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# ***Faerch Group Holding A/S***

Rasmus Færchs Vej 1, DK-7500 Holstebro

## **Annual Report for 2023**

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CVR No 41 88 26 97

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
25/3 2024

Henrik Poulsen  
Chairman of the General Meeting

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## Management's Statement

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The executive Board and Board of Directors have today considered and adopted the Annual Report of Faerch Group Holding A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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.

Holstebro, 25 March 2024

### Executive Board

Lars Gade Hansen  
CEO

Arne Holme  
CTO

Tom Sand-Kristensen  
CFO

### Board of Directors

Henrik Poulsen (Chairman)

Charlotte Strand

Sven Seidel

Jan Thorsgaard Nielsen

Marianne Kirkegaard Knudsen

Ruud Sondag

## Independent Auditor's Report

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To the Shareholders of Faerch Group Holding A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Faerch Group Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the 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.

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 Company or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report (continued)

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### 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 judgment and maintain professional skepticism 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 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 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 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.

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

Aarhus, 25 March 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lindholm Jacobsen  
State Authorised Public Accountant  
mne23328

Jens Weiersøe Jakobsen  
State Authorised Public Accountant  
mne30152

## Company Information

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<b>The Company</b>	<p>Faerch Group Holding A/S Rasmus Færchs Vej 1 DK-7500 Holstebro</p> <p>Telephone: + 45 99 10 10 10 Website: <a href="http://www.faerch.com">www.faerch.com</a></p> <p>CVR No: 41 88 26 97 Financial period: 1 January - 31 December Municipality of reg. office: Holstebro</p>
<b>Supervisory Board</b>	<p>Henrik Poulsen (Chairman) Charlotte Strand Sven Seidel Jan Thorsgaard Nielsen Marianne Kirkegaard Knudsen Ruud Sondag</p>
<b>Executive Board</b>	<p>Tom Sand-Kristensen Arne Holme Lars Gade Hansen</p>
<b>Auditors</b>	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C</p>
<b>Consolidated Financial Statements</b>	<p>The Company is included in the Group Annual Report of the Parent Company A.P. Møller Holding A/S</p>

## Group Structure

Investments in group companies comprise the following at 31 December 2023.

Name of entity	Ownership share	Country
Faerch A/S	100%	Denmark
Faerch Liberec s.r.o.	100%	Czech Republic
Cirrec Germany GmbH	100%	Germany
Faerch Norway AS	100%	Norway
Faerch Murowana Goślina Sp. z o.o.	100%	Poland
Faerch France SAS	100%	France
Faerch Annecy SAS	100%	France
Faerch Lorient SAS	100%	France
Faerch London Ltd.	100%	United Kingdom
FP1988UK Ltd.	100%	United Kingdom
Faerch Durham Ltd.	100%	United Kingdom
Faerch UKCO I Ltd.	100%	United Kingdom
Faerch UK Ltd.	100%	United Kingdom
Faerch UKCO II Ltd. (dormant)	100%	United Kingdom
Faerch UKCO III Ltd. (dormant)	100%	United Kingdom
Faerch UKCO IV Ltd. (dormant)	100%	United Kingdom
Faerch Poole Ltd.	100%	United Kingdom
FPH 2017 Ltd.	100%	United Kingdom
Faerch Bunol S.L.U.	100%	Spain
Faerch Barcelona S.L.U.	100%	Spain
Faerch Netherlands Holding B.V.	100%	Netherlands
Cirrec Netherlands B.V.	100%	Netherlands
DSF Extrusion B.V.	100%	Netherlands
Faerch Italy Holding S.r.l.	100%	Italy
Faerch Italy S.r.l.	100%	Italy
Paccor Holdings GmbH	100%	Germany
Paccor Packaging GmbH	100%	Germany
Paccor International Holdings S.à.r.l	100%	Luxembourg
Paccor Belgium NV	100%	Belgium
Paccor (Ravensburg) Deutschland GmbH	100%	Germany
Paccor Deutschland GmbH	100%	Germany
Paccor France SAS	100%	France
Paccor (Bydgoszcz) Poland Sp. z o.o.	100%	Poland
Paccor (Saint Grégoire) France SAS	100%	France
PT. Innoware (Indonesia)	50%	Indonesia
Paccor (Uedem) Deutschland GmbH	100%	Germany
Atlas Rigid North America Inc.	100%	USA
Paccor NA, Inc.	100%	USA
Paccor Iberia S.A.	100%	Spain
Inmobiliaria Frank Lloyd S.L.	100%	Spain
Paccor Polska Sp.z o.o.	100%	Poland
Faerch Finland Oy	100%	Finland
Paccor Turkey Ambalaj Sanayi A.S.	100%	Turkey
Paccor Netherlands B.V.	100%	Netherlands
Paccor Hungary Kft	100%	Hungary
Paccor Lietuva UAB	100%	Lietuva
Paccor Romania S.R.L.	100%	Romania
Paccor Serbia d o.o. (dormant)	100%	Serbia
Paccor Ukraine LLC	100%	Ukraine
Paccor Packaging NA, Inc.	100%	USA
MCP USA, Inc.	100%	USA

## Financial Highlights

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t.EUR	2023	2022	2021	2020
<b>Key figures</b>				
<b>Profit/ (loss)</b>				
Loss before financial income and expenses	-303	-961	-6,354	-8
Net loss for the year	-8,884	-4,016	-7,632	-8
<b>Balance sheet</b>				
Total assets	1,869,881	1,880,203	1,320,786	54
Equity	1,601,080	1,611,089	1,052,117	46
Investments in subsidiaries	1,861,505	1,861,505	1,295,850	-
<b>Ratios</b>				
Solvency ratio	85.6%	85.7%	79.7%	85.0%
Return on equity	-0.6%	-0.3%	-1.5%	-17.7%



## **Management's Review**

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The company was established in November 2020 and the main activity of the company is to invest in packaging and recycling companies.

The objective of the company is to act as an investment company for APMH Invest A/S by investing in Danish and foreign assets, by holding 100% of the shares in Faerch A/S.

### **Profit / (loss) for the year**

Net loss for the year after tax amounted to t.EUR 8,884. (2022: t.EUR 4,016)

The result for the year is proposed to be distributed to retained earnings.  
No dividend is proposed for 2023.

As of 31 December 2023, the equity amounted to t.EUR 1,601,080.

### **Outlook 2024**

The company expects a net loss in 2024 due to financial cost.

## Income statement

1 January - 31 December

Note	t.EUR	2023	2022
	Other operating income	2,021	1,894
1.1	Other operating expenses	-2,324	-2,855
	<b>Loss before depreciation, amortisation and impairment losses, etc.</b>	<b>-303</b>	<b>-961</b>
1.2	Financial income	1,504	447
1.3	Financial expenses	-11,859	-3,770
	<b>Loss before income tax</b>	<b>-10,658</b>	<b>-4,284</b>
	Tax on loss for the year	1,774	269
	<b>Net loss for the year</b>	<b>-8,884</b>	<b>-4,016</b>
	Distribution of net loss for the year		
	Retained earnings	-8,884	-4,016
		-8,884	-4,016

## Balance Sheet

31 December

Note	t.EUR	2023	2022
2.1	Investments in subsidiaries	1,861,505	1,861,505
	<b>Financial assets</b>	<b>1,861,505</b>	<b>1,861,505</b>
	<b>Deferred tax asset</b>	<b>44</b>	<b>32</b>
	<b>Total non-current assets</b>	<b>1,861,549</b>	<b>1,861,537</b>
	Prepayments	1,223	1,526
	Receivable corporation tax from affiliated companies	1,813	300
	Receivables from group enterprises	5,297	16,840
	<b>Total current assets</b>	<b>8,333</b>	<b>18,666</b>
	<b>Total assets</b>	<b>1,869,881</b>	<b>1,880,203</b>
2.2	Share capital	16,250	16,250
	Retained earnings	1,584,830	1,594,840
	<b>Total equity</b>	<b>1,601,080</b>	<b>1,611,089</b>
2.3	Credit institutions	247,387	268,514
	<b>Long term debt</b>	<b>247,387</b>	<b>268,514</b>
2.3	Credit institutions	20,589	-
2.4	Other payables	825	601
	<b>Short-term debt</b>	<b>21,414</b>	<b>601</b>
	<b>Debt</b>	<b>268,801</b>	<b>269,114</b>
	<b>Equity and liabilities</b>	<b>1,869,881</b>	<b>1,880,203</b>
2.5	Related parties		
2.6	Contractual commitments and contingent assets and liabilities		
2.7	Events after the balance sheet date		
2.8	Significant accounting policies		
2.9	Definition of key figures and ratio		

## Statement of changes in equity

t.EUR	Share capital	Retained earnings	Total
<b>Equity at 1 January 2023</b>	16,250	1,594,840	1,611,090
Net loss for the year	-	-8,884	-8,884
Purchase of own shares	-	-1,227	-1,227
Sale of own shares	-	101	101
<b>Equity at 31 December 2023</b>	16,250	1,584,830	1,601,080
<b>Equity at 1 January 2022</b>	10,600	1,041,517	1,052,117
Net loss for the year	-	-4,016	-4,016
Capital increase	5,650	559,350	565,000
Purchase of own shares	-	-2,011	-2,011
<b>Equity at 31 December 2022</b>	16,250	1,594,840	1,611,090

## Note 1.1 Staff expenses

t.EUR	2023	2022
Wages and salaries	1,812	1,682
Pensions	89	109
Other social security expenses	4	3
<b>Total</b>	<b>1,905</b>	<b>1,795</b>

<b>Average number of employees</b>	<b>4</b>	<b>4</b>
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## Note 1.2 Financial income

t.EUR	2023	2022
Foreign exchange gains	1,504	447
<b>Total</b>	<b>1,504</b>	<b>447</b>

## Note 1.3 Financial expenses

t.EUR	2023	2022
Bank fees	55	54
Interest expenses	11,804	3,716
<b>Total</b>	<b>11,859</b>	<b>3,770</b>

## Note 2.1: Investment in subsidiaries

t.EUR	2023	2022
Opening balance at 1 January	1,861,505	1,295,850
Additions for the year	-	485,000
Capital increase	-	80,655
<b>Cost at 31 December</b>	<b>1,861,505</b>	<b>1,861,505</b>
Opening value adjustments at 1 January	-	-
<b>Value adjustments at 31 December</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 31 December</b>	<b>1,861,505</b>	<b>1,861,505</b>

Investment in subsidiary is specified as below:

Name	Place of registered Office	Share capital	Equity	Profit for the year
Faerch A/S	Holstebro, Denmark	t.DKK 79,000	t.DKK 10,072,656	t.DKK 216,754

## Note 2.2: Share capital

The share capital of the company is nominally t.EUR 16,250 divided into 1,624,953,572 shares of nominally EUR 0.01.

As of 31 December 2023, the company held a nominal share capital of t.EUR 19 (2022: t. EUR 20) (equal to approx. 0.12% of the total nominal share capital of the company). I.e. the company held 1,935,605 (2022: 2,011,273) of own shares of nominally EUR 0.01.

The company's own shares have been acquired from employees who have resigned from their positions in 2022-2023. The purchase price in 2023 amounted to t.EUR 1,227 (2022: t.EUR 2,011).

## Note 2.3: 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:

t.EUR	2023	2022
After 5 years	82,462	103,274
Between 1 and 5 years	164,925	165,239
Long-term parts	247,387	268,514
Within 1 year	20,589	-
Short-term portion	20,589	-

## Note 2.4: Other payables

t.EUR	2023	2022
VAT	111	146
Other payables	714	454
Total	825	601

## Note 2.5: Related parties

APMH Invest XIII ApS holds the majority of the company's share capital and the controlling interest of the company.

A.P. Møller Holding A/S operates a management and employee participation program and due to the ownership structure, the program resides in Faerch Group Holding A/S. All transactions with management and employees were performed at fair market value. As of 31 December 2023, management and employees held 1.8% of the share capital.

The company has not entered into any transactions with related parties that were not on an arm's length basis.

### CONSOLIDATED FINANCIAL STATEMENTS

Faerch Group Holding A/S is included in the consolidated financial statements for A.P. Møller Holding A/S, Copenhagen, Denmark, Business Registration No 25 67 92 88. The consolidated financial statements of A.P. Møller Holding A/S can be obtained at [www.cvr.dk](http://www.cvr.dk).

## Note 2.6: Contractual commitments and contingent assets & liabilities

The company is included in national joint taxation with Danish companies in the A.P. Møller Holding group. The company is jointly and severally liable for the payment of taxes and withholding tax.

The company have unrecognized carried forward tax loss of t.EUR 957 (2022: t. EUR 504)

## **Note 2.7: Events after the balance sheet date**

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No events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the financial statements.

## **Note 2.8: Significant accounting policies**

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The Financial Statement for 2023 for Faerch Group Holding A/S have been prepared on a going concern basis and in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with a selection of certain requirements from reporting class C.

With reference to section 112 (1) of the Danish Financial Statements Act and to the consolidated financial statements of Faerch Group Holding A/S, CVR No 41 88 26 97 the Company has not prepared consolidated financial statements.

The financial statements are presented in EUR. Transactions in currencies other than the functional currency are transactions in Danish kroner. Transactions are translated into the functional currency using the average exchange rates at the month of the transactions. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as of the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or expenses.

### **INCOME STATEMENT**

#### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, extra payments and repayment under the account taxation scheme.

#### **Other financial expenses**

Other financial expenses comprise interest expenses, bank fees, etc.

#### **Tax**

Current income tax, based on taxable income for the year, is expensed together with changes in deferred tax for the year.

Deferred income tax on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts is provided in full using the liability method.

The provision of deferred tax reflects the effect of any tax losses carried forward etc. to the extent it is considered likely that such items can be utilised against future taxable income. To the extent calculated deferred tax is positive, this is recognised in the balance sheet as a deferred tax asset at the expected realisable value.

Any changes in deferred tax due to changes in tax rates are recognised in the income statement.

#### **Pillar II**

The group has applied the temporary exemption included in the Danish Financial Statement Act in December 2023 on the accounting requirements for deferred taxes. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Minimumsbekætningslovens (Pillar Two) income taxes.

The group refers to its ultimate parent company for additional information and impact on Pillar Two.

## Note 2.8: Significant accounting policies (continued)

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### BALANCE SHEET

#### Investment in subsidiaries

Investments in subsidiaries are recognised and measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

#### Receivables

Receivables are generally recognised at nominal value, substantially corresponding to amortised cost and impaired for expected losses.

#### Liabilities

Financial debts and other financial liabilities are recognised initially at fair value net of transaction expenses. Subsequently, financial debts are measured at amortised cost, substantially corresponding to nominal value.

## Note 2.9: Definition of key figures and ratio

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The figures and ratios have been compiled on the following definitions and formulas

$$\text{Solvency ratio} = \frac{\text{Balance sheet total}}{\text{Equity}}$$

$$\text{Return on equity} = \frac{\text{Loss for the year}}{\text{Equity}}$$