
Faerch Group Holding A/S

Rasmus Færchs Vej 1, DK-7500 Holstebro

Annual Report for 2021

CVR No 41 88 26 97

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/4 2022

Henrik Poulsen
Chairman of the General Meeting

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Management's Statement

The executive Board and Board of Directors have today considered and adopted the Annual Report of Faerch Group Holding 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 give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations 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.

Holstebro, 4 March 2022

Executive Board

Lars Gade Hansen
CEO

Arne Holme
CTO

Tom Sand-Kristensen
CFO

Board of Directors

Henrik Poulsen (Chairman)

Jaska Marianne de Bakker

Sven Seidel

Jan Thorsgaard Nielsen

Marianne Kirkegaard Knudsen

Ronald John Edward Marsh

Independent Auditor's Report

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 2021, and of the results of the Company's operations for the financial year 2021 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 2021, 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)

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, 4 March 2022

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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|--|--|
| The Company | <p>Faerch Group Holding A/S Rasmus Færchs Vej 1 DK-7500 Holstebro</p> <p>Telephone: + 45 99 10 10 10 Website: www.faerch.com</p> <p>CVR No: 41 88 26 97 Financial period: 1 January - 31 December Municipality of reg. office: Holstebro</p> |
| Supervisory Board | <p>Henrik Poulsen (Chairman) Jaska Marianne de Bakker Sven Seidel Jan Thorsgaard Nielsen Marianne Kirkegaard Knudsen Ronald John Edward Marsh</p> |
| Executive Board | <p>Tom Sand-Kristensen Arne Holme Lars Gade Hansen</p> |
| Auditors | <p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C</p> |
| Consolidated Financial Statements | <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 2021.

All companies are owned 100% by Faerch Group Holding A/S.

| Name of entity | Country |
|--------------------------------|----------------|
| Faerch A/S | Denmark |
| Faerch Liberec s.r.o. | Czech Republic |
| Inline Poland Sp. z o. o. | Poland |
| Faerch France SAS | France |
| Faerch Annecy SAS | France |
| Faerch Lorient SAS | France |
| Faerch London Ltd. | United Kingdom |
| FP1988UK Ltd. | United Kingdom |
| Faerch Durham Ltd | United Kingdom |
| Faerch UKCO I Ltd. | United Kingdom |
| Faerch UK Ltd. | United Kingdom |
| Faerch UKCO II Ltd. (dormant) | United Kingdom |
| Faerch UKCO III Ltd. (dormant) | United Kingdom |
| Faerch UKCO IV Ltd. (dormant) | United Kingdom |
| Faerch Poole Ltd. | United Kingdom |
| FPH 2017 Ltd. | United Kingdom |
| Faerch Bunol S.L.U. | Spain |
| Faerch Barcelona S.L.U | Spain |
| Faerch Netherlands B.V. | Netherlands |
| 4PET Recycling B.V. | Netherlands |
| DSF Extrusion B.V. | Netherlands |
| Drupet B.V.* | Netherlands |
| Faerch Italy Holding S.r.l. | Italy |
| Faerch Italy S.r.l. | Italy |

*Merged as of 1/1/22 with 4PET Recycling B.V.

Financial Highlights

| t.EUR | 2021 | 2020 |
|---|-----------|--------|
| Key figures | | |
| Profit/loss | | |
| Profit /loss before financial income and expenses | -7,632 | -8 |
| Net profit/loss for the year | -7,632 | -8 |
| Balance sheet | | |
| Balance sheet total | 1,320,786 | 54 |
| Equity | 1,052,117 | 46 |
| Investments in subsidiaries | 1,295,850 | - |
| Ratios | | |
| Solvency ratio | 79.7% | 85.0% |
| Return on equity | -1.5% | -17.7% |

Management's Review

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.

The company acquired 100 percent of the shares in Faerch Group A/S on 11th March 2021.

Profit/Loss for the year

Net loss for the year after tax amounted to t.EUR 7,632.

The result for the year is proposed distributed to retained earnings. No dividend is proposed for 2021.

As of 31 December 2021, the equity amounted to t.EUR 1,052,117.

Income statement

1 January - 31 December

| Note | t.EUR | 2021 | 2020 |
|------|--|---------------|-----------|
| | Other operating income | 1,230 | - |
| 1.1 | Other operating expenses | -7,584 | -8 |
| | Loss before financial items | -6,354 | -8 |
| | Income from investment in subsidiaries | | |
| 1.2 | Financial income | 252 | - |
| 1.3 | Financial expenses | -1,858 | - |
| | Profit/loss before income tax | -7,959 | -8 |
| | Tax on loss for the year | 328 | - |
| | Net loss for the year | -7,632 | -8 |
| | Distribution of net loss for the year | | |
| | Retained earnings | -7,632 | -8 |
| | | -7,632 | -8 |

Balance Sheet

31 December

| Note | t.EUR | 2021 | 2020 |
|------|--|------------------|-----------|
| 2.1 | Investments in subsidiaries | 1,295,850 | - |
| | Financial assets | 1,295,850 | - |
| | Deferred tax asset | 12 | - |
| | Total non-current assets | 1,295,862 | - |
| | Prepayments | 2,333 | - |
| | Receivable corporation tax from affiliated companies | 316 | - |
| | Cash and bank balances | - | 54 |
| | Receivables from group enterprises | 22,276 | - |
| | Total current assets | 24,924 | 54 |
| | Total assets | 1,320,786 | 54 |
| 2.2 | Share capital | 10,600 | 54 |
| | Retained earnings | 1,041,517 | -8 |
| | Total equity | 1,052,117 | 46 |
| 2.3 | Credit institutions | 268,464 | - |
| | Long term debt | 268,464 | - |
| 2.4 | Other payables | 206 | 8 |
| | Short-term debt | 206 | 8 |
| | Debt | 268,669 | 8 |
| | Liabilities | 1,320,786 | 54 |
| 2.5 | Related parties | | |
| 2.6 | Contractual commitments and contingent liabilities | | |
| 2.7 | Events after the balance sheet date | | |
| 2.8 | Significant accounting policies | | |

Statement of changes in equity

| t.EUR | Share capital | Retained earnings | Total |
|-----------------------------------|---------------|-------------------|------------------|
| Equity at 1 January | 54 | -8 | 46 |
| Net profit for the year | - | -7,632 | -7,632 |
| Capital increase | 10,546 | 1,049,157 | 1,059,703 |
| Reserves | - | - | - |
| Equity at 31 December 2021 | 10,600 | 1,041,517 | 1,052,117 |
| Equity at 1 January | 54 | - | 54 |
| Net profit for the year | - | -8 | -8 |
| Equity at 31 December 2020 | 54 | -8 | 46 |

Note 1.1 Staff expenses

| t.EUR | 2021 | 2020 |
|------------------------------------|--------------|----------|
| Wages and salaries | 1,117 | - |
| Pensions | 51 | - |
| Other social security expenses | 1 | - |
| Total | 1,170 | - |
| Average number of employees | 3 | - |

Note 1.2 Financial income

| t.EUR | 2021 | 2020 |
|------------------------|------------|----------|
| Foreign exchange gains | 252 | - |
| Total | 252 | - |

Note 1.3 Financial expenses

| t.EUR | 2021 | 2020 |
|-------------------|--------------|----------|
| Bank fees | 60 | - |
| Interest expenses | 1,797 | - |
| Total | 1,858 | - |

Note 2.1: Investment in subsidiaries

| t.EUR | 2021 | 2020 |
|---|------------------|----------|
| Opening balance at 1 January | - | - |
| Additions for the year | 1,295,850 | - |
| Disposals for the year | - | - |
| Cost at 31 December | 1,295,850 | - |
| Opening value adjustments at 1 January | - | - |
| Value adjustments at 31 December | - | - |
| Carrying amount at 31 December | 1,295,850 | - |

Investment in subsidiary is specified as below:

| Name | Place of registered Office | Share capital | Equity | Loss for the year |
|------------|----------------------------|---------------|-----------------|-------------------|
| Faerch A/S | Holstebro, Denmark | t.DKK 73,000 | t.DKK 5,643,067 | t.DKK 203,418 |

Note 2.2: Share capital

The share capital is nominally EUR 10,599,535.72.

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 | 2021 | 2020 |
|-----------------------|---------|------|
| After 5 years | 144,557 | - |
| Between 1 and 5 years | 123,906 | - |
| Long-term parts | 268,464 | - |
| Within 1 year | - | - |
| Short-term part | - | - |

Note 2.4: Other payables

| t.EUR | 2021 | 2020 |
|----------------|------|------|
| VAT | 82 | - |
| Other payables | 76 | - |
| Total | 157 | - |

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 2021, management and employees held 2.8% 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 required at www.cvr.dk.

Note 2.6: Contractual commitments and contingent 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.

Note 2.7: Events after the balance sheet date

Our portfolio company has signed agreements to acquire two companies to accelerate the industry's transition. Both acquisitions are expected to close during 2022.

No other 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

The Financial Statement for 2021 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.

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.

Note 2.8: Significant accounting policies (continued)

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.

Cash

Cash comprises cash in bank deposits.

Liabilities

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

Note 2.9: Definition of key figures and ratio

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

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

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