PLUS PACK
We make food stand out

PLUS PACK A/S

Energivej 40
5260 Odense S

CVR no. 37 75 40 13

Annual report 2019

The financial statements were presented
and approved at the Company's
annual general meeting on 20 of April 2020.

Chair of the Meeting

Jens Albert Harsaae

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CORPORATE INFORMATION

HEAD OFFICE
Plus Pack A/S
Energivej 40
DK-5260 Odense S

Telephone: +45 6550 6000
Website: www.pluspack.com

CVR No. 37 75 40 13

Established: 13 December 1963
Registered office: Odense
Financial year: 1 January – 31 December

BOARD OF DIRECTORS
Jens Albert Harsaae, Chairman
Steen Haustrup
Carsten Bo Pedersen
Kristian Knak Hede
Gitte Haar
Camilla Haustrup Hermansen
Torben Käehne Rasmussen, Employee Representative
John Helmuth Madsen, Employee Representative
Pia Lyneborg Andersen, Employee Representative

MANAGEMENT
Anders Top Haustrup, CEO

AUDITORS
Deloitte
State Authorised Public Accountants
Tværkajen 5
DK- 5000 Odense

STATEMENT BY MANAGEMENT AND THE BOARD OF DIRECTORS

The Board of Directors and the Management have today considered and approved the Annual Report of Plus Pack A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2019 and of their financial performance and the cash flow for the Group for the financial year 1 January – 31 December 2019.

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

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

Odense, 20 of April 2020

Management

Anders Top Haustrup
CEO

Board of Directors

Jens Albert Harsaae Chairman	Steen Haustrup	Carsten Bo Pedersen	Kristian Knak Hede
Gitte Haar	Camilla Haustrup Hermansen	Torben Käehne Rasmussen Employee Representative	John Helmuth Madsen Employee Representative
Pia Lyneborg Andersen Employee Representative			

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Plus Pack A/S

Opinion
We have audited the consolidated financial statements and the parent financial statements of Plus Pack A/S for the financial year 1 January – 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2019, and of the results of their operations and the consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

Statement on the management commentary
Management is responsible for the management commentary.

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

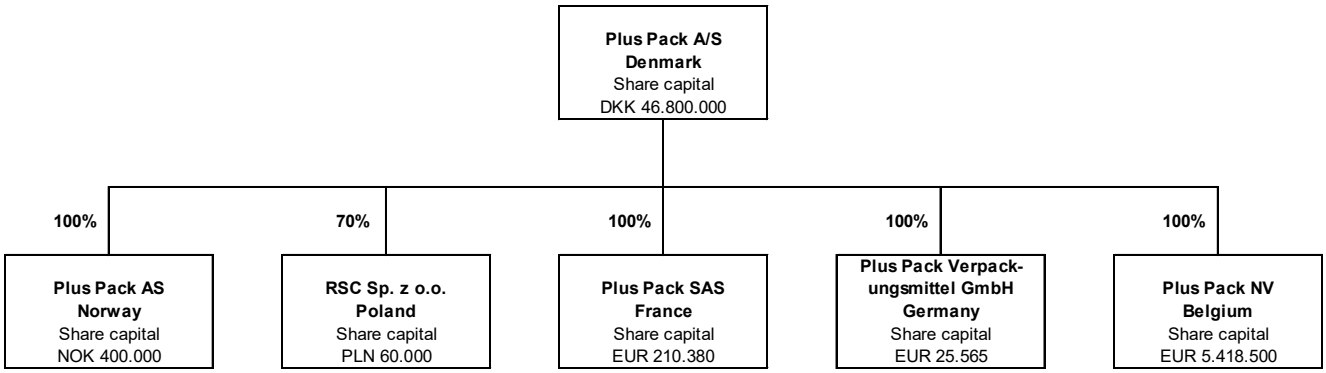
Odense, 20 of April 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Knage Nielsen State Authorised Public Accountant MNE no: mne10074	Allan Dydensborg Madsen State Authorised Public Accountant MNE no: mne34144

MANAGEMENT'S REVIEW

GROUP CHART



PLUS PACK GROUP COMPANIES

Plus Pack A/S
Energivej 40
DK-5260 Odense S

Telephone: +45 6550 6000

CEO:
Anders Top Haustrup

Plus Pack NV
Henry Fordlaan 60
Poort Genk 5160
BE-3600 Genk

Telephone: +32 8932 99 10

CEO:
Anders Top Haustrup

Plus Pack Verpackungsmittel GmbH
Wilhelm-Theodor-Römheld-Strasse 14
DE-55130 Mainz

Telephone: +49 0180 1758 77225

CEO:
Anders Top Haustrup

Plus Pack SAS
Siège social
Parc Pereire, Bât. D
95, rue Pereire
F-78100 St. Germain-en-Laye

Telephone: +33 47479 0710

CEO:
Anders Top Haustrup

Plus Pack AS
Slemmestadveien 416 A
NO-1390 Vollen

Telephone: +45 6550 6000

CEO
Anders Top Haustrup

RSC Sp. Z o.o.
ul. SW Michala 100
PL-61015 Poznan

Telephone: +48 61652 9053

Sales Manager:
Jaroslaw Czerwinski

MANAGEMENT'S REVIEW (CONTINUED)

FINANCIAL HIGHLIGHTS FOR THE GROUP

t.dkk	2019	2018	2017	2016	2015
Key figures					
Net turnover	570.818	593.785	583.627	565.483	546.571
Gross profit	157.536	159.168	168.703	167.262	152.805
Profit before financial items	25.070	29.125	34.045	38.276	30.377
Profit from financial items	-4.773	-5.749	-5.905	-7.393	-9.312
Profit for the year after tax	15.885	19.103	21.793	24.041	18.029
Balance sheet total	308.673	324.665	307.367	278.756	275.306
Investments in fixed assets	15.581	38.979	23.417	23.658	18.114
Equity	120.013	113.945	107.096	95.806	71.245
Subordinate loan capital	0	0	10.059	10.000	10.000
Cashflow from operating activities	50.111	45.631	10.708	49.160	44.212
Cashflow from investing activities	-13.091	-38.708	-23.417	-22.987	-18.104
Cashflow from financing activities	-8.754	-8.684	-13.826	-1.314	-40.368
Change in net cash funds	28.266	-1.761	-26.535	24.859	-14.260
Average number of employees	226	227	221	216	198
Ratios					
Net turnover index	104	109	107	103	100
Gross profit margin	27,6 %	26,8 %	28,9 %	29,6 %	28,0 %
Net profit ratio	4,4 %	4,9 %	5,8 %	6,8 %	5,6 %
Return on investment	7,9 %	9,2 %	11,6 %	13,8 %	10,7 %
Equity ratio	38,9 %	35,1 %	34,8 %	34,4 %	25,9 %
Return on equity	13,6 %	17,3 %	21,5 %	28,8 %	29,1 %

The key figures were calculated as follows:

Gross profit margin	= Gross profit/net revenue x 100
Net profit ratio	= Profit before financial items/net revenue x 100
Return on investment	= Profit before financial items/average balance sheet x 100
Equity ratio	= Equity as of 31 December/Assets as of 31 December x 100
Return on equity	= Profit for the year after tax/average equity x 100

MANAGEMENT'S REVIEW (CONTINUED)

CORE ACTIVITIES

In Plus Pack, we promise to make food stand out. Plus Pack 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 packaging 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.

Plus Pack has considerable insight into regional food markets and trends through local sales organizations in Europe and representatives globally.

THE YEAR 2019

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

The Group's net revenue for the 2019 financial year was t.DKK 570.818 compared to t.DKK 593.785 in 2018. Profit before tax amounted to t.DKK 20.297, compared with a profit before tax of t.DKK 23.376 the year before, which included an extraordinary income of t.DKK 4.442 from the winning of a more than 10 year old legal case. Group profit of the year was t.DKK 15.885 in 2019, compared with DKK 19.103 in 2018.

Excluding the extraordinary income of t.DKK 4.442 in 2018, the profit before tax improved slightly from t.DKK 18.934 in 2018 to t.DKK 20.297 in 2019 and after tax from t.DKK 15.638 to t.DKK 15.885. The improvement was driven by lower raw material costs and a reduction in overall fixed costs, while lower sales due to a slowing economy impacted the result negatively. The result for 2019 was not satisfactory.

Equity improved to t.DKK 119.869 at 31 December 2019, compared with t.DKK 113.650 at the beginning of the year.

In 2019, operations showed a positive cash flow of t.DKK 50.111. The Group's total investments during the 2019 financial year amounted to t.DKK 15.581 compared with t.DKK 38.979 million in 2018. The number of employees within the Plus Pack group averaged 226 in 2019, compared to 227 in 2018.

Plus Pack received two product awards in 2019, a Scanstar Award and a WorldStar Award, for a convenient easy-to-recycle aluminium container, as well as the Odense Global Goal Prize 2019 for pro-actively addressing the Sustainable Development Goals and integrating them into the business.

Furthermore, Plus Pack was selected as chair of the Danish Government's Climate Partnerships on Waste, Water and Circular Economy, to help support the goal of Denmark's new climate law aiming at reducing CO2-emissions with 70% in 2030.

EVENTS SINCE THE END OF THE FISCAL YEAR

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

MANAGEMENT'S REVIEW (CONTINUED)

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

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

THE FUTURE

In 2020, Plus Pack will continue to partner with customers, suppliers and end-users to identify improved, sustainable packaging solutions that can help reduce the environmental impact. The focus remains at preventing waste and increasing resource productivity, while reducing CO2 emissions and growing a product assortment, which is easy to recycle.

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

FINANCIAL RISKS

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

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

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

SOCIAL RESPONSIBILITY

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

For further information please visit the Plus Pack website:
https://pluspack.com/wp-content/uploads/2020/04/plus-pack-csr-report-2019.pdf

OBJECTIVES AND POLICIES FOR THE UNDERREPRESENTED SEX

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

It is Plus Pack'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.

MANAGEMENT'S REVIEW (CONTINUED)

Plus Pack works towards the goal of achieving equality between men and women on the Board of Directors. In 2019, two female members were elected on the board out of 6 members, which is in accordance with the plan. Plus Pack continue to promote that whenever possible both male and female candidates were considered in internal and external recruitments. In 2019, 17 new employees were hired in the company, of which 5 were female. In total there are 20 leaders in Plus Pack, of which 4 are female.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

GENERAL

The financial statements of Plus Pack A/S are presented in accordance with the regulations relating to Class C, large companies, of the Danish Financial Statements Act.

The annual report for 2019 is compiled in DKK thousand.

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

GENERAL INFORMATION ON INCLUSION ON CALCULATIONS AND MEASUREMENT

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

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

Assets are included in the balance sheet where it is likely that the Company will benefit from future economic advantages and the value of the asset can be measured reliably.

Liabilities are included in the balance sheet where it is likely that the Company will lose future economic advantages and the value of the liability can be measured reliably.

When first included, assets and liabilities are measured at cost price. Assets and liabilities are subsequently measured as described for each individual account item below.

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

When including and measuring, consideration is given to the foreseeable losses and risks that occur prior to the presentation of the financial statements and that confirm or invalidate circumstances on the balance sheet date.

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

LEASING

Leases where the Company bears all the significant risks and advantages associated with ownership (financial leasing) are included in the balance sheet at the fair value of the asset or the current value of lease payments, whichever is the lowest, calculated using the lease's internal interest rate or an approximate value thereof as a discount factor. Financially leased assets are amortised and written down using the same method laid down for the Company's other fixed assets.

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

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

LEASING (CONTINUED)

All other leases are considered to be operating leases. Lease payments for operating leases are included directly in the income statement over the lease term.

CONSOLIDATION

The consolidated financial statements include Plus Pack A/S (the Parent Company) and the companies (subsidiaries) in which the Parent Company directly or indirectly holds more than 50% of the voting rights or in some other way has a controlling influence. Companies in which the Group owns between 20% and 50% of the voting rights and has a significant, but not controlling, influence are regarded as associated companies. An overview of the Group is shown earlier in the annual report.

The consolidated financial statements are prepared as an amalgamation of the audited financial statements of the Parent Company and the individual subsidiaries, which are all prepared in accordance with the Group's accounting principles. Intragroup income and expenditure, shareholdings, balances and dividends are eliminated, as are unrealised internal gains and losses.

In the case of the acquisition of new companies the acquisition method is used, whereby the assets and liabilities of the newly acquired company are converted to market values at the time of acquisition. If the cost price exceeds the net asset value for accounting purposes calculated after revaluation, the remaining positive difference is capitalised as goodwill in the year of acquisition and is amortised systematically in the profit and loss account in accordance with an individual assessment of the economic lifetime of the asset, which shall not exceed 20 years.

TRANSLATION OF FOREIGN CURRENCIES

Transactions in foreign currencies are translated during the year at the exchange rate on the transaction date.

Unrealised and realised gains and losses on forward exchange contracts, which are hedging transactions, are included in the profit and loss account at the same time and under the same item as the exchange rate adjustment of the hedged transactions.

Receivables, debt and other items in foreign currency not settled on the balance sheet date are translated at the exchange rate on the balance sheet date.

To the extent that the value of receivables, debt and other items in foreign currency are hedged through forward exchange contracts, the items are translated at the hedged rates without accrual of premiums and discounts.

Other realised and unrealised exchange rate adjustments are included in the profit and loss account under financial items.

The balance sheet items of foreign subsidiaries are translated at the exchange rate on the balance sheet date. The profit and loss accounts are translated at the average exchange rates for the year. Exchange rate adjustments on investments in subsidiaries and associated companies are taken directly to equity.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

DERIVATIVES
Derivative financial instruments are initially recorded on the balance sheet at their cost price and are subsequently assessed at their market value. Positive and negative market values of derivatives are included as accruals under assets or liabilities respectively.
Any changes in the market values of derivatives which are classified as, and meet the criteria for, the hedging of the market value of an included asset or liability are recorded in the profit and loss account together with any changes in the market value of the hedged asset or liability.
Any changes in the market value of derivatives which are classified as, and meet the criteria for, the hedging of expected future transactions relating to purchases and sales, foreign currency or the hedging of interest are included as accruals or as equity under retained earnings. If the expected future transaction results in the recording of an asset or liability, the amount which was deferred under shareholders' equity is transferred from shareholders' equity and is included in the cost price of the asset or liability. Amounts which are deferred in equity are transferred to the profit and loss account in the period in which the hedged item affects the profit and loss account.

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

PROFIT AND LOSS ACCOUNT

NET REVENUE
Income from sale of packing solutions is recognized in revenue when most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

PRODUCTION COSTS
Production costs comprises materials consumed and expenses incurred, including depreciation and wages, in order to achieve the net revenue for the year.

SALES AND DISTRIBUTION COSTS
Sales and distribution costs comprises expenses relating to shipping, sales staff, warehouse staff, advertising and exhibitions etc. and depreciation.

ADMINISTRATION COSTS
Administration costs comprises expenses relating to administrative staff, management, office premises and office expenses etc. and depreciation.

OTHER OPERATION INCOME/EXPENSES
Other operating income and other operating expenses cover accounting items of a secondary nature in relation to the Company's and Group's core activity.

PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES
The proportionate share of the profit/loss after tax of the individual subsidiaries is recognized in the income statement of the parent company after full elimination of intra-group profits/losses.

FINANCIAL INCOME AND EXPENSES
These items comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

TAX

Tax on profits for the year comprises current year tax and deferred tax for the year and is included in the income statement to the extent that it can be attributed to the profit for the year, and is taken directly to equity to the extent that it can be attributed to items taken directly to equity.
Any changes in deferred tax as a result of amendments to tax rates are included in the income statement.

The Group is jointly taxed with the Group's Danish and foreign subsidiaries (international joint taxation). The Group's subsidiaries are included in the joint taxation from the date on which they are recognised in the consolidated financial statements and until the date on which they cease to be recognised in such statements.

The relevant Danish corporation tax is distributed fully between the jointly taxed Danish subsidiaries according to their taxable income (full distribution).

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

Current tax liabilities are included on the balance sheet under short-term debt to the extent that they have not been paid.

Deferred tax liabilities are included on the balance sheet as a provision. The deferred tax liability is included as tax on temporary differences with the exception of goodwill which does not qualify for a depreciation allowance. The deferred tax liability is calculated at 22%.

A provision for deferred tax is made at the tax rate expected in the country concerned. Changes in deferred tax as a result of changes in tax rates are included in the income statement.

BALANCE SHEET

INTANGIBLE ASSETS

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment (PPE) is assessed at its cost price less accumulated depreciation and impairment losses.

The cost price includes the cost of materials, components, services of external suppliers, direct wage costs and indirect production costs. Interest and other borrowing costs are not included in the cost price.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

PROPERTY, PLANT AND EQUIPMENT (PPE) (CONTINUED)

Property, plant and equipment (PPE) is depreciated on a straight-line basis over the expected lifetime of the asset to the expected residual value. The lifetime of major assets is determined on an individual basis, but the lifetime of other assets is determined for groups of assets of the same type.

The expected lifetimes of the latter assets is:

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

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

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

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

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are recognised and assessed in the Parent Company's financial statements in accordance with the net equity method.

The financial statements of the Parent Company include a pro rata share of the subsidiaries' profit after tax for the year less amortisation of goodwill under the item "Income from investments in subsidiaries".

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

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

Net revaluations of investments in subsidiaries in excess of the dividend received from the company are taken to equity as "Reserve for net revaluation in accordance with the net equity method" under shareholders' equity.

OTHER SECURITIES AND HOLDINGS

Other securities and holdings are assessed at their market value. Unlisted securities are assessed at their estimated sales value.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

DEPRECIATION OF FIXED ASSETS

The accounting values of intangible assets and property, plant and equipment (PPE) are reviewed annually to determine whether there is any indication of a reduction in value over and above that expressed by regular depreciation. Where this is the case, the asset is written down to its lowest recovery value. The recovery value of the asset is calculated as the greater of the net sales price and the capital value. If it is not possible to determine the recovery value of a particular asset, an assessment is made of the impairment losses requirement for the smallest group of assets for which it is possible to calculate the recovery value. Goodwill and other assets for which it is not possible to assess any capital value because the assets do not in themselves generate future cash flows are assessed for the purpose of their impairment loss requirements together with the group of assets to which they can be attributed.

INVENTORIES

Inventories are assessed at their cost price in accordance with the FIFO method or at the net realisable value (the expected sales price less any finishing costs and costs of sales) if this is lower.

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

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

RECEIVABLES

Receivable are assessed at their nominal value less impairment loss on the basis of individual assessments.

An impairment loss is recognized if there is evidence that at receivable or a group of receivables is impaired. If there is evidence that an individual receivable bad been impaired, an impairment loss is recognized on an individual basis.

PREPAYMENTS

Prepayments comprises expenses incurred concerning subsequent financial years.

EQUITY

Reserves for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method.
The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognized at a negative amount.

Dividends

Dividends proposed for the year is recognized as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the year is disclosed as a separate item in the equity.

PROVISIONS

Provisions are included where the Company or Group has a legal or actual liability as a result of an event which occurred before or on the balance sheet date and it is likely that financial assets will have to be surrendered in order to meet the liability.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

ACCOUNTING PRINCIPLES

FINANCIAL LIABILITIES

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

Other liabilities are assessed at their amortised cost price, which largely corresponds to the nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the consolidated cash flow for the year and the Group's liquid assets at the beginning and end of the year.

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operations is presented indirectly and is calculated as the profit for the year adjusted for non-liquid operating items, changes in working capital, financial and extraordinary items paid and corporate tax paid.

CASH FLOW FROM INVESTMENTS

The cash flow from investment activities includes payments in connection with the purchase and sale of fixed assets and payments in connection with the purchase and sale of companies.

CASH FLOW FROM FINANCING

The cash flow from financing activities includes payments to and from shareholders and the raising and repayment of secured debts and other long-term debt.

LIQUIDITY

Liquidity includes liquid funds and realisable securities with insignificant risk of value adjustments less short-term bank loans payable on demand which are included in the ongoing liquidity management.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

INCOME STATEMENT

		GROUP		PARENT COMPANY	
Notes	t.DKK	2019	2018	2019	2018
	Net revenue	570.818	593.785	512.086	541.038
1	Production costs	-413.282	-434.617	-419.426	-444.194
	GROSS PROFIT	**157.536**	**159.168**	**92.660**	**96.844**
1	Sales and distribution costs	-96.292	-94.105	-53.723	-52.090
1	Administration costs	-36.330	-40.124	-25.352	-30.265
2	Other operation income	537	5.030	140	615
2	Other operating costs	-381	-844	0	-242
	PROFIT BEFORE FINANCING	**25.070**	**29.125**	**13.725**	**14.862**
7	Income from investments in subsidiaries	0	0	7.834	11.886
3	Financial income	1.085	1.164	1.045	1.253
3	Financial expenses	-5.858	-6.913	-4.525	-7.218
	PROFIT BEFORE TAX	**20.297**	**23.376**	**18.079**	**20.783**
4	Tax for the year	-4.412	-4.273	-2.307	-1.946
	PROFIT FOR THE YEAR	**15.885**	**19.103**	**15.772**	**18.837**

Breakdown of the consolidated results		
Shareholders of Plus Pack A/S	15.772	18.837
Minority interests	113	266
	15.885	**19.103**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

BALANCE SHEET

Notes	t.DKK	GROUP 2019	GROUP 2018	PARENT COMPANY 2019	PARENT COMPANY 2018
	ASSETS				
	FIXED ASSETS				
5	**INTANGIBLE ASSETS**				
	Goodwill	4.438	5.721	0	0
	Other intangible assets	7.336	7.923	7.336	7.923
	Intangible assets in process of purchase	909	0	909	0
		12.683	**13.644**	**8.245**	**7.923**
6	**PROPERTY, PLANT AND EQUIPMENT**				
	Land and buildings	5.757	6.230	0	0
	Tools and machinery	78.426	65.111	78.696	66.865
	Process materials and fixtures and fittings	11.685	13.141	9.472	10.691
	Fixed assets in process of construction	6.881	24.738	6.881	24.738
		102.749	**109.220**	**95.049**	**102.294**
	FINANCIAL ASSETS				
7	Investments in subsidiaries	0	0	48.024	44.807
8	Deposits	8.176	8.170	8.018	8.015
8	Other securities and holdings	0	0	0	0
		8.176	**8.170**	**56.042**	**52.822**
	TOTAL FIXED ASSETS	**123.608**	**131.034**	**159.336**	**163.039**
	CURRENT ASSETS				
	INVENTORIES				
	Raw materials and consumables	35.206	34.595	34.631	34.022
	Finished goods	39.329	49.611	38.683	48.912
		74.535	**84.206**	**73.314**	**82.934**
	RECEIVABLES				
	Trade receivables	78.502	83.593	39.146	40.264
	Receivables from related parties	0	131	12.656	15.615
9	Deferred tax asset	6.041	6.185	0	0
	Other receivables	6.556	6.187	4.517	4.414
10	Prepayments	6.620	5.500	5.368	4.287
		97.719	**101.596**	**61.687**	**64.580**
	CASH	**12.811**	**7.829**	**4.238**	**124**
	TOTAL CURRENTS ASSETS	**185.065**	**193.631**	**139.239**	**147.638**
	TOTAL ASSETS	**308.673**	**324.665**	**298.575**	**310.677**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

BALANCE SHEET

Notes	t.DKK	GROUP 2019	GROUP 2018	PARENT COMPANY 2019	PARENT COMPANY 2018
	EQUITY AND LIABILITIES				
	EQUITY				
11	Share capital	46.800	46.800	46.800	46.800
	Retained earnings	73.069	54.850	73.069	54.850
	Proposed dividend	0	12.000	0	12.000
	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PLUS PACK A/S	**119.869**	**113.650**	**119.869**	**113.650**
	Minority interest	144	295	0	0
	TOTAL EQUITY	**120.013**	**113.945**	**119.869**	**113.650**
	PROVISIONS				
9	Deferred tax	6.343	4.453	5.891	4.453
7	Negative investments in subsidiaries	0	0	470	209
	Other provisions	4.848	4.142	0	0
		11.191	**8.595**	**6.361**	**4.662**
	LIABILITIES OTHER THAN PROVISIONS				
	NON-CURRENT LIABILITIES				
12	Leasing	19.265	20.100	18.791	19.722
	Other payables	2.757	0	2.757	0
		22.022	**20.100**	**21.548**	**19.722**
	CURRENT LIABILITIES				
12	Current part of non-current liabilities	5.640	4.514	5.552	4.425
	Bank loans	45.891	69.175	31.609	57.426
	Trade payables	69.872	70.860	64.904	63.331
	Payables to related parties	1.436	3.062	30.178	24.344
	Corporate tax liabilities	2.092	1.739	1.540	1.485
	Other payables	30.517	32.675	17.014	21.632
		155.448	**182.025**	**150.797**	**172.643**
	TOTAL LIABILITIES	**177.469**	**202.125**	**172.345**	**192.365**
	TOTAL EQUITY AND LIABILITIES	**308.673**	**324.665**	**298.575**	**310.677**

13 Provision of collateral
14 Contingent liabilities
15 Events since the end of the fiscal year
16 Staff
17 Fee for auditors elected by the annual general meeting
18 Exchange rate risk and financial instruments
19 Related parties
20 Appropriation of profit and loss

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

STATEMENT OF EQUITY (GROUP)

	GROUP					
t.DKK	SHARECAPITAL	RETAINED EARNINGS	PROPOSED DIVIDIND	TOTAL	MINORITY INTEREST	TOTAL EQUITY
EQUITY AT 1 JANUARY 2018	**46.800**	**47.941**	**12.000**	**106.741**	**355**	**107.096**
Transfer through appropriation of profit	0	6.837	12.000	18.837	266	19.103
Payment of dividend	0	0	-12.000	-12.000	0	-12.000
Payment of dividend minority interest	0	0	0	0	-314	-314
Exchange rate adjustments	0	56	0	56	-12	44
Adjustment of market value on financial instruments	0	21	0	21	0	21
Tax on equity transactions	0	-5	0	-5	0	-5
EQUITY AT 31 DECEMBER 2018	**46.800**	**54.850**	**12.000**	**113.650**	**295**	**113.945**
Transfer through appropriation of profit	0	15.772	0	15.772	113	15.885
Payment of dividend	0	0	-12.000	-12.000	0	-12.000
Payment of dividend minority interest	0	0	0	0	-267	-267
Exchange rate adjustments	0	68	0	68	3	71
Adjustment of market value on financial instruments	0	3.050	0	3.050	0	3.050
Tax on equity transactions	0	-671	0	-671	0	-671
EQUITY AT 31 DECEMBER 2019	**46.800**	**73.069**	**0**	**119.869**	**144**	**120.013**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

STATEMENT OF EQUITY (PARENT COMPANY)

	PARENT COMPANY			
t.DKK	SHARECAPITAL	RETAINED EARNINGS	PROPOSED DIVIDIND	TOTAL EQUITY
EQUITY AT 1 JANUARY 2018	**46.800**	**47.941**	**12.000**	**106.741**
Transfer through appropriation of profit	0	6.837	12.000	18.837
Payment of dividend	0	0	-12.000	-12.000
Exchange rate adjustments	0	56	0	56
Adjustment of market value on financial instruments	0	21	0	21
Tax on equity transactions	0	-5	0	-5
EQUITY AT 31 DECEMBER 2018	**46.800**	**54.850**	**12.000**	**113.650**
Transfer through appropriation of profit	0	15.772	0	15.772
Payment of dividend	0	0	-12.000	-12.000
Exchange rate adjustments	0	68	0	68
Adjustment of market value on financial instruments	0	3.050	0	3.050
Tax on equity transactions	0	-671	0	-671
EQUITY AT 31 DECEMBER 2019	**46.800**	**73.069**	**0**	**119.869**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

CASH FLOW STATEMENT

	GROUP	
t.DKK	**2019**	**2018**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before financing	25.070	29.125
Depreciations incl. gain/loss on disposals of fixed assets	20.522	19.179
Provisions and other adjustments	-7	-154
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL	**45.585**	**48.150**
Changes in inventories and receivables	9.671	7.478
Changes in trade payables and other payables	3.918	-2.025
Changes in intercompany receivables and payables	-1.458	2.972
CASH FLOW FROM PRIMARY ACTIVITIES	**57.716**	**56.575**
Financial interests, paid	1.085	1.164
Financial expenses, paid	-6.036	-6.913
	52.765	**50.826**
Corporate tax, paid	-2.654	-5.195
	50.111	**45.631**
CASH FLOW FROM INVESTMENTS		
Purchase of intangible assets	-3.050	0
Purchase of property plant and equipment	-12.531	-38.979
Disposals of fixed assets	2.490	271
	-13.091	**-38.708**
CASH FLOW FROM FINANCING		
Payment of dividend	-12.000	-12.000
Payment of dividend to minority interests	-267	-314
Established new loan/leasing agreements	5.057	18.779
Repayment of subordinate loan	0	-10.059
Repayment of borrowing from financial and credit institutions	-4.594	-5.111
Changes in market value on financial instruments	3.050	21
	-8.754	**-8.684**
CASH FLOW FOR THE YEAR	**28.266**	**-1.761**
Cash and cash equivalents at 31 December 2018	-61.346	-59.585
Cash and cash equivalents at 31 December 2019	**-33.080**	**-61.346**

Cash and cash equivalents at 31 December 2019 are specified as followed:

Cash	12.811	7.829
Bank loans	-45.891	-69.175
Cash and cash equivalents at 31 December 2019	**-33.080**	**-61.346**

The cash flow statement cannot be derived directly from financial statements.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

1 DEPRECIATIONS

Depreciation of intangible and tangible fixed assets for the year are included in the income statement as follows:

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Production costs	14.455	12.999	15.703	14.138
Sales and distribution costs	388	388	0	0
Administration costs	5.767	5.579	3.735	3.791
	20.610	**18.966**	**19.438**	**17.929**

2 OTHER OPERATING INCOME AND EXPENSES

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Gain/loss from disposals of fixed assets	88	-213	81	347
Gain from legal case	0	4.442	0	0
Other operating income	449	365	59	26
Other operating expenses	-381	-408	0	0
	156	**4.186**	**140**	**373**
Other operating income	537	5.030	140	615
Other operating expenses	-381	-844	0	-242
	156	**4.186**	**140**	**373**

3 FINANCIEL INCOME/EXPENSES

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Interest from intercompany receivables	0	0	119	318
Other financial income	1.085	1.164	926	935
	1.085	**1.164**	**1.045**	**1.253**
Interest from intercompany payables	32	162	805	2.513
Other financial expenses	5.826	6.751	3.720	4.705
	5.858	**6.913**	**4.525**	**7.218**

4 TAX FOR THE YEAR

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Current tax charges for the year	3.258	3.356	1.540	1.487
Deferred tax adjustments in the year	2.034	942	1.438	464
Tax adjustments, prior years	-209	-20	0	0
	5.083	**4.278**	**2.978**	**1.951**
Tax for the year comprises the following:				
Tax on profit of the year	4.412	4.273	2.307	1.946
Tax on changes on the equity	671	5	671	5
	5.083	**4.278**	**2.978**	**1.951**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

5 INTANGIBLE ASSETS

	GROUP			PARENT COMPANY	
t.DKK	Goodwill	Other intangible assets	Other intangible assets in progress	Other intangible assets	Other intangible assets in progress
Cost at 1 January 2019	37.654	24.432	0	24.432	0
Exchange rate adjustment	79	0	0	0	0
Additions in the year	0	2.141	3.050	2.141	3.050
Disposals in the year	0	0	-2.141	0	-2.141
Cost at 31 December 2019	37.733	26.573	909	26.573	909
Impairment losses at 1 January 2019	2.287	0	0	0	0
Impairment losses at 31 December 2019	2.287	0	0	0	0
Amortisation at 1 January 2019	29.646	16.509	0	16.509	0
Exchange rate adjustment	77	0	0	0	0
Amortisation/depreciation in the year	1.285	2.728	0	2.728	0
Amortisation on disposals in the year	0	0	0	0	0
Amortisation at 31 December 2019	31.008	19.237	0	19.237	0
Carrying amount at 31 December 2019	**4.438**	**7.336**	**909**	**7.336**	**909**

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.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

6 PROPERTY, PLANT AND EQUIPMENT

	GROUP			
t.DKK	Land and buildings	Tools and machinery	Process materials and fixtures and fittings	Fixed assets in process of cons-truction
Cost at 1 January 2019	8.624	306.616	61.931	24.738
Adjustment to 1 January 2019	0	12.692	0	0
Exchange rate adjustment	93	369	48	0
Additions in the year	30	25.853	4.505	12.531
Disposals in the year	0	-7.464	-7.841	-30.388
Cost at 31 December 2019	8.747	338.066	58.643	6.881
Depreciations at 1 January 2019	2.393	241.505	48.790	0
Adjustment to 1 January 2019	0	12.692	0	0
Exchange rate adjustment	92	368	39	0
Depreciation in the year	505	12.539	3.553	0
Depreciations on disposals in the year	0	-7.464	-5.424	0
Depreciations at 31 December 2019	2.990	259.640	46.958	0
Carrying amount at 31 December 2019	**5.757**	**78.426**	**11.685**	**6.881**
Assets held under financial lease	0	33.682	0	3.014

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	PARENT COMPANY		
t.DKK	Tools and machinery	Process materials and fixtures and fittings	Fixed assets in process of construc-tion
Cost at 1 January 2019	289.189	43.911	24.738
Adjustment to 1 January 2019	12.692	0	0
Additions in the year	25.785	3.868	11.796
Disposals in the year	-7.453	-7.544	-29.653
Cost at 31 December 2019	320.213	40.235	6.881
Depreciations at 1 January 2019	222.324	33.220	0
Adjustment to 1 January 2019	12.692	0	0
Depreciation in the year	13.954	2.756	0
Depreciations on disposals in the year	-7.453	-5.213	0
Depreciations at 31 December 2019	241.517	30.763	0
Carrying amount at 31 December 2019	**78.696**	**9.472**	**6.881**
Assets held under financial lease	33.682	0	3.014

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

7 INVESTMENTS IN SUBSIDIARIES

t.DKK	PARENT COMPANY 2019	2018
Cost at 1 January 2019	129.590	129.590
Cost at 31 December 2019	129.590	129.590
Adjustments at 1 January 2019	-94.188	-101.037
Exchange rate adjustment	64	58
Profit for the year	7.834	11.886
Dividends	-4.537	-5.095
Adjustments at 31 December 2019	-90.827	-94.188
Carrying amount at 31 December 2019	**38.763**	**35.402**
Carrying amount of investments in subsidiaries is presented in the balance sheet as follows:		
Fixed financial assets	48.024	44.807
Write-downs on receivables	-8.791	-9.196
Negative investments in subsidiaries	-470	-209
	38.763	**35.402**

Investments in subsidiaries are specified as follows:

t.DKK	Ownership	Nominal value	Equity at 31 December	Profit/loss for the year
Plus Pack NV, Belgium	100 %	5.419 t.eur	43.120	3.248
Plus Pack SAS, France	100 %	210 t.eur	2.551	2.731
Plus Pack AS, Norway	100 %	400 t.nok	2.014	1.442
Plus Pack Verpackungsmittel GmbH, Germany	100 %	26 t.eur	-9.261	150
RSC Sp. Z o.o., Poland	70 %	60 t.pln	339	263
			38.763	**7.834**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

8 OTHER FINANCIAL ASSETS

	GROUP	
t.DKK	Deposits	Other securities and holdings
Cost at 1 January 2019	8.156	420
Cost at 31 December 2019	8.156	420
Adjustments at 1 January 2019	14	-420
Exchange rate adjustment	6	0
Adjustments at 31 December 2019	20	-420
Carrying amount at 31 December 2019	**8.176**	**0**

	PARENT COMPANY	
t.DKK	Deposits	Other securities and holdings
Cost at 1 January 2019	8.000	420
Cost at 31 December 2019	8.000	420
Adjustments at 1 January 2019	15	-420
Exchange rate adjustment	3	0
Adjustments at 31 December 2019	18	-420
Carrying amount at 31 December 2019	**8.018**	**0**

9 DEFERRED TAX

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Deferred tax is made up of the following items:				
Intangible assets	-1.814	-1.729	-1.814	-1.729
Property, plant and equipment	-3.998	-2.631	-3.503	-2.510
Inventories	-629	-669	-629	-669
Other debt	98	506	55	455
Losses to be carried forward	6.041	6.255	0	0
	-302	**1.732**	**-5.891**	**-4.453**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

9 DEFERRED TAX (CONTINUED)

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Carrying amount of investments in subsidiaries is presented in the balance sheet as follows:				
Deferred tax asset	6.041	6.185	0	0
Deferred tax liability	-6.343	-4.453	-5.891	-4.453
	-302	**1.732**	**-5.891**	**-4.453**
Movements for the year are specified as follows:				
Deferred tax at 1 January	1.732	2.674	-4.453	-3.989
Deferred tax on the equity	-401	407	-401	407
Adjustments for the year	-1.633	-1.349	-1.037	-871
	-302	**1.732**	**-5.891**	**-4.453**
Deferred tax assets not reported in the balance sheet	23.854	24.802	0	0

Plus Pack A/S is part of an international joint taxation. At 31 December 2019, the group has recognized a deferred tax asset totaling 6.041 t.DKK regarding losses to be carried forward in the Plus Pack NV and Plus Pack Verpackungsmittel GmbH. Based on budgets, Management considers it likely that there will be future taxable income against which non-utilized tax losses can be offset.

10 PREPAYMENTS

Accrued costs comprises prepayment for rent of office, IT, insurance, subscription, etc.

11 SHARE CAPITAL

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Share capital comprises the following:				
A-shares – nominal DKK 100 per share	23.400	23.400	23.400	23.400
B-shared – nominal DKK 100 per share	23.400	23.400	23.400	23.400
	46.800	**46.800**	**46.800**	**46.800**

Each A-share is assigned 10 votes and each B-share is assigned 1 vote. Shareholders are assigned right of first refusal in respect of share issues of the same class of shares. In raising capital, priority subscription rights exist in respect of both A- and B-shares. Holders of B-shares are entitled to a non-cumulative preference dividend of up to 8 %. In all other respects, holders of shares of both classes have the same rights.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

NOTES

12 NON-CURRENT LIABILITIS

	GROUP			
t.DKK	< 1 year	1 <> 5 years	> 5 years	Total
Lease contract	5.640	15.989	3.276	24.905
Other payables	0	2.757	0	2.757
	5.640	18.746	3.276	27.662

	PARENT COMPANY			
t.DKK	< 1 year	1 <> 5 years	> 5 years	Total
Lease contract	5.552	15.515	3.276	24.343
Other payables	0	2.757	0	2.757
	5.552	18.272	3.276	27.100

13 PROVISION OF COLLATERAL

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

The Group has granted an absolute guarantee for credits and bank loans at a total amount of t.DKK 73.361.

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

The Company has granted an absolute guarantee for its subsidiaries' credits and bank loans at a total amount of t.DKK 73.361.

14 CONTINGENT LIABILITIES

Annual leasing payment under operational leasing contracts:

	GROUP		PARENT COMPANY	
t.DKK	**2019**	**2018**	**2019**	**2018**
Leasing contracts expiring in 2019	0	2.166	0	1.313
Leasing contracts expiring in 2020	2.172	1.088	1.351	631
Leasing contracts expiring in 2021	1.605	838	1.103	545
Leasing contracts expiring in 2022	918	351	667	246
Leasing contracts expiring in 2023	466	0	325	0
	5.161	**4.443**	**3.446**	**2.735**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

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

Besides the lease liability for the Group's premises, a total rent liabilities currently amounts to 84 t.DKK

PARENT COMPANY
The Company has entered into a leasing contract for the lease of the Company's premises in Denmark. The total amortized leasing liability at 31 December 2019 amounts to a total of 68.967 t.DKK.

The Company is jointly taxed with Danish Companies, with C&A Invest A/S as the administration company. The Company is therefore held liable under the Corporation Tax Act rules accordingly for any obligations to withholding tax, tax on interests, royalties and dividends for the jointly taxed companies.

15 EVENTS SINCE THE END OF THE FISCAL YEAR

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

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

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

16 STAFF

Total costs in respect of wages and salaries are specified as follows:

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Wages and salaries	105.372	111.163	79.185	81.273
Pensions	8.134	8.075	6.486	6.462
Other social costs	7.173	3.660	1.496	1.491
	120.679	**122.898**	**87.167**	**89.226**
Avarage number of full-time employees	226	227	157	159

Remuneration to board of directors and management specified as follows:

	GROUP		PARENT COMPANY	
t.DKK	2019	2018	2019	2018
Management and Board of directors	4.010	6.163	4.010	6.163

Cars and phones are made available to management.

In October 2018, one director stopped in Plus Pack. From November 2018 Management comprises of one manager.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

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17 FEE FOR AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

Total fee to auditors are specified as follows:

	GROUP		PARENT COMPANY	
t.DKK	**2019**	**2018**	**2019**	**2018**
Audit	478	564	262	262
Other declarations	0	8	0	0
Tax consultancy services	311	112	185	56
Other fees	242	42	257	27
	1.031	**726**	**704**	**345**

18 EXCHANGE RATE RISK AND FINANCIAL INSTRUMENTS

As part of the hedge of recognized transactions, the Group uses hedging instruments in form of forward exchange contracts and hedge of LME. The group has secured sales of 1.950 t.PLN against DKK, 15.000 t.NOK against DKK and approx. 80% of next years unsecured LME. Hedge of recognized transactions comprise receivables and payables. The Group also use interest rate swap to secure fixed interest on liabilities. The Group has hedged 4.000 t.EUR to 4,07 % with expiration in 2021.

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

19 RELATED PARTIES

SHAREHOLDERS

At the end of the year, the following shareholders were registered as holding at least 5% of the votes or share capital (the shareholders' ownership interest and voting shares are identical).

HAUSTRUP HOLDING A/S Energivej 40 DK-5260 Odense S Telephone: +45 6550 6000 Chairman: Steen Haustrup	**A/S Poul Haustrup Investering** Energivej 40 DK-5260 Odense S Telephone: +45 6550 6000 Chairman: Steen Haustrup	**C&A Invest A/S** Energivej 40 DK-5260 Odense S Telephone: +45 6550 6000 Chairman: Steen Haustrup

OVERALL PARENT COMPANY

The Company's immediate and overall parent company, which prepares the consolidated accounts in which the company is included as a subsidiary is C&A Invest A/S, CVR-no. 37 27 37 83.

TRANSACTIONS WITH RELATED PARTIES

Section 98c(7) of the Danish Financial Statement Act is applied regarding related parties transactions. It is the assessment of the Management, that all transactions has been carried out at market terms.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2019

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20 APPROPRIATION OF PROFIT AND LOSS

t.DKK	PARENT COMPANY 2019	PARENT COMPANY 2018
Proposed dividend	0	12.000
Transferred to next year	15.772	6.837
	15.772	**18.837**

PENNEO

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Steen Haustrup
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-049561903286
IP: 80.62.xxx.xxx
2020-04-21 09:10:03Z
NEM ID

Jens Albert Harsaae
Bestyrelsesformand
Serienummer: PID:9208-2002-2-115794368707
IP: 108.62.xxx.xxx
2020-04-21 09:13:10Z
NEM ID

Jens Albert Harsaae
Dirigent
Serienummer: PID:9208-2002-2-115794368707
IP: 108.62.xxx.xxx
2020-04-21 09:13:10Z
NEM ID

Kristian Knak Hede
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-377757771071
IP: 176.20.xxx.xxx
2020-04-21 09:32:15Z
NEM ID

Allan Dydensborg Madsen
Revisor
Serienummer: CVR:33963556-RID:26667352
IP: 83.151.xxx.xxx
2020-04-21 09:50:48Z
NEM ID

Carsten Bo Pedersen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-972685546330
IP: 185.17.xxx.xxx
2020-04-21 09:59:43Z
NEM ID

Torben Käehne Rasmussen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-974813229002
IP: 87.49.xxx.xxx
2020-04-21 11:36:59Z
NEM ID

Pia Lyneborg Andersen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-605984274418
IP: 77.241.xxx.xxx
2020-04-21 11:38:51Z
NEM ID

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Gitte Haar
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-673276177448
IP: 5.186.xxx.xxx
2020-04-21 14:25:48Z
NEM ID

John Helmuth Madsen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-410697527673
IP: 195.143.xxx.xxx
2020-04-22 11:01:09Z
NEM ID

Lars Knage Nielsen
Revisor
Serienummer: CVR:33963556-RID:97906828
IP: 83.151.xxx.xxx
2020-04-22 13:25:17Z
NEM ID

Camilla Haustrup Hermansen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-364103684053
IP: 62.198.xxx.xxx
2020-04-23 09:34:11Z
NEM ID

Anders Top Haustrup
Adm. direktør
Serienummer: PID:9208-2002-2-149663696060
IP: 80.167.xxx.xxx
2020-04-23 11:26:16Z
NEM ID

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