

Sealed Air Denmark A/S

Annual Report 2020

To the Danish Business Authority

The annual report has been presented and approved
at the company's annual general meeting

30th August 2021

Hans-Otto J. Bosse

Chairman

CVR-nr./CVR no. 64 92 53 18

Tuborg Boulevard 12
DK-2900 Hellerup

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Sealed Air Denmark A/S

*Annual report 2020
CVR no. 64 92 53 18*

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Sealed Air Denmark A/S for the financial year 1 January – 31 December 2020.


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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.


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


Hellerup, 30th August 2021


Executive Board:

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Hans-Otto J. Bosse

Board of Directors:

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Emmanuelle Bayol
Chairman

DocuSigned by:

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Karenjit Kalirai

DocuSigned by:

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Hans-Otto J. Bosse

Independent auditors' report

To the shareholders of Sealed Air Denmark A/S

Opinion

We have audited the financial statements of Sealed Air Denmark A/S for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet 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 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 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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 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 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

Independent auditors' report

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 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.

Report on other legal and regulatory requirements

Non-compliance with the Danish Financial Statements Act

In our opinion, the Company has not complied with the requirements of the Danish Bookkeeping Act regarding archiving of accounting records.

Further, the Company has not observed the deadline for submission of the annual report for 2020. Management may incur liability in this regard.

Hellerup, 30th August 2021

RSM DENMARK

Statsautoriseret Revisionspartnerselskab

CVR-nr. 25 49 21 45

Peter Arent Benkjer
State Authorised Public Accountant
mne 35785

Sealed Air Denmark A/S

*Annual report 2020
CVR no. 64 92 53 18*

Company Information

Company details

Sealed Air Denmark A/S
c/o Lundgrens Advokatpartnerselskab
Tuborg Boulevard 12
DK-2900 Hellerup

CVR no.: 64 92 53 18

Registered office: Gentofte

Board of Directors

Emmanuelle Bayol
Karenjit Kalirai
Hans-Otto J. Bosse

Executive Board

Hans-Otto J. Bosse

Auditors

RSM Denmark
Ved Vesterport 6
1612 Kobenhavn V

Annual general meeting

The annual general meeting is to be held on 30th August 2021.

Financial statements for the period 1 January – 31 December

Accounting policies

The annual report of Sealed Air Denmark A/S for 2020 has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are consistent with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

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

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

Financial statements for the period 1 January – 31 December

Accounting policies

Consolidated financial statements

In accordance with section 110 of the Danish Financial Statements Act, no consolidated financial statements for 2020 have been prepared because the group complies with the regulations set out in section 110.

Income statement

Net turnover

Net turnover comprises commission earned in connection with sales during the year. Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income and charges

Other operating income and charges comprise secondary items in relation to the primary activities including cost refund from affiliated companies.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised market gains and losses in respect of payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements for the period 1 January – 31 December

Accounting policies

Balance sheet

Property, plant and equipment

Other plants, fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment.

The basis of depreciation is cost less expected residual value after ended useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Leasehold improvements	5 years
Fixtures and fittings, tools and equipment	3-10 years

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

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 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.

Equity – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements for the period 1 January – 31 December

Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using 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 the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, 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 and jurisdiction. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured according to the tax rules and at the tax rates at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If cost exceeds the net realisable value, it is written down to this lower value.

Receivables

Receivables are measured at amortised cost. Provision is made for anticipated losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements for the period 1 January – 31 December

Income statement

	Note	2020 DKK	2019 DKK
Net turnover		6,004,845	8,011,877
Other operating income		6,997,266	7,273,267
Other external expenses		-3,250,034	-4,370,150
Gross profit		9,752,077	10,914,994
Staff costs	2	-9,668,649	-11,699,205
Profit before depreciation		83,428	-784,211
Depreciation	3	0	0
Operating profit		83,428	-784,211
Financial income		1,671	0
Financial expenses	4	-10,576	-64,745
Profit from ordinary activities before tax		74,523	-848,956
Tax for the year	5	37,394	195,001
Profit for the year		<u>111,917</u>	<u>-653,955</u>
Proposed profit appropriation			
Retained earnings		<u>111,917</u>	<u>-653,955</u>
		<u>111,917</u>	<u>-653,955</u>

Financial statements for the period 1 January – 31 December

Balance sheet

	Note	2020 DKK	2019 DKK
ASSETS			
Non-current assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment	3	0	0
Investments			
Investment in subsidiary	7	6,379	6,379
Total non-current assets		<u>6,379</u>	<u>6,379</u>
Current assets			
Receivables			
Amounts owed by group enterprises		14,099,736	9,484,007
Other receivables		311,624	140,322
Capitalised deferred tax	8	857,033	878,781
Prepayments		344,704	20,182
Total receivables		<u>15,613,097</u>	<u>10,523,292</u>
Total current assets		<u>15,613,097</u>	<u>10,523,292</u>
TOTAL ASSETS		<u>15,619,476</u>	<u>10,529,671</u>

Financial statements for the period 1 January – 31 December

Balance sheet

	Note	2020	2019
		DKK	DKK
EQUITY & LIABILITIES			
Equity			
Share capital		1,000,000	1,000,000
Retained earnings		6,337,458	6,225,540
Total equity		<u>7,337,458</u>	<u>7,225,540</u>
Liabilities other than provisions			
Long-term liabilities			
Other payables		269,142	269,142
Short-term liabilities			
Trade payables		803,139	708,910
Amounts owed to Group enterprises		4,501,201	0
Other payables		2,708,536	2,326,079
Corporation tax		0	0
Total liabilities other than provisions		<u>8,012,876</u>	<u>3,304,131</u>
TOTAL EQUITY & LIABILITIES		<u>15,619,476</u>	<u>10,529,671</u>
Key activities	1		
Special items	6		
Contractual obligations and contingencies, etc.	9		
Related parties disclosures	10		

Financial statements for the period 1 January – 31 December

Notes

1 Key activities

Sales of flexible plastic packaging materials and packing machinery to the food and non-food industry.

The Company's revenue is related to invoicing of services in connection with customer service.

2 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	8,891,064	10,837,505
Pensions	744,924	815,122
Social security costs	32,661	46,578
	9,668,649	11,699,205

The average number of full-time employees during the year was 11 (2019:14). No emoluments have been paid to the Executive Board and the Board of Directors during the year.

There is expense related to restructuring included in wages and salaries according to note 7.

Financial statements for the period 1 January – 31 December

Notes

3 Property, plant and equipment

Fixtures and fittings, tools and equipment	DKK
Cost at 1 January 2020	117,496
Additions during the year	0
Disposals during the year	<u>117,496</u>
Cost at 31 December 2020	<u>0</u>
Depreciation at 1 January 2020	117,496
Depreciation for the year	0
Depreciation on disposal	<u>117,496</u>
Depreciation at 31 December 2020	<u>0</u>
Carrying amount at 31 December 2020	<u><u>0</u></u>

4 Financial expenses

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Interest expense to group enterprises	-10,437	-44,000
Other financial expenses	<u>-139</u>	<u>-20,745</u>
	<u><u>-10,576</u></u>	<u><u>-64,745</u></u>

Financial statements for the period 1 January – 31 December

Notes

5 Income tax and deferred income tax

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Tax on profit for the year		
Current tax for the year	0	0
Deferred tax adjustment for the year	-21,748	159,526
Deferred tax adjustment from prior period	59,142	35,475
	<u>37,394</u>	<u>195,001</u>

6 Special Items

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Expenses		
Restructuring	915,123	3,025,336
	<u>915,123</u>	<u>3,025,336</u>

Special items for the year are specified below, including the line items in which they are recognised.

Staff costs	915,123	3,025,336
	<u>915,123</u>	<u>3,025,336</u>
Net loss from special items	<u>915,123</u>	<u>3,025,336</u>

Financial statements for the period 1 January – 31 December

Notes

7 Investment in subsidiary

The Company owns the entire share capital of nom. NOK 800,000 in Cryovac Norway AS, Oslo. The subsidiary had a profit of NOK 69 thousand and total equity of NOK 10,454 thousand according to the financial statements at 31 December 2020.

8 Capitalised deferred tax

	2020	2019
	DKK	DKK
Capitalised deferred tax at 1 January	878,781	719,255
Changes during the year	-21,748	159,526
Capitalised deferred tax at 31 December	857,033	878,781

Deferred tax relates to property, plant and equipment, liabilities and tax losses.

9 Contractual obligations and contingencies, etc.

Operating leases

The Company has entered into lease agreements with an obligation in the amount of DKK 0.1 million.

10 Related parties disclosures

Consolidated Financial Statements

The consolidated financial statements of Sealed Air are available on the Company's website www.sealedair.com or at the Company's address:

Sealed Air Corporation
2415 Cascade Point Boulevard
Charlotte, NC 28273, USA