.483	6.730	22.213
Equity at 31 December	500	0	653	-200	76.986	77.939	43.858	121.797

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	38.325	0	0	8.947	47.772	0	47.772
Exchange adjustments	0	-200	0	0	0	-200	0	-200
Other equity movements	0	14.884	0	0	0	14.884	0	14.884
Net profit/loss for the year	0	15.348	0	0	135	15.483	0	15.483
Equity at 31 December	500	68.357	0	0	9.082	77.939	0	77.939

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 TDKK	2019 TDKK
Net profit/loss for the year		22.213	16.126
Adjustments	17	37.115	29.234
Change in working capital	18	17.370	17.148
Cash flows from operating activities before financial income and expenses		76.698	62.508
Financial income		831	1.226
Financial expenses		-8.680	-5.942
Cash flows from ordinary activities		68.849	57.792
Corporation tax paid		-1.609	-3.632
Cash flows from operating activities		67.240	54.160
Purchase of intangible assets		-2.711	-3.050
Purchase of property, plant and equipment		-103.402	-12.531
Change in deposits		34	2.490
Cash flows from investing activities		-106.079	-13.091
Repayment of mortgage loans		0	5.057
Repayment of loans from credit institutions		-31.308	-23.284
Reduction of lease obligations		-8.365	-9.651
Lease obligations incurred		90.198	5.057
Purchase of treasury shares		-17.000	-11.001
Dividend paid		0	-267
Cash flows from financing activities		33.525	-34.089
Change in cash and cash equivalents		-5.314	6.980
Cash and cash equivalents at 1 January		16.662	9.682
Cash and cash equivalents at 31 December		11.348	16.662
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		10.977	16.251
Current asset investments		371	411
Cash and cash equivalents at 31 December		11.348	16.662

Notes to the Financial Statements

	Group		Parent	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
1 Revenue				
Business segments				
Aluminium	354.082	365.591	0	0
Plastic	205.886	205.227	0	0
	559.968	570.818	0	0
2 Staff				
Wages and Salaries	97.287	100.943	0	0
Pensions	7.285	8.134	0	0
Other social security expenses	7.486	7.173	0	0
	112.058	116.250	0	0
Including remuneration to the Executive Board	4.265	4.010	0	0
Average number of employees	197	226	0	0
3 Financial income				
Interest received from group enterprises	0	0	20	37
Other financial income	831	1.227	0	0
	831	1.227	20	37

Notes to the Financial Statements

	Group		Parent	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
4 Financial expenses				
Interest paid to group enterprises	0	0	3	0
Other financial expenses	8.639	5.946	97	117
Exchange adjustments, expenses	40	0	0	0
	8.679	5.946	100	117
5 Tax on profit/loss for the year				
Current tax for the year	5.715	3.229	-54	-24
Deferred tax for the year	1.283	1.576	0	-72
Adjustment of tax concerning previous years	0	-141	0	0
Adjustment of deferred tax concerning previous years	-1.808	0	-422	-141
	5.190	4.664	-476	-237
which breaks down as follows:				
Tax on profit/loss for the year	4.418	3.993	-476	-237
Tax on changes in equity	772	671	0	0
	5.190	4.664	-476	-237

Notes to the Financial Statements

6 Intangible assets

Group	Completed development projects	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	26.573	37.733	909
Exchange adjustment	0	-157	0
Additions for the year	0	0	2.711
Transfers for the year	3.071	0	-3.071
Cost at 31 December	<u>29.644</u>	<u>37.576</u>	<u>549</u>
Impairment losses and amortisation at 1 January	19.237	33.295	0
Exchange adjustment	0	-151	0
Amortisation for the year	2.807	1.306	0
Impairment losses and amortisation at 31 December	<u>22.044</u>	<u>34.450</u>	<u>0</u>
Carrying amount at 31 December	<u>7.600</u>	<u>3.126</u>	<u>549</u>

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 Company'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.

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	8.747	58.643	338.066	6.881
Adjustment value 1 January 2020	0	0	494	0
Exchange adjustment	-172	-137	-463	0
Additions for the year	91.283	1.145	13.154	103.402
Disposals for the year	0	-488	-263	0
Transfers for the year	2.038	-3.474	1.436	-105.582
Cost at 31 December	101.896	55.689	352.424	4.701
Impairment losses and depreciation at 1 January	2.990	46.958	259.640	0
Adjustment value 1 January 2020	0	0	494	0
Exchange adjustment	-148	-82	-452	0
Depreciation for the year	2.709	3.233	14.794	0
Impairment and depreciation of sold assets for the year	0	-488	-249	0
Transfers for the year	870	-1.613	743	0
Impairment losses and depreciation at 31 December	6.421	48.008	274.970	0
Carrying amount at 31 December	95.475	7.681	77.454	4.701
Including assets under finance leases amounting to	88.165	0	32.697	0
			2020	2019
			TDKK	TDKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:				
Production costs			17.078	14.455
Administration costs			7.771	6.155
			24.849	20.610

Notes to the Financial Statements

	Parent	
	2020 TDKK	2019 TDKK
8 Investments in subsidiaries		
Cost at 1 January	17.640	17.640
Cost at 31 December	17.640	17.640
Value adjustments at 1 January	38.325	32.432
Exchange adjustment	-200	30
Net profit/loss for the year	15.348	4.820
Other equity movements, net	14.884	1.043
Value adjustments at 31 December	68.357	38.325
Carrying amount at 31 December	85.997	55.965

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
A/S Poul Hastrup Investering	Odense, DK	100%

9 Other fixed asset investments

	Group
	Deposits TDKK
Cost at 1 January	8.176
Exchange adjustment	-34
Cost at 31 December	8.142
Carrying amount at 31 December	8.142

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
10 Inventories				
Raw materials and consumables	32.807	35.206	0	0
Finished goods and goods for resale	28.102	39.329	0	0
	60.909	74.535	0	0

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

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

	Parent	
	2020	2019
	TDKK	TDKK
Reserve for net revaluation under the equity method	15.348	4.820
Retained earnings	135	127
	15.483	4.947

Notes to the Financial Statements

	Group		Parent	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
14 Provision for deferred tax				
Provision for deferred tax at 1 January	5.585	4.009	3.764	3.836
Amounts recognised in the income statement for the year	<u>-525</u>	<u>1.576</u>	<u>-423</u>	<u>-72</u>
Provision for deferred tax at 31 December	<u>5.060</u>	<u>5.585</u>	<u>3.341</u>	<u>3.764</u>

C&A Invest A/S is part of an international joint taxation. At 31 December 2020, the group has recognized a deferred tax asset totaling t.DKK 3.884 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.

15 Other provisions

Other provision comprises provisions for pensions to employees.

Other provisions at 1 January	4.848	4.142	0	0
Adjustments for the year	<u>-35</u>	<u>706</u>	<u>0</u>	<u>0</u>
	<u>4.813</u>	<u>4.848</u>	<u>0</u>	<u>0</u>

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	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
Lease obligations				
Between 1 and 5 years	100.242	19.265	0	0
Long-term part	100.242	19.265	0	0
Within 1 year	6.496	5.640	0	0
	106.738	24.905	0	0
Other payables				
Between 1 and 5 years	15.627	10.442	7.821	7.725
Long-term part	15.627	10.442	7.821	7.725
Within 1 year	350	0	0	0
Other short-term payables	33.321	30.746	32	38
Short-term part	33.671	30.746	32	38
	49.298	41.188	7.853	7.763

17 Cash flow statement - adjustments

Financial income	-831	-1.227
Financial expenses	8.679	5.946
Depreciation, amortisation and impairment losses, including losses and gains on sales	24.849	20.522
Tax on profit/loss for the year	4.418	3.993
	37.115	29.234

Notes to the Financial Statements

	Group	
	2020	2019
	TDKK	TDKK
18 Cash flow statement - change in working capital		
Change in inventories	13.488	9.451
Change in receivables	5.983	1.551
Change in trade payables, etc	-5.611	3.096
Fair value adjustments of hedging instruments	3.510	3.050
	17.370	17.148

19 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 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 161.590 t.DKK. 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 t.EUR for trade receivables in Plus Pack NV. The carrying amount at 31 December 2020 of the receivables totals 1.118 t.EUR. A factoring agreement has been made with Fortis Factoring of 1.800 t.EUR for trade receivables in Plus Pack SAS. The carrying amount at 31 December 2020 of the receivables totals 3.294 t.EUR.

The Group has granted an absolute guarantee for credits and bank loans at a total amount of t.DKK 93.348

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
19 Contingent assets, liabilities and other financial obligations (continued)				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2.435	2.172	0	0
Between 1 and 5 years	3.399	2.989	0	0
	5.834	5.161	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 2020 amounts to a total of 17.159 t.DKK. The lease agreement runs until 31 December 2027.

Besides the lease liability for the Group's premises, a total rent liabilities currently amounts to T.DKK 64

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.

20 Related parties

	Basis
Controlling interest	
Anders Top Hastrup	Ownership
Camilla Hastrup 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.

Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
21 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	494	0	32	0
Tax advisory services	78	0	0	0
Other services	130	0	0	0
	702	0	32	0
Deloitte				
Audit fee	0	508	0	10
Tax advisory services	364	161	228	0
Other services	0	479	0	19
	364	1.148	228	29
	1.066	1.148	260	29

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of C&A Invest A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

Changes in accounting policies

The Company's accounting policy has been changed in 2020 to reflect the amendments made to the Danish Financial Statements Act. The change has resulted in reclassifications between equity reserves. The change has not affected the net result for the year or equity at year end.

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

22 Accounting Policies (continued)

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

22 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.

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

Gross profit/loss

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.

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 wholly owned Danish and foreign subsidiaries. The tax effect of the

Notes to the Financial Statements

22 Accounting Policies (continued)

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:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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 manage-

Notes to the Financial Statements

22 Accounting Policies (continued)

ment.

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.

Equity

Dividend

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

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Explanation of financial ratios

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