Tetra Pak Danmark A/S

Søren Nymarks Vej 13, 8270 Højbjerg

CVR no. 63 62 42 17

Annual report 2023

Approved at the Company's annual general meeting on 24 April 2024

Chair of the meeting:

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Berit Bjørg Hoffmann

Contents

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 Danmark 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 of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Aarhus, 13 March 2024
Executive Board:

Alex Kamp Henriksen

Board of Directors:

Berit Bjørg Hoffmann Chairman	Alex Kamp Henriksen	Lars Göran Söderström

Independent auditor's report

To the shareholders of Tetra Pak Danmark A/S

Opinion

We have audited the financial statements of Tetra Pak Danmark A/S for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2023 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' 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.

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.

Independent auditor's report

- 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 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.

Copenhagen, 13 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kim Thomsen
State Authorised Public Accountant
mne26736

Management's review

Company details

Name	Tetra Pak Danmark A/S
Address, Postal code, City	Søren Nymarks Vej 13, 8270 Højbjerg
CVR no.	63 62 42 17
Established	1 October 1952
Registered office	Aarhus
Financial year	1 January - 31 December
Website	www.tetrapak.com
Telephone	+45 45 25 82 00
Board of Directors	Berit Bjørg Hoffmann, Chairman Alex Kamp Henriksen Lars Göran Söderström
Executive Board	Alex Kamp Henriksen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	502,041	450,088	476,831	513,867	330,613
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	13,530	18,036	25,142	23,265	18,172
Operating profit/loss	11,942	18,268	19,306	18,265	16,088
Profit before interest and tax (EBIT)	11,942	16,439	23,636	21,400	16,088
Net financials	1,475	-791	423	87	15
Profit for the year	10,455	12,159	18,703	16,694	12,382
Total assets	115,997	112,913	117,585	169,203	126,794
Investments in property, plant and equipment	1,391	2,007	902	1,262	4,885
Equity	10,855	12,559	19,103	17,094	24,382
Cash flows from operating activites	-2,537	48,476	-28,780	46,230	33,421
Net cash flows from investing activities	0	-416	0	3,636	0
Cash flows from financing activities	2,546	-48,592	28,886	-53,623	-29,240
Total cash flows	9	-532	106	-3,757	4,181
Financial ratios					
Operating margin	2.4%	3.7%	5.0%	4.2 %	4.9 %
Gross margin	7.8%	9.8%	9.2%	8.7%	13.8%
Return on assets	10.4%	15.9%	13.5%	12.3%	13.6%
Equity ratio	9.4%	11.1%	16.2%	10.1%	19.2%
Return on equity	89.3%	76.8%	103.3%	80.5%	44.3%
Average number of full-time employees	**46**	**47**	**43**	**44**	**44**

For terms and definitions, please see the accounting policies.

Management's review

Business review

The Company's main activity is sale of packaging to the food industry. In addition to this, the Company also sells filling and processing equipment as well as related services.

The Company is a wholly-owned member of the Tetra Pak Group. The Company purchases its goods mainly from other entities within the Tetra Pak Group. For further information about the Tetra Pak Group, reference is made to Tetra Pak International SA or the Group's website, www.tetrapak.com.

Financial review

The income statement for 2023 shows a profit of DKK 10,454,947 against a profit of DKK 12,158,665 last year, and the balance sheet at 31 December 2023 shows equity of DKK 10,854,947. The decrease in profit compared to the outlook in the annual report 2022 can be attributed to increased competitiveness and to a certain extent continued inflationary pressures from 2022.

Management considers the Company's financial performance in the year satisfactory.

Knowledge resources

In order to be able to continuously deliver solutions for the company's customers, it is essential that the company can recruit and retain employees with a high level of knowledge. Company policies encourage employees to develop. Our aim is for the company to have the latest knowledge as well as ensuring our rapid adaptability.

Financial risks and use of financial instruments

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 Tetra Pak fixed exchange rate policy minimizes any currency risk.

Impact on the external environment

As part of Tetra Pak’s continued commitment to the future and in line with its strategic ambition to lead the sustainability transformation within the industry, Tetra Pak has taken a holistic approach across five interconnected and interdependent areas where the Group can contribute the most: food systems, circularity, climate, nature, and social sustainability.

Tetra Pak, where Tetra Pak Danmark A/S is an integrated part, remains committed to monitoring, managing, and reporting on those areas. As part of this commitment to openness and transparency, the Group regularly conduct a formal, independent materiality assessment to ensure it is addressing those topics of greatest relevance, for its customers, business, society, and the environment. In 2021 Tetra Pak engaged Accountability, an independent Environmental, Social, and Governance (ESG) Advisory firm, to support in updating materiality assessment to identify the most important sustainability topics for the Group to focus on.

Food systems - Food safety & quality, Food access, availability & resilience, Food loss & waste. Food processing technologies and packaging solutions can help curb losses by extending the shelf life of food and reducing the risk of spoilage. As an example, Tetra Pak is supporting customers with its technology to enable the recovery and reusing of edible biomass, and currently wasted low-value side streams, to create new sources of raw materials for food production and processing.

Circularity - Circularity & recycling. Tetra Pak invests €30 million annually in different projects around the world to further increase the collection and recycling of used carton packages. Going forward, the Group´s ambition is to invest up to €40 million in collection and recycling projects around the world yearly, to contribute to achieving a 70%recycling rate carton package target in the European Union by 2030 and fulfil national recyclability criteria in all countries Tetra Pak sells packaging.

Management's review

Climate - Climate & decarbonisation. Tetra Pak applies Science Based Targets to reach net-zero greenhouse gas emissions (GHG) across the value chain by 2050, with an absolute reduction of 46% by 2030 and 90%by 2050 from a 2019 base year. An example is that the Group from 2023 globally, including Tetra Pak Danmark A/S, are converting the car-fleet to electrical or hybrid vehicles.

Nature - Water management, Responsible sourcing of raw materials, Biodiversity & nature. Tetra Pak strives towards a 50%reduction in emissions from base material suppliers by 2030, compared to 2019 levels, and focus on addressing the challenges of climate, biodiversity, and circularity. Tetra Pak has an ongoing commitment to the UN Global Compact and its ten principles, to which it has been a signatory since 2004.

Social sustainability - Talent attraction, development & engagement, Human rights, Diversity & inclusion, Employee health, safety & wellbeing, Business ethics, Responsible marketing & communication. Tetra Pak is committed to respecting human rights across our operations and value chain, in line with the UN Guiding Principles on Business and Human Rights and creating positive social impact: driving better outcomes for our workforce, workers and communities in our supply chain, workers in collection and recycling and people in its value chain.

For more info Tetra Pak Annual Sustainability report is published on tetrapak.com.

Research and development activities

The Company does not carry out its own research and development, but is indirectly involved in the Group's research and development activities.

Events after the balance sheet date

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

Outlook

Inflation is expected to normalize during 2024 and the company expects business to remain about the same as last year.

The Revenue in 2024 is expected to amount to DKK 531.4 million whereas the profit before tax is expected to be DKK 15.5 million.

The company expects to continue to have positive cash flow in 2023.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Revenue	502,041,329	450,087,551
3	Production costs	-463,120,392	-406,091,753
	Gross profit	38,920,937	43,995,798
3	Administrative expenses	-26,979,401	-25,727,331
	Operating profit	11,941,536	18,268,467
	Other operating expenses	0	-1,829,266
	Profit before net financials	11,941,536	16,439,201
4	Financial income	4,736,543	810,346
5	Financial expenses	-3,261,439	-1,601,463
	Profit before tax	13,416,640	15,648,084
6	Tax for the year	-2,961,693	-3,489,419
	Profit for the year	10,454,947	12,158,665

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Non-current assets		
8	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	270,093	353,198
	Rights-of-use-assets	1,793,210	1,907,076
		2,063,303	2,260,274
	Financial assets		
13	Deferred tax assets	0	3,214
		0	3,214
	Total non-current assets	2,063,303	2,263,488
	Current assets		
	Inventories		
	Prepayments for goods	2,889,164	5,064,206
		2,889,164	5,064,206
	Receivables		
	Trade receivables	53,649,814	31,874,729
	Work in progress for third parties	7,807,384	9,663,184
9	Receivables from group entities	42,607,813	57,941,809
	Income taxes receivable	0	1,470,824
	Other receivables	293,188	2,168
10	Prepayments	5,806,977	3,762,792
		110,165,176	104,715,506
	Cash	879,438	870,193
	Total current assets	113,933,778	110,649,905
	TOTAL ASSETS	115,997,081	112,913,393

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	400,000	400,000
	Dividend proposed for the year	10,454,947	12,158,665
	Total equity	10,854,947	12,558,665
	Liabilities		
12	**Non-current liabilities**		
13	Deferred tax	4,393	0
14	Other provisions	7,440,295	2,535,541
	Lease liabilities	777,784	880,485
	Other payables	410,846	377,040
	Total non-current liabilities	8,633,318	3,793,066
	Current liabilities		
12	Lease liabilities	956,682	982,570
	Prepayments received from customers	18,388,229	4,827,255
	Prepayments on work in progress	19,733,980	7,014,178
	Trade payables	8,980,511	2,179,163
	Payables to group entities	28,254,928	63,744,288
	Income taxes payable	1,380,903	0
	Other payables	18,813,583	17,814,208
	Total current liabilities	96,508,816	96,561,662
	Total liabilities	105,142,134	100,354,728
	TOTAL EQUITY AND LIABILITIES	115,997,081	112,913,393

1 Accounting policies
2 Events after the balance sheet date
7 Appropriation of profit
15 Contractual obligations and contingencies, etc.
16 Security and collateral
17 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Dividend proposed for the year	Total
	Equity at 1 January 2022	400,000	18,703,301	19,103,301
7	Transfer, see "Appropriation of profit"	0	12,158,665	12,158,665
	Dividend distributed	0	-18,703,301	-18,703,301
	Equity at 1 January 2023	400,000	12,158,665	12,558,665
7	Transfer, see "Appropriation of profit"	0	10,454,947	10,454,947
	Dividend distributed	0	-12,158,665	-12,158,665
	Equity at 31 December 2023	400,000	10,454,947	10,854,947

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK	2023	2022
	Profit for the year	10,454,947	12,158,665
18	Adjustments	8,013,153	5,231,216
	Cash generated from operations (operating activities)	18,468,100	17,389,881
19	Changes in working capital	-22,410,624	37,403,342
	Cash generated from operations (operating activities)	-3,942,524	54,793,223
	Interest received, etc.	4,299,268	810,346
	Interest paid, etc.	-2,791,056	-1,591,427
	Income taxes paid	-102,360	-5,536,632
	Cash flows from operating activities	-2,536,672	48,475,510
20	Additions of property, plant and equipment	0	-415,527
	Cash flows to investing activities	0	-415,527
	Dividends distributed	-12,158,665	-18,703,301
	Repayments, finance leases	-1,552,729	-1,423,790
	Changes in cash pool deposit	16,257,311	-28,464,442
	Cash flows from financing activities	2,545,917	-48,591,533
	Net cash flow	9,245	-531,550
	Cash and cash equivalents at 1 January	870,193	1,401,743
21	**Cash and cash equivalents at 31 December**	879,438	870,193

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Tetra Pak Danmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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).

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

The Copmany is in the business of selling packaging to the food industry as well as filling and processing equipment and maintenance/installation services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Sale of packaging, filling and processing equipment
Revenue from sale of packaging, filling and processing equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of packaging, filling and processing equipment, the company considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

(i) Variable consideration
If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right to return the goods within a specified period. The company also provides retrospective volume rebates to certain customers once the quantity of electronics equipment purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

• Rights of return
The company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

(ii) Significant financing component
The company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Warranty obligations
The company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for as warranty provisions. Refer to the accounting policy on warranty provisions.

Installation services
The company provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services do not significantly customise or modify the fire prevention equipment. Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The company recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The company uses an input method in measuring progress of the installation services because there is a direct relationship between the company’s effort (i.e., based on the labour hours incurred) and the transfer of service to the customer. The company recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

Maintenance services
The company recognises revenue from maintenance services over time because the customer simultaneously receives and consumes the benefits provided to them. The company uses an input method in measuring progress of the mantenance services because there is a direct relationship between the company’s effort (i.e., based on the labour hours incurred) and the transfer of service to the customer. The company recognises revenue on the basis of the labour hours/costs expended relative to the total expected labour hours/costs to complete the service.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Construction contracts
Construction contracts include the sale of filling and processing equipment, where equipment are supplied with a high degree of individual adaptation. The construction contracts typically comprise one delivery obligation, which is recognized continuously in revenue as production is carried out, whereby the turnover corresponds to the sales value of the year's work performed.

The ongoing transfer of control of the work performed is either because the construction takes place on the customer's property, whereby the ownership and thus the control passes to the customer as the work is carried out, or because the equipment are of such special nature that they cannot be used without excessive costs for other purposes, while the customer is obliged to continuously pay for the work done incl. reasonable profit for the work done.

Recognition is made using input-based calculation methods based on costs actually incurred in relation to total expected costs, as this method is considered to best reflect the ongoing transfer of control.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Furthermore, a provision for construction contracts is made.

Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the Company, including expenses relating to administrative staff, management, premises and office expenses as well as amortisation/depreciation of assets used for administrative purposes.

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 and impairment

The item comprises depreciation and impairment 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:

Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	3-5 years
Rights-of-use-assets	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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 non-current assets.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 as well as allowances and surcharges 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).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor vehicles and other equipment 3 to 5 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-current assets.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

ii) Lease liabilities
At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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 amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., 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.

iii) Short-term leases and leases of low-value assets
The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Impairment of non-current 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.

Receivables

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

Receivables are measured at amortised cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress for third parties

Work in progress for third parties are measured at the market value of the work performed less amounts invoiced on account. The market value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual work in progress.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

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

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

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".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 1-5 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature more than one year after the balance sheet date are discounted at average bond yields.

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 liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Prepayments received from customers

Prepayments recognized under "Liabilities" comprise prepayments from customers regarding work in progress for third parties.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

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

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

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

	DKK	2023	2022
3	**Staff costs**		
	Wages/salaries	41,592,573	39,201,061
	Pensions	2,868,829	2,757,720
	Other social security costs	801,023	653,473
	Other staff costs	934,699	1,446,735
		46,197,124	44,058,989
	Average number of full-time employees	46	47

Pursuant to Section 98b(iii) of the Danish Financial Statements Act, remuneration to the members of the Executive Board is not disclosed.

		2023	2022
4	**Financial income**		
	Interest receivable, group entities	1,817,110	238,329
	Exchange adjustments	2,439,512	501,886
	Other financial income	479,921	70,131
		4,736,543	810,346
5	**Financial expenses**		
	Interest expenses, group entities	592	261,903
	Exchange adjustments	3,123,776	1,326,790
	Other financial expenses	137,071	12,770
		3,261,439	1,601,463
6	**Tax for the year**		
	Estimated tax charge for the year	2,963,620	3,444,781
	Deferred tax adjustments in the year	7,606	16,581
	Tax adjustments, prior years	-9,533	28,057
		2,961,693	3,489,419

7 Appropriation of profit

		2023	2022
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	10,454,947	12,158,665
		10,454,947	12,158,665

Financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Rights-of-use-assets	Total
Cost at 1 January 2023	415,527	8,089,116	8,504,643
Additions in the year	0	1,391,033	1,391,033
Disposals in the year	-80,071	-895,224	-975,295
Transfer from other accounts	97,596	0	97,596
Cost at 31 December 2023	433,052	8,584,925	9,017,977
Impairment losses and depreciation at 1 January 2023	62,329	6,182,040	6,244,369
Depreciation in the year	83,105	1,504,899	1,588,004
Reversal of amortisation/depreciation and impairment of disposals	-80,071	-895,224	-975,295
Transferred	97,596	0	97,596
Impairment losses and depreciation at 31 December 2023	162,959	6,791,715	6,954,674
Carrying amount at 31 December 2023	270,093	1,793,210	2,063,303
Property, plant and equipment include finance leases with a carrying amount totalling	0	1,793,210	1,793,210

9 Receivables from group entities

Tetra Pak Danmark A/S participates in a cash pool arrangement with the Group. Tetra Laval Finance & Treasury SA is the account holder and Tetra Pak Danmark A/S is a sub-account holder together with the Group's other affiliated companies.

Tetra Pak Danmark A/S' accounts in the cash pool arrangement, which are included under receivables to group entities, amount to DKK 39,622 thousand as of 31 December 2023 (2022: DKK 55,920 thousand)

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, prepaid expenses for suppliers.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2023	2022
11 Share capital		
Analysis of the share capital:		
400,000 shares of DKK 1.00 nominal value each	400,000	400,000
	400,000	400,000

Analysis of changes in the share capital over the past 5 years:

DKK	2023	2022	2021	2020	2019
Opening balance	400,000	400,000	400,000	12,000,000	12,000,000
Capital reduction	0	0	0	-11,600,000	0
	400,000	400,000	400,000	400,000	12,000,000

12 Non-current liabilities

DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Deferred tax	4,393	0	4,393	0
Other provisions	7,440,295	0	7,440,295	0
Lease liabilities	1,734,466	956,682	777,784	0
Other payables	410,846	0	410,846	0
	9,590,000	956,682	8,633,318	0

DKK	2023	2022
13 Deferred tax		
Deferred tax at 1 January	-3,214	-19,795
Other deferred tax	7,607	16,581
Deferred tax at 31 December	4,393	-3,214
Deferred tax relates to:		
Property, plant and equipment	0	-12,899
Liabilities	4,393	9,685
	4,393	-3,214
14 Other provisions		
Opening balanceat1 January	2,535,541	3,220,351
Provisions in the year	4,904,754	0
Provisions utilised in the year	0	-684,810
Other provisions at 31 December	7,440,295	2,535,541
The provisions are expected to be payable in:		
> 1 year	7,440,295	2,535,541
	7,440,295	2,535,541

Other provisions comprise provisions for warranty commitments. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with other Danish entities in the Tetra Pak Group and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

16 Security and collateral

The company has provided bank guarantees totaling DKK 3,350 thousand.

17 Related parties

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

Parties exercising control

Related party	Domicile	Basis for control
Tetra Laval International SA	Pully, Switzerland	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Tetra Laval International SA	Pully, Switzerland	Avenue Général-Guisan 70, 1009 Pully, Switzerland

Financial statements 1 January - 31 December

Notes to the financial statements

17 Related parties (continued)

Related party transactions

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

DKK	2023	2022
Sale of goods	1,676,197	1,052,884
Sales of services	36,151,112	33,595,349
Purchases of goods	385,526,794	320,047,639
Purchases of services	18,722,373	37,897,913
Income from lease arrangements	0	15,222
Financial income	1,817,110	238,329
Financial expenses	592	349,674
Royalty income from affiliated companies	531,605	101,981
Royalty expenses to affiliated companies	188,814	279,649
Receivables from group entities	42,607,813	57,941,809
Payables to group entities	28,254,928	63,744,288
Dividends to parent	12,158,665	18,703,301

18 Adjustments

	2023	2022
Amortisation/depreciation and impairment losses	1,588,004	1,475,662
Financial income	-4,299,268	-810,346
Financial expenses	2,824,164	1,601,463
Tax for the year	2,961,693	3,489,419
Other adjustments	4,938,560	-524,982
	8,013,153	5,231,216

DKK	2023	2022
19 Changes in working capital		
Change in inventories	-166,067	-91,761
Change in receivables	-20,836,696	34,450,988
Change in trade and other payables	-1,407,861	3,044,115
	-22,410,624	37,403,342

20 Transactions without liquidity effect

21 Cash and cash equivalents at year-end

	2023	2022
Cash according to the balance sheet	879,438	870,193
	879,438	870,193

Alex Kamp Henriksen
CEO
On behalf of: Tetra Pak Danmark A/S
Serial number: f150be92-eae0-41e4-ae1d-56f4ffdc9611
IP: 147.161.xxx.xxx
2024-03-13 14:02:20 UTC

Alex Kamp Henriksen
Board of Directors
On behalf of: Tetra Pak Danmark A/S
Serial number: f150be92-eae0-41e4-ae1d-56f4ffdc9611
IP: 147.161.xxx.xxx
2024-03-13 14:06:44 UTC

Lars Göran Söderström
Board of Directors
On behalf of: Tetra Pak Danmark A/S
Serial number: 19600315xxxx
IP: 147.161.xxx.xxx
2024-03-13 15:18:23 UTC

Berit Bjørg Hoffmann
Chairman
On behalf of: Tetra Pak Danmark A/S
Serial number: ab43d9ff-3d98-4f70-9013-179cef333b11
IP: 147.161.xxx.xxx
2024-03-13 19:49:51 UTC

Kim Thomsen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 1346a757-e2cd-4dfc-a929-6cf16719d5e3
IP: 165.225.xxx.xxx
2024-03-13 20:32:36 UTC

Berit Bjørg Hoffmann
Chair of the meeting
On behalf of: Tetra Pak Danmark A/S
Serial number: ab43d9ff-3d98-4f70-9013-179cef333b11
IP: 165.225.xxx.xxx
2024-04-25 11:24:04 UTC