C&A Invest A/S

Energivej 40, DK-5260 Odense S

Annual Report for 1 January - 31 December 2021

CVR No 37 27 37 83

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25/4 2022

Steen Haustrup
Chairman of the General Meeting

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Contents

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 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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, 25 April 2022

Executive Board

Camilla Haustrup Hermansen
Executive Officer

Board of Directors

Anders Top Haustrup Chairman	Steen Haustrup	Camilla Haustrup Hermansen

Independent Auditor's Report

To the Shareholders of C&A Invest A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 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 2021 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 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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, 25 April 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

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

Company Information

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

Financial Highlights

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

	Group				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	633.290	559.968	570.818	593.785	583.627
Gross profit/loss	192.454	157.405	157.536	159.168	168.703
Operating profit/loss	62.112	34.234	24.682	28.633	33.922
Net financials	-6.715	-7.850	-4.719	-5.647	-5.813
Net profit/loss for the year	44.012	22.211	16.126	18.770	21.780
Balance sheet					
Balance sheet total	441.558	366.503	312.524	327.974	311.809
Equity	164.049	121.797	114.215	106.909	100.427
Cash flows					
Cash flows from:					
- operating activities	65.061	67.240	54.160	45.839	10.957
- investing activities	-41.186	-106.079	-13.091	-38.708	-23.429
including investment in property, plant and equipment	-35.647	-103.402	-12.531	38.979	23.417
- financing activities	-8.845	33.525	-34.089	-9.955	-13.768
Change in cash and cash equivalents for the year	15.030	-5.314	6.980	-2.824	-26.240
Number of employees	190	197	226	227	221
Ratios					
Gross margin	30,4%	28,1%	27,6%	26,8%	28,9%
Profit margin	9,8%	6,2%	4,4%	4,8%	5,8%
Return on assets	14,1%	9,4%	7,9%	8,7%	10,9%
Solvency ratio	37,2%	33,2%	36,5%	32,6%	32,2%
Return on equity	30,8%	18,8%	14,6%	18,1%	23,0%

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 CO_2 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 substainable 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 2021 financial year was TDKK 633.290 compared to TDKK 559.968 in 2020. Profit before tax amounted to TDKK 55.425, compared with a profit before tax of TDKK 26.631 the year before. Group profit for the year was TDKK 44.012 in 2021, compared with TDKK 22.211 in 2020.

The result for 2021 was better than expected and overall satisfactory. The Group was positively impacted from increased demand of take away solutions due to corona restrictions, which led to a higher than expected sales volume. On the other hand, the group was challenged by raw material shortage and increasing raw material costs, which led the group to increase sales prices during the year, offsetting the higher costs. As in 2020, the company did not make use of any cost-supporting Covid-19 financial packages.

Equity improved to TDKK 164.049 at 31 December 2021, compared with TDKK 121.797 at the beginning of the year.

In 2021, operations showed a positive cash flow of TDKK 65.061. The Group's total investments with cash flow impact during the 2021 financial year amounted to TDKK 41.186 compared with TDKK 106.079 in 2020. The number of employees within the Plus Pack group averaged 190 in 2021, compared to 197 in 2020.

Plus Pack received Erhvervsklub Fyn Prisen 2021 as a recognition of our efforts to continuously improve performance within automation, digitalization and sustainability.

Management's Review

The future

In 2022, the Group will start the implementation of a new strategy plan, Circular 2024, aimed at further transforming food packaging to circularity. Food packaging has become a symbol of single-use consumption, where products are only used once, and materials are wasted after use. This needs to change to ensure a more sustainable consumption and production aligned with the UN Sustainable Development Goals.

This transformation will require improved recycling of food packaging after use, increased use of recycled material in food packaging and reduction of waste in all activities. The Groups's ambition is to deliver circular food packaging that both protect food, is fit for purpose, and can be reused where possible and recycled after use being fit for future. Additionally, it is the company's goal to reduce CO2 emissions in scope 1 and 2 to net zero, and collaborate with customers and suppliers to reduce scope 3 emissions, focusing on real impact in the value chain of food packaging.

To deliver on the implementation of Circular 2024, The Group will in 2022 increase investments in new circular products and services as well as in renewable energy sources. As a result, the total level of investments is expected to be higher in 2022 than 2021. The activity level is expected to decrease compared to 2021 as market normalizes after covid-19, however net revenue is expected to increase due to increased raw material costs impacting our sales prices. Profit after tax is expected to decrease due to the lower volume and higher cost level. Net revenue is expected to be in the range of MDKK 700-750. Profit after tax is expected to be in the range of MDKK 23-27.

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 company maintains its competitive engagement at all times.

Statement of corporate social responsibility

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

Climate and environment

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

It is the Group's policy to:
- ensure a sustainable development through targeted and balanced initiatives
- comply with all relevant regulatory requirements in the environmental field

- minimise use of resources through reduction of waste, optimization of raw materials and energy use
- develop new circular packaging solutions, products and services

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

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

The Group has particular focus on UN Sustainable Development Goal no. 12 (Responsible Consumption and Production) and four sub targets, which give strategic direction to our long-term sustainability efforts: 12.2 (We minimize footprint); 12.3 (We fight food waste); 12.5 (We think circular) and 12.8 (We engage and inspire). The Group has decided to participate actively in both local, national and international collaborations, partnerships and projects, which aim at improving reuse of food packaging and recycling of food packaging materials from existing waste streams.

In 2021 the Group participated in the semi-industrial test in Denmark of a new digital watermarking technology, which aims to improve sorting- and recycling rates of packaging materials from household waste. Also, the Group led an international working group as part of the European Plastics Pact to address unnecessary and problematic plastics in order to accelerate the transition towards a European circular plastics economy and was appointed co-chair of a new Retail Sector Cooperation on Plastic Packaging under the Danish Ministry of Environment. Furthermore, the Group continued to chair the Danish Government's Climate Partnership on Waste, Water and Circular Economy and participate in the Green Business Forum. In 2022 the Group will continue to initiate and participate actively in partnerships and projects, which aim at substantially reduce waste generation through prevention, reduction, reuse and recycling.

Conversion of aluminium and plastic material into packaging solutions does not cause significant CO2 emissions in itself. In 2021 the Group's CO2 emissions in scope 1 and 2 amounted to 2.343 tons, 3,3% lower than the 2018 baseline. The total emissions increased with 9% in 2021 vs. 2020 due to an increased activity level in production leading to 7% increase in energy consumption in 2021 vs. 2020. However, the CO2 emissions per kilo material used in production was reduced with 5% in 2021 vs. 2020 and with more than 10% compared to the baseline year 2018. In 2022 the absolute CO2 emissions in scope 1 and 2 are expected to decrease significantly as solar panels are being installed in Odense and focus on continuous improvements and energy efficiency gains in production is increasing. In 2022, the Group will calculate a 2018 baseline for relevant CO2 emissions in scope 3 in accordance with the GHG protocol and reduction initiatives and -targets will be identified.

In 2021 the Group grew its share of easy-to-recycle raw materials used in production to 90% vs. 89% in 2020. However, Circular Sales decreased to 85% in 2021 vs. 86% in 2020 due to challenges in plastics supply. In 2022 the Group will double investments in new circular products and services compared to

2021 in order to grow the assortment of circular products and services to the market.

Statement on gender composition

Social responsibility

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

Objectives and policies for the underrepresented gender

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

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

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

The Group works towards the goal of achieving equality between men and women on the Board of Directors. In 2021, one of the board members was female out of 3 members, which is in accordance with the plan, and thus the Group have reached equal gender distribution. The Group continue to promote that whenever possible both male and female candidates are processed in internal and external recruitments. In total there were 212 employees or head counts in the Group, of which 76 are female. There were 19 leaders in the Group, of which 5 are female.

Health & safety

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

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

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

The Group reported 7 accidents during 2021 compared to 5 accidents in 2020. The result was not satisfactory and above the long term target of 0 accidents and the yearly target of maximum 3 accidents in 2021. The Group's activity level was higher in 2021 than 2020, which led to an accident frequency rate of 20,3 in 2021 vs. 16,6 in 2020. The safety performance was strong in the first half of 2021, which led to more than 200 days without accidents, proving that the company can be completely safe for a longer period of time. However a poor second half of 2021 resulted in 7 accidents across the Group. Our long term focus is to build a strong safety culture across all departments in the Group and in 2022 the Group is continuing a safety campaign, launched at the end of 2021, to increase awareness on safety and reporting's on near misses in order to prevent accidents. The ambition for 2022 is to reduce accidents to below 4 and increase the number of recorded near misses.

In 2021 the Group completed trainings in prioritized areas: Leadership Development, Customer Oriented Culture, Project Management, Digitization and Sustainability. In 2022 the Group will continue the Leadership Development training to ensure direction, alignment and commitment. During the year, we will furthermore focus on Commercial Sales Training in the commercial organization and Digitization across most departments. Additionally, we will develop the already established Plus Pack Packaging School to ensure knowledge and understanding of sustainability and circularity in all departments and production shifts.

In 2021 the Group performed two employee well-being surveys and received a score in the high end of the normal range. We believe that our activities in 2021 have contributed to maintaining a good working environment and well-being in the Group. In 2022 the Group will implement a new well-being survey platform, improving anonymous communication between employees, managers and HR to ensure more dedicated follow up actions and to further improve the well-being score. We will initiate workshops with SU, the cooperation committee in the Group, and other key employees with the focus on building an even more attractive and healthy workplace post covid-19.

In 2021 the Group increased its focus on sick leave, which ended at 6,8%, an acceptable result given the challenging period with covid-19. This focus was based on daily reports to reduce the risk of infection across departments and production shifts. Furthermore, new follow-up procedures have been implemented to increase attendance. In 2022 the Group will continue to have an increased focus on sick leave. Reporting and new follow-up procedures will be adapted and further developed to ensure that the sick leave does not increase.

Human rights and suppliers

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

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

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

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

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

In 2021 the Group continued to roll out its supplier excellence program to selected suppliers, where focus is on developing suppliers towards partnership with the Group. The roll out plan has been challenged by restrictions due to the global pandemic situation. Due to the pandemic situation focus has shifted to supply chain resilience to secure supplies of raw materials.

In 2022 the supplier excellence program will continue together with focus on supply chain resilience.

Corruption and bribery

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

Statement on data ethics

The Group has not had any policy on data ethics in 2021, as the company has assessed that their policy regarding GDPR has been comprehensive for this.

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	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**633.290**	**559.968**	**0**	**0**
Cost of sales		-440.836	-402.563	0	0
Gross profit/loss		**192.454**	**157.405**	**0**	**0**
Distribution expenses		-89.916	-84.978	0	0
Administrative expenses		-40.426	-38.193	-52	-261
Operating profit/loss		**62.112**	**34.234**	**-52**	**-261**
Other operating income		333	530	0	0
Other operating expenses		-305	-285	0	0
Profit/loss before financial income and expenses		**62.140**	**34.479**	**-52**	**-261**
Income from investments in subsidiaries		0	0	28.926	15.348
Financial income	3	1.384	831	30	20
Financial expenses	4	-8.099	-8.681	-332	-100
Profit/loss before tax		**55.425**	**26.629**	**28.572**	**15.007**
Tax on profit/loss for the year	5	-11.413	-4.418	1.406	476
Net profit/loss for the year		**44.012**	**22.211**	**29.978**	**15.483**

Balance Sheet 31 December

Assets

	Note	Group 2021 TDKK	Group 2020 TDKK	Parent 2021 TDKK	Parent 2020 TDKK
Completed development projects		5.986	7.600	0	0
Goodwill		1.850	3.126	0	0
Development projects in progress		490	549	0	0
Intangible assets	6	**8.326**	**11.275**	**0**	**0**
Land and buildings		94.435	95.475	0	0
Plant and machinery		5.912	7.681	0	0
Other fixtures and fittings, tools and equipment		72.646	77.454	0	0
Property, plant and equipment in progress		28.150	4.701	0	0
Property, plant and equipment	7	**201.143**	**185.311**	**0**	**0**
Investments in subsidiaries	8	0	0	112.462	85.997
Other investments	9	3.250	0	0	0
Deposits	9	8.139	8.142	0	0
Other receivables	9	500	0	0	0
Fixed asset investments		**11.889**	**8.142**	**112.462**	**85.997**
Fixed assets		**221.358**	**204.728**	**112.462**	**85.997**

Balance Sheet 31 December

Assets

		Group		Parent	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Inventories	10	**90.903**	**60.909**	**0**	**0**
Trade receivables		82.257	74.316	0	0
Receivables from group enterprises		0	0	2.676	3.005
Other receivables	17	12.595	7.065	0	0
Deferred tax asset	14	2.974	3.884	0	0
Corporation tax		0	0	0	472
Corporation tax receivable from group enterprises		0	0	217	0
Prepayments	11	5.093	4.253	0	0
Receivables		**102.919**	**89.518**	**2.893**	**3.477**
Værdipapirer		**382**	**371**	**0**	**0**
Cash at bank and in hand		**25.996**	**10.977**	**1.080**	**0**
Currents assets		**220.200**	**161.775**	**3.973**	**3.477**
Assets		**441.558**	**366.503**	**116.435**	**89.474**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
		TDKK	TDKK	TDKK	TDKK
Share capital	12	500	500	500	500
Reserve for net revaluation under the equity method		0	0	94.822	68.357
Reserve for hedging transactions		2.056	653	0	0
Reserve for currency exchange		-64	-200	0	0
Retained earnings		106.964	76.986	14.134	9.082
Equity attributable to shareholders of the Parent Company		**109.456**	**77.939**	**109.456**	**77.939**
Minority interests		54.593	43.858	0	0
Equity		**164.049**	**121.797**	**109.456**	**77.939**
Provision for deferred tax	14	6.238	8.944	0	3.341
Other provisions	15	4.826	4.813	0	0
Provisions		**11.064**	**13.757**	**0**	**3.341**
Lease obligations		94.385	100.242	0	0
Other payables		13.435	15.627	5.903	7.821
Long-term debt	16	**107.820**	**115.869**	**5.903**	**7.821**
Credit institutions		15.956	14.583	0	70
Lease obligations	16	6.175	6.496	0	0
Trade payables		87.854	56.223	0	0
Payables to group enterprises		0	0	292	270
Corporation tax		1.394	4.107	715	0
Payables to group enterprises relating to corporation tax		0	0	29	0
Other payables	16,17	47.246	33.671	40	33
Short-term debt		**158.625**	**115.080**	**1.076**	**373**
Debt		**266.445**	**230.949**	**6.979**	**8.194**
Liabilities and equity		**441.558**	**366.503**	**116.435**	**89.474**

Balance Sheet 31 December

Liabilities and equity

	Note
Distribution of profit	13
Contingent assets, liabilities and other financial obligations	20
Related parties	21
Fee to auditors appointed at the general meeting	22
Subsequent events	23
Accounting Policies	24

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	653	-200	76.986	77.939	43.858	121.797
Exchange adjustments	0	0	0	136	0	136	65	201
Ordinary dividend paid	0	0	0	0	0	0	-4.040	-4.040
Fair value adjustment of hedging instruments, beginning of year	0	0	-652	0	0	-652	-315	-967
Fair value adjustment of hedging instruments, end of year	0	0	2.635	0	0	2.635	1.271	3.906
Tax on adjustment of hedging instruments for the year	0	0	-580	0	0	-580	-280	-860
Net profit/loss for the year	0	0	0	0	29.978	29.978	14.034	44.012
Equity at 31 December	**500**	**0**	**2.056**	**-64**	**106.964**	**109.456**	**54.593**	**164.049**

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	68.357	0	0	9.082	77.939	0	77.939
Exchange adjustments	0	136	0	0	0	136	0	136
Other equity movements	0	1.403	0	0	0	1.403	0	1.403
Net profit/loss for the year	0	24.926	0	0	5.052	29.978	0	29.978
Equity at 31 December	**500**	**94.822**	**0**	**0**	**14.134**	**109.456**	**0**	**109.456**

Cash Flow Statement 1 January - 31 December

	Note	Group 2021	Group 2020
		TDKK	TDKK
Net profit/loss for the year		44.012	22.211
Adjustments	18	42.885	37.117
Change in working capital	19	800	17.369
Cash flows from operating activities before financial income and expenses		**87.697**	**76.697**
Financial income		1.384	831
Financial expenses		-8.099	-8.679
Cash flows from ordinary activities		**80.982**	**68.849**
Corporation tax paid		-15.921	-1.609
Cash flows from operating activities		**65.061**	**67.240**
Purchase of intangible assets		-1.792	-2.711
Purchase of property, plant and equipment		-35.647	-103.402
Change in deposits and other investments		-3.747	34
Cash flows from investing activities		**-41.186**	**-106.079**
Repayment of loans from credit institutions		0	-31.308
Reduction of lease obligations		-6.178	-8.365
Raising of loans from credit institutions		1.373	0
Lease obligations incurred		0	90.198
Purchase of treasury shares		0	-17.000
Dividend paid		-4.040	0
Cash flows from financing activities		**-8.845**	**33.525**
Change in cash and cash equivalents		**15.030**	**-5.314**
Cash and cash equivalents at 1 January		11.348	16.662
Cash and cash equivalents at 31 December		**26.378**	**11.348**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		25.996	10.977
Current asset investments		382	371
Cash and cash equivalents at 31 December		**26.378**	**11.348**

Notes to the Financial Statements

		Group		Parent	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Business segments				
	Aluminium	391.082	354.082	0	0
	Plastic	242.208	205.886	0	0
		633.290	**559.968**	**0**	**0**
2	**Staff**				
	Wages and Salaries	102.290	97.287	0	0
	Pensions	7.830	7.285	0	0
	Other social security expenses	7.231	7.486	0	0
		117.351	**112.058**	**0**	**0**
	Including remuneration to the Executive and Supervisory Boards	**5.547**	**4.265**	**0**	**0**
	Average number of employees	**190**	**197**	**0**	**0**
3	**Financial income**				
	Interest received from group enterprises	0	0	30	20
	Other financial income	1.384	831	0	0
		1.384	**831**	**30**	**20**

Notes to the Financial Statements

		Group		Parent	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
4	**Financial expenses**				
	Interest paid to group enterprises	0	0	3	3
	Other financial expenses	8.099	8.681	329	97
		8.099	**8.681**	**332**	**100**
5	**Tax on profit/loss for the year**				
	Current tax for the year	14.910	4.421	2.776	-54
	Deferred tax for the year	-1.795	1.283	-3.340	0
	Adjustment of tax concerning previous years	1.069	0	1.069	0
	Adjustment of deferred tax concerning previous years	-1.911	-1.808	-1.911	-422
		12.273	**3.896**	**-1.406**	**-476**
	which breaks down as follows:				
	Tax on profit/loss for the year	11.413	4.418	-1.406	-476
	Tax on changes in equity	860	-522	0	0
		12.273	**3.896**	**-1.406**	**-476**

Notes to the Financial Statements

6 Intangible assets

Group

	Completed development projects	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	29.644	37.576	549
Exchange adjustment	0	-17	0
Additions for the year	0	0	1.792
Transfers for the year	1.851	0	-1.851
Cost at 31 December	31.495	37.559	490
Impairment losses and amortisation at 1 January	22.044	34.450	0
Exchange adjustment	0	-21	0
Amortisation for the year	3.465	1.280	0
Impairment losses and amortisation at 31 December	25.509	35.709	0
Carrying amount at 31 December	**5.986**	**1.850**	**490**

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

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

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	101.896	55.689	352.424	4.701
Adjustment value 1 January 2021	301	-6.194	14.569	0
Exchange adjustment	-16	-4	-13	0
Additions for the year	1.809	956	9.433	35.647
Disposals for the year	0	-300	12	0
Transfers for the year	0	0	0	-12.198
Cost at 31 December	103.990	50.147	376.425	28.150
Impairment losses and depreciation at 1 January	6.421	48.008	274.970	0
Adjustment value 1 January 2021	301	-6.194	14.569	0
Exchange adjustment	-14	0	12	0
Depreciation for the year	2.847	2.721	14.240	0
Impairment and depreciation of sold assets for the year	0	-300	-12	0
Impairment losses and depreciation at 31 December	9.555	44.235	303.779	0
Carrying amount at 31 December	**94.435**	**5.912**	**72.646**	**28.150**
Including assets under finance leases amounting to	88.165	0	32.697	0

	2021	2020
	TDKK	TDKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:		
Production costs	16.210	17.078
Administration costs	8.340	7.771
	24.550	**24.849**

8 Investments in subsidiaries

	Parent 2021	Parent 2020
	TDKK	TDKK
Cost at 1 January	17.640	17.640
Cost at 31 December	17.640	17.640
Value adjustments at 1 January	68.357	38.325
Exchange adjustment	136	-200
Net profit/loss for the year	28.926	15.348
Dividend to the Parent Company	-4.000	0
Other equity movements, net	1.403	14.884
Value adjustments at 31 December	94.822	68.357
Carrying amount at 31 December	**112.462**	**85.997**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
A/S Poul Haustrup Investering	Odense, DK	100%
Haustrup Holding A/S	Odense, DK	67,47%
Plus Pack A/S	Odense , DK	100%
Plus Pack NV	Belgium	100%
Plus Pack SAS	France	100%
Plus Pack AS	Norway	100%
Plus Pack Verpackungsmittel GmbH	Germany	100%
RSC Sp. Z.o.o.	Poland	70%

Notes to the Financial Statements

9 Other fixed asset investments

	Group		
	Other investments	Deposits	Other receivables
	TDKK	TDKK	TDKK
Cost at 1 January	0	8.142	0
Exchange adjustment	0	-3	0
Additions for the year	3.250	0	500
Cost at 31 December	3.250	8.139	500
Carrying amount at 31 December	**3.250**	**8.139**	**500**

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

10 Inventories

Raw materials and consumables	42.882	32.807	0	0
Finished goods and goods for resale	48.021	28.102	0	0
	90.903	**60.909**	**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 postitive fair value.

Notes to the Financial Statements

12 Share capital

The share capital is broken down as follow:

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

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

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

13 Distribution of profit

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Reserve for net revaluation under the equity method	0	0	24.926	15.348
Minority interests' share of net profit/loss of subsidiaries	14.034	6.730	0	0
Retained earnings	29.978	15.481	5.052	135
	44.012	**22.211**	**29.978**	**15.483**

Notes to the Financial Statements

14 Provision for deferred tax

	Group 2021	Group 2020	Parent 2021	Parent 2020
	TDKK	TDKK	TDKK	TDKK
Provision for deferred tax at 1 January	5.060	5.585	3.341	3.764
Amounts recognised in the income statement for the year	-1.795	-525	-3.340	0
Amounts recognised in equity for the year	-1	0	-1	-423
Provision for deferred tax at 31 December	**3.264**	**5.060**	**0**	**3.341**

C&A Invest A/S is part of an international joint taxation. At 31 December 2021, the group has recognized a deferred tax asset totaling t.DKK 2.974 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.

	Group 2021	Group 2020	Parent 2021	Parent 2020
Other provisions at 1 January	4.813	4.848	0	0
Adjustments for the year	13	-35	0	0
	4.826	**4.813**	**0**	**0**

Notes to the Financial Statements

16 Long-term debt

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

The debt falls due for payment as specified below:

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Lease obligations				
After 5 years	73.144	75.807	0	0
Between 1 and 5 years	21.241	24.435	0	0
Long-term part	94.385	100.242	0	0
Within 1 year	6.175	6.496	0	0
	100.560	**106.738**	**0**	**0**
Other payables				
After 5 years	6.439	6.336	0	0
Between 1 and 5 years	6.996	9.291	5.903	7.821
Long-term part	13.435	15.627	5.903	7.821
Within 1 year	168	350	0	0
Other short-term payables	47.078	33.321	40	33
Short-term part	47.246	33.671	40	33
	60.681	**49.298**	**5.943**	**7.854**

Notes to the Financial Statements

17 Derivative financial instruments

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Assets	4.230	2.175	0	0
Liabilities	324	261	0	0

As part of the hedge of recognized transactions, the Group uses hedging instruments in form of forward exchange contracts and hedge of LME. The group has secured sales of 1.950 t.PLN against DKK, 15.000 t.NOK against DKK and approx. 70% of next years unsecured LME. Hedge of recognized transactions comprise receivables and payables.

At 31 December 2021 unrealized net gains in derivative financial instruments for currency hedging, commodity futures and interest rate swaps totals to 3.906 t.DKK. The amount is recognized in the balance sheet under other debt and other receivables.

18 Cash flow statement - adjustments

	Group	
	2021	2020
	TDKK	TDKK
Financial income	-1.384	-831
Financial expenses	8.099	8.681
Depreciation, amortisation and impairment losses, including losses and gains on sales	24.550	24.849
Tax on profit/loss for the year	11.413	4.418
Exchange adjustments	207	0
	42.885	**37.117**

Notes to the Financial Statements

19 Cash flow statement - change in working capital

	Group 2021 TDKK	Group 2020 TDKK
Change in inventories	-29.994	13.488
Change in receivables	-14.312	5.983
Change in trade payables, etc	43.027	-5.612
Fair value adjustments of hedging instruments	2.079	3.510
	800	**17.369**

20 Contingent assets, liabilities and other financial obligations

Charges and security

As security for the Group's debt to banks and other credit institutions the Group has provided security or other collateral in its assets for a total amount of 100.000 t.DKK. The securities omprises of a business mortgage at 75.000 t.DKK and a chattel mortgage at 25.000 t.DKK. The arrying amount of the assets totals 233.814 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 2021 of the receivables totals 1.269 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 2021 of the receivables totals 3.352 t.EUR.

The Parent has granted an absolute guarantee for credits and bank loans at a total amount of t.DKK 63.346.

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

Rental and lease obligations

	Group 2021 TDKK	Group 2020 TDKK	Parent 2021 TDKK	Parent 2020 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2.689	2.435	0	0
Between 1 and 5 years	4.442	3.399	0	0
	7.131	**5.834**	**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 2021 amounts to a total of 15.398 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 58.

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.

21 Related parties

	Basis
Controlling interest	
Anders Top Haustrup	Ownership
Camilla Haustrup Hermansen	Ownership

Transactions

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

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
22 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	515	494	31	32
Tax advisory services	118	78	0	0
Other services	84	130	0	0
	717	**702**	**31**	**32**
Deloitte				
Tax advisory services	0	364	0	228
	0	**364**	**0**	**228**
	717	**1.066**	**31**	**260**

23 Subsequent events

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

Notes to the Financial Statements

24 Accounting Policies

The Annual Report of C&A Invest A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in TDKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Notes to the Financial Statements

24 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

24 Accounting Policies (continued)

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

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

Derivative financial instruments

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

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

Hedge accounting

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

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

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

Revenue

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

Notes to the Financial Statements

24 Accounting Policies (continued)

Income Statement

Revenue

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

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

Cost of sales

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

Distribution expenses

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

Administrative expenses

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

Other operating income and expenses

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

Income from investments in subsidiaries

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

Notes to the Financial Statements

24 Accounting Policies (continued)

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance Sheet

Intangible assets

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

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

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

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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

Notes to the Financial Statements

24 Accounting Policies (continued)

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

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

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

Fixed asset investments

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

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

Notes to the Financial Statements

24 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

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

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

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

Receivables

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

Prepayments

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

Current asset investments

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

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

Notes to the Financial Statements

24 Accounting Policies (continued)

Treasury shares

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

Provisions

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

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

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

24 Accounting Policies (continued)

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Notes to the Financial Statements

24 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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