

Tetra Pak Inventing A/S

Mads Clausens Vej 17, 9800 Hjørring

CVR no. 55 35 92 10

Annual report 2020

Approved at the Company's annual general meeting on 26 February 2021

Chair of the meeting:

.....
Filip Oscar Mandersson





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Tetra Pak Inventing A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Hjørring, 26 February 2021
Executive Board:

.....
Filip Oscar Mandersson

Board of Directors:

.....
Ann Helen Hwasser

.....
Kjell Arne Jerry Bengtson

.....
Anne Schjøtt Storgaard

.....
Filip Oscar Mandersson

.....
Poul Erik Larsen

Independent auditor's report

To the shareholders of Tetra Pak Inventing A/S

Opinion

We have audited the financial statements of Tetra Pak Inventing A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are 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 of the Company at 31 December 2020 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2020 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 26 February 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kim R. Mortensen
State Authorised Public Accountant
mne18513



Management's review

Company details

Name	Tetra Pak Inventing A/S
Address, Postal code, City	Mads Clausens Vej 17, 9800 Hjørring
CVR no.	55 35 92 10
Established	22 December 1975
Registered office	Hjørring Kommune
Financial year	1 January - 31 December
Website	www.tetrapak.com
Board of Directors	Ann Helen Hwasser Kjell Arne Jerry Bengtson Anne Schjøtt Storgaard Filip Oscar Mandersson Poul Erik Larsen
Executive Board	Filip Oscar Mandersson
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	126,021	143,941	149,613	150,473	147,739
Operating profit/loss	2,674	5,059	3,774	4,729	4,897
Net financials	-783	-643	-915	-782	-1,046
Profit for the year	1,442	3,372	2,182	3,225	3,100
Total assets					
Equity	2,442	4,372	3,182	4,225	4,100
Cash flows from operating activities					
Amount relating to investments in property, plant and equipment	-7,872	-3,027	-3,476	-4,370	-8,517
Total cash flows	0	-1	298	-5	-2
Financial ratios					
Operating margin	2.1%	3.5%	2.5%	3.1 %	3.3 %
Gross margin	35.2%	33.0%	33.0%	32.2%	34.7%
Return on assets	5.4%	9.3%	6.5%	7.5%	6.8%
Current ratio	56.2%	62.4%	59.5%	50.6%	53.6%
Equity ratio	5.0%	8.8%	5.4%	7.4%	5.9%
Return on equity	42.3%	89.3%	58.9%	77.5%	53.8%
Average number of employees					
	59	62	65	66	66

For definitions and financial ratio concepts, please refer to the accounting policies.

Management's review

Business review

The main activity of the Company is to produce strips for cardboard boxes, to be sold worldwide.

Financial review

The income statement for 2020 shows a profit of DKK 1,442 thousand against a profit of DKK 3,372 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 2,442 thousand. In the annual report for 2019, Management expressed positive expectations of the financial year 2020. But compared to the budget, the demand in volume in 2020 has been 5% below expectations, challenging the profitability with a lower EBIT result than in 2019.

Management considers the results of operation for the financial year 2020 satisfactory, under the current market conditions.

Covid-19

No matter which industry a company operates in, COVID-19 has had an impact in 2020. However, since Tetra Pak Inventing A/S' main activity is within the food sector, it has been critical to keep production running to be able to supply the world food sector with packaging material. Therefore, the pandemic has not significantly impacted the Company's daily business operations.

Knowledge resources

The Company's primary activity, which is production of strips, is a specialised production process, which makes demands on intellectual resources regarding employees and processes. In order to deliver strips of the required quality, it is important to be able to retain employees, who have the necessary skills and experience. Almost a third of all employees have been with the Company for more than 20 years and it is a requirement that all working business procedures are documented so that knowledge is not lost. Furthermore, it is possible within the Group to gain knowledge from other entities with similar production processes.

Financial risks and use of financial instruments

Food safety

From a legislative point of view, stricter requirements are continuously implemented on food safety. In order to comply with both national and global requirements for food safety, the Company is certified within: FDA, BRC and ISO 9001.

Financial risks

The financial risk is considered low, since most of the payables belong to group entities. Furthermore trading is primarily done in DKK and EUR in which the fixed exchange rate policy minimizes any currency risk.

Impact on the external environment

The Company has an environmental permit from the municipality in Hjørring, who at their latest visit in November 2019, expressed satisfaction with the conditions of the site. The permit is rather old, but in agreement with the municipality we await their recommendation about an update thereof.

Besides that, the Company is certified to ISO 14001 and has been for years. From 2010 to 2020, the Company has had an environmental policy and strategy with three focus areas: reduction in CO2 emissions, reduction in waste and improvement of the recycling rate as well as elimination of the risk of leakage of environmentally harmful substances. Quantitative goals have been set for these areas.

Currently, work is ongoing as to the 2030 strategy for which the core element will be sustainability. Based on the new global policy and strategy, the Company will define focus areas, activities and goals locally.



Management's review

Research and development activities

The scope of the Company's product development in the period was in line with earlier years, which is also the expectation for 2021.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Revenue for 2021 is expected to be slightly above the level realised in 2020, while the results of operation are expected to be at the same level as in 2020.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Revenue	126,021	143,941
	Cost of sales	-70,114	-85,769
	Other external expenses	-11,532	-10,617
	Gross profit	44,375	47,555
2	Staff costs	-34,956	-34,791
	Amortisation/depreciation and impairment of property, plant and equipment	-6,745	-7,705
	Other operating expenses	0	-38
	Profit before net financials	2,674	5,021
	Financial income	100	35
3	Financial expenses	-883	-678
	Profit before tax	1,891	4,378
	Tax for the year	-449	-1,006
	Profit for the year	1,442	3,372

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Land and buildings	6,746	6,364
	Plant and machinery	12,833	12,154
	Other fixtures and fittings, tools and equipment	3,781	3,911
	Property, plant and equipment in progress	196	0
		<u>23,556</u>	<u>22,429</u>
	Total fixed assets	<u>23,556</u>	<u>22,429</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	5,621	6,034
	Work in progress	3,257	4,278
	Finished goods and goods for resale	4,978	7,522
		<u>13,856</u>	<u>17,834</u>
	Receivables		
	Trade receivables	12	80
	Receivables from group entities	8,657	6,976
	Income taxes receivable	796	0
	Other receivables	1,398	2,090
5	Prepaid cost	112	213
		<u>10,975</u>	<u>9,359</u>
	Cash	<u>298</u>	<u>298</u>
	Total non-fixed assets	<u>25,129</u>	<u>27,491</u>
	TOTAL ASSETS	<u><u>48,685</u></u>	<u><u>49,920</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	1,000	1,000
	Dividend proposed for the year	1,442	3,372
	Total equity	2,442	4,372
	Provisions		
7	Deferred tax	484	696
	Total provisions	484	696
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Lease liabilities	194	432
	Other payables	863	386
		1,057	818
	Current liabilities other than provisions		
8	Current portion of long-term liabilities	235	235
	Trade payables	3,462	3,785
	Payables to group entities	34,823	33,939
	Income taxes payable	0	1,435
	Other payables	6,182	4,640
		44,702	44,034
	Total liabilities other than provisions	45,759	44,852
	TOTAL EQUITY AND LIABILITIES	48,685	49,920

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties
- 12 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Dividend proposed for the year	Total
	Equity at 1 January 2019	1,000	2,182	3,182
12	Transfer, see "Appropriation of profit"	0	3,372	3,372
	Dividend distributed	0	-2,182	-2,182
	Equity at 1 January 2020	1,000	3,372	4,372
12	Transfer, see "Appropriation of profit"	0	1,442	1,442
	Dividend distributed	0	-3,372	-3,372
	Equity at 31 December 2020	1,000	1,442	2,442

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2020	2019
	Profit for the year	1,442	3,372
13	Adjustments	7,977	9,392
	Cash generated from operations (operating activities)	9,419	12,764
14	Changes in working capital	-491	8,634
	Cash generated from operations (operating activities)	8,928	21,398
	Interest received, etc.	100	35
	Interest paid, etc.	-883	-678
	Income taxes paid	-2,892	-703
	Cash flows from operating activities	5,253	20,052
	Additions of property, plant and equipment	-7,872	-3,027
	Cash flows to investing activities	-7,872	-3,027
	Dividends distributed	-3,372	-2,182
	Payables to group entities / Changes in cash-pool financing	5,752	-14,644
	Proceeds of long-term liabilities	477	0
	Repayments, long-term liabilities	-238	-200
	Cash flows from financing activities	2,619	-17,026
	Net cash flow	0	-1
	Cash and cash equivalents at 1 January	298	299
15	Cash and cash equivalents at 31 December	298	298

The cash flow statement cannot be directly derived from the other components of the financial statements.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Tetra Pak Inventing A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company applies IFRS 15 for revenue recognition.

Revenue from contracts with customers comprises sales of products.

Revenue from the sale of products is recognised at the point in time when the control of products is transferred to the customer, which is generally upon delivery.

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products. Amounts disclosed as net revenue exclude discounts, VAT and other duties.

The Company considers whether contracts include other promises that constitute separate performance obligations and to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration. No element of financing is deemed present, as payment is generally received as cash - on delivery or up to 60-90 days of credit.

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

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under short-term operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	25 years
Plant and machinery	2-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Lease assets, cars and trucks	1-3 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses regarding foreign currency transactions, and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Property, plant and equipment

Property, plant, and equipment comprise land and buildings, production equipment, machinery and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Leases

Leased assets are "right-of-use-assets" arising from lease agreements. Leased assets are recognised at cost comprising the following:

- The amount of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any indirect costs
- Restoration costs.

On initial recognition, lease commitments are measured at the present value of the future lease payments discounted by an incremental borrowing rate.

The lease commitments are measured at amortised cost according to the effective interest method. The lease commitment is recalculated when the underlying contractual terms are changed, including changes to future cash flows. Recalculations are thus made if changes in an index or an estimated interest rate, residual value, call option, extension option or termination option can reasonably be expected to be exercised.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liabilities are reassessed if the lease terms change, including any changes to future payments resulting from a change in an index or rate used to determine such lease payments or a change in the assessment of an option to purchase the underlying asset.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in the income statement. Short-term leases are leases with a term of 12 month or less, while low value assets comprise assets with a value below DKK 37 thousand.

Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Receivables

Receivables are measured at amortised cost, reduced by impairment loss based on an individual judgement.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the balance-sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are measured at amortised cost. Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing (inclusive of leasing obligations) debt and payment of dividends to shareholders.

Cash comprises cash and bank deposits.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
2 Staff costs		
Wages/salaries	29,441	29,439
Pensions	2,602	2,567
Other social security costs	2,231	2,371
Other staff costs	682	414
	<u>34,956</u>	<u>34,791</u>
Average number of full-time employees	<u>59</u>	<u>62</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed, as only one category of Management has received remuneration.

DKK'000	2020	2019
3 Financial expenses		
Interest expenses, group entities	790	615
Other financial expenses	93	63
	<u>883</u>	<u>678</u>

4 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2020	33,907	116,807	8,851	0	159,565
Additions in the year	1,258	5,657	761	196	7,872
Disposals in the year	0	0	-445	0	-445
Cost at 31 December 2020	<u>35,165</u>	<u>122,464</u>	<u>9,167</u>	<u>196</u>	<u>166,992</u>
Impairment losses and depreciation at 1 January 2020	27,543	104,653	4,940	0	137,136
Amortisation/depreciation in the year	876	4,978	891	0	6,745
Amortisation/depreciation and impairment of disposals in the year	0	0	-445	0	-445
Impairment losses and depreciation at 31 December 2020	<u>28,419</u>	<u>109,631</u>	<u>5,386</u>	<u>0</u>	<u>143,436</u>
Carrying amount at 31 December 2020	<u><u>6,746</u></u>	<u><u>12,833</u></u>	<u><u>3,781</u></u>	<u><u>196</u></u>	<u><u>23,556</u></u>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>0</u>	<u>0</u>	<u>429</u>	<u>0</u>	<u>429</u>

5 Prepaid cost

Prepayments include accrual of expenses relating to subsequent financial years, and primarily consist of prepaid insurances.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Share capital

The share capital comprises 1,000 shares of a nominal value of DKK 1,000 each. All shares rank equally.

DKK'000	2020	2019
7 Deferred tax		
Deferred tax at 1 January	696	1,144
Deferred tax adjustments in the year	-212	-448
Deferred tax at 31 December	484	696

Deferred tax comprises fixed assets, inventory and prepayments.

8 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	429	235	194	0
Other payables	863	0	863	863
	1,292	235	1,057	863

9 Contractual obligations and contingencies, etc.

Other financial obligations

The Company has entered into short-term operating leases at an average annual lease payment of DKK 248 thousand. The remaining term of the leases is 11 months, and the total nominal residual lease payment amounts to DKK 227 thousand.

The Company is taxed on a jointly basis with the management company Tetra Pak Processing Systems A/S and other Danish group entities. The Company is jointly and severally liable with other jointly taxed companies in the Group for payment of corporation taxes.

10 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

11 Related parties

Tetra Pak Inventing A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Teta Laval International SA	Switzerland	Participating interest

Financial statements 1 January - 31 December

Notes to the financial statements

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Tetra Laval International SA	Switzerland	www.tetralaval.com

Related party transactions

Tetra Pak Inventing A/S was engaged in the below related party transactions:

DKK'000	2020	2019
Sale of goods to related parties	126,000	143,891
Cost of sales from related parties	52,139	64,303
Purchase of services from related parties	2,819	3,049
Interest expense, related parties	790	615
Receivables from related parties	8,657	6,796
Payables to related parties	34,823	33,939
Dividend distributed	3,372	2,182
12 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	1,442	3,372
	<u>1,442</u>	<u>3,372</u>
13 Adjustments		
Amortisation/depreciation and impairment losses	6,745	7,705
Gain/loss on the sale of non-current assets	0	38
Financial income	-100	-35
Financial expenses	883	678
Tax for the year	449	1,006
	<u>7,977</u>	<u>9,392</u>
14 Changes in working capital		
Change in inventories	3,978	-168
Change in receivables	-820	4,960
Change in payables	-3,649	4,137
Other changes in working capital	0	-295
	<u>-491</u>	<u>8,634</u>
15 Cash and cash equivalents at year-end		
Cash according to the balance sheet	298	298
	<u>298</u>	<u>298</u>

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"By my signature I confirm all dates and content in this document."

Oscar Mandersson

CEO

On behalf of: Tetra Pak Inventing A/S

Serial number: 19790207xxxx

IP: 165.225.xxx.xxx

2021-02-26 09:47:55Z



Oscar Mandersson

Chair of the meeting

On behalf of: Tetra Pak Inventing A/S

Serial number: 19790207xxxx

IP: 94.234.xxx.xxx

2021-02-26 10:38:26Z



Oscar Mandersson

Board of directors

On behalf of: Tetra Pak Inventing A/S

Serial number: 19790207xxxx

IP: 94.234.xxx.xxx

2021-02-26 10:38:26Z



Anne Schjøtt Storgaard

Bestyrelse

On behalf of: Tetra Pak Inventing A/S

Serial number: PID:9208-2002-2-594577504565

IP: 165.225.xxx.xxx

2021-02-26 10:46:31Z



HELEN HWASSER

Board of directors

On behalf of: Tetra Pak Inventing A/S

Serial number: 19600111xxxx

IP: 165.225.xxx.xxx

2021-02-26 11:17:51Z



Poul Erik Larsen

Board of directors

On behalf of: Tetra Pak Inventing A/S

Serial number: PID:9208-2002-2-053200894010

IP: 185.126.xxx.xxx

2021-02-26 11:38:02Z



JERRY BENGTON

Board of directors

On behalf of: Tetra Pak Inventing A/S

Serial number: 19600927xxxx

IP: 165.225.xxx.xxx

2021-03-01 09:44:55Z



Kim R. Mortensen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1274257393762

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