

statsautoriseret revisionsfirma
Stationspladsen 1 og 3
3000 Helsingør
CVR nr. 30 19 52 64

Tlf. 4921 8700
Fax 4921 8750
www.kallermann.dk

NOVIO PACKAGING A/S

**Bækgårdsvej 56
4140 Borup**

CVR no. 66 15 28 12

Annual report 2019

The annual report has been presented and approved on the Company's ordinary general meeting on *14/8 2020*



Chairman of general meeting

CONTENTS

	<u>Page</u>
Company details	1
Statement by Management on the annual report	2
Independent auditor's report	3 - 5
Management's review	6
Accounting policies	7 - 10
Key figures and financial ratios	11
Income statement for 2019	12
Balance of 31 December 2019	13 - 14
Statement of changes in equity for 2019	15
Cash flow statement for 2019	16
Notes	17 - 19

COMPANY DETAILS

Reporting entity	NOVIO PACKAGING A/S Bækgårdsvej 56 4140 Borup
	CVR no.: 66 15 28 12
	Date of foundation: August 14, 1980
	Reporting entity: Borup
	Reporting period: 1 January 2019 - 31 December 2019
Board of Directors	Hanne Zinck Jørgensen, chairman Bjarke Rolf Halkjær Arlø Erik Leonard Adolf Trum Marcus Cornelius Martinus Jansen
Executive Board	Bjarke Rolf Halkjær Arlø
Company auditors	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2019 for NOVIO PACKAGING A/S.

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

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of its financial performance for the financial year 1 January - 31 December 2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Borup, 16 March 2020

Executive board


Bjarke Rolf Halkjær Arlø

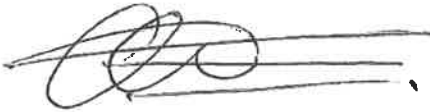
Board of Directors


Hanne Zinck Jørgensen
chairman


Bjarke Rolf Halkjær Arlø

Erik Leonard Adolf Trum


Marcus Cornelius Martinus Jansen



INDEPENDENT AUDITOR'S REPORT

To the shareholders of NOVIO PACKAGING A/S

Auditor's report on the financial statements**Opinion**

We have audited the Financial Statements of NOVIO PACKAGING A/S for the financial year 1 January - 31 December 2019, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cashflow and notes. 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 Company's financial position at 31 December 2019 and of the result of the Company's operations for the financial year 1 January - 31 December 2019 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of accounting information taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

INDEPENDENT AUDITOR'S REPORT

Violation of the rules concerning reporting of VAT

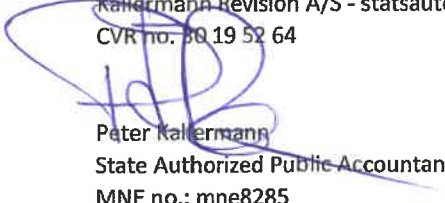
The Company has not reported correct VAT for January 2019 to Skattestyrelsen. The situation could be actionable for the Management.

The Company has included the correction in the VAT declaration for December 2019.

Elsinore, 16 March 2020

Kallermann Revision A/S - statsautoriseret revisionsfirma

CVR no. 30 19 52 64



Peter Kallermann
State Authorized Public Accountant
MNE no.: mne8285

MANAGEMENT'S REVIEW

Primary activities

The main activity of the company is design, development, manufacturing and sales of standard and specialty packaging.

Uncertainty relating to recognition and measurement

The financial report is not affected by uncertainty in recognition and measurement.

Development in activities and finances

The annual report for the period 01.01. to 31.12.2019 shows a result of 996.751 DKK against 863.639 DKK for the period 01.01. to 31.12.2018. For 2019 the EBITDA was 8.244.722 DKK and the balance shows an equity of 18.542.633 DKK. During the year the Company has experienced growth. However the growth and profitability are not at the full potential of the Company and the marked. Further investments in automatization have been made during the year as well as re-organization of the operation and sales have been implemented to better adapt to the marked and the possibilities presented by the rest of the group in the years to come.

Based in internal improvements in procedures and processes and with the synergies of the global supply chain and group coordination, we are very positive for the development of Novio Packaging A/S in the year to come. We expect double digit sales growth and improvements to the profitability ration of the company for the coming year.

Novio Packaging A/S is a part of the Dutch based Novio Packaging Group B.V. The group is marked leader in packaging distribution on the North European marked. During 2019 the Novio Packaging Group B.V. has been acquired by Chicago based Berlin Packaging. Berlin Packaging already has European presence by the Italian based Bruni Glass and a number of other companies. The strength, supply network and know how of the group will benefit Novio Packaging A/S in the years to come.

Description of environmental matters

During the year the Company has maintained its certifications within quality management (ISO9001), food safety (ISO22000/FSSC22000), GMP pharma production (ISO15378) and also environmental management (ISO14001).

The Company's continuous focus on sustainability has resulted in a marked leading role in proving sustainable packaging solutions to the Scandinavian marked.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Description of significant changes in business and economic conditions

For changes in accounting policies we refer to the section under accounting policies.

ANNUAL REPORT

ACCOUNTING POLICIES

This annual report of NOVIO PACKAGING A/S for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

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 the date of payment are recognized in the income statement as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Long-term assets purchased in foreign currency are translated at the exchange rate at the transaction date.

Leasing

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially measured in the balance sheet at the lower of fair value and the net present value of the future lease payments. In calculating the net present value of future lease payments, the discount factor is the interest rate implicit in the lease or an alternative rate. Assets held under finance leases are subsequently treated as the Company's other non-current assets.

The capitalised residual lease obligation is recognized in the balance sheet as a liability and the interest implicit in the lease is recognized in the income statement over the lease term.

All other leases are defined as operating leases. Operating lease payments and other lease payments are recognized in the income statement over the lease term. The Company's total liabilities relating to operating leases and other leases are disclosed in the notes under contingent liabilities.

INCOME STATEMENT

Revenue

Revenue from sales of commodities and end products, is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. The time for transfer of the most significant advantages and risks is based on the standardized delivery terms based on incoterms(R) 2010. Revenue from sales of goods, where delivery on buyer's request is postponed, is recognized in the income, when the ownership of the goods passes to buyer.

Revenue is measured to fair value of the agreed fee ex. VAT and taxes charged on behalf of third parties. All discounts granted in connection with the sale are recognized in the revenue.

Gross profit (loss)

With reference to the Danish Financial Statements Act section 32 revenue with deduction of cost of sales and external cost is condensed into one item called gross profit.

External expenses

Other external expenses comprise expenses for distribution, sale, marketing, bad debts, operational costs etc.

ANNUAL REPORT**ACCOUNTING POLICIES****Staff costs**

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, leasing costs, gains and losses on securities, 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.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to changes directly recognized in equity is recognized directly in equity.

BALANCE SHEET**Property, plant and equipment**

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation. Concerning self-constructed assets the cost comprises direct and indirectly expenses to materials, components, subcontractors, wages and borrowing costs from specific and general borrowing, which directly relate to the construction of the single asset.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and equipment, 5-14 years

Other fixtures and fittings, tools and equipment, 5-14 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are re-assessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

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

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. Gains and losses are recognized in the income statement as other operating income and other operating costs, respectively.

Investments

Deposits are measured at cost.

ANNUAL REPORT**ACCOUNTING POLICIES****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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Cost for produced finished products as well as work in progress are measured at cost for raw material, consumables, and direct and indirect production costs. In indirect production costs are included indirect materials and wages as well as maintenance of and depreciations on used machines, factory plants and equipment as well as costs in connection with factory administration and management concerning the products.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost or at a lower net realisable value, which equals nominal value less provisions for bad debts. Depreciations on loss are recognized on basis of an individual valuation of the single receivable and for the receivables from sales as well as a general depreciation based on the Company's experiences from previous years.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents include deposits in bank accounts and cash holdings.

Equity

Reserve for net revaluation of investments according to the equity method

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognized at a negative amount.

Tax payables and deferred tax

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. However, deferred tax is not recognized 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.

Deferred tax is measured on basis of the tax rules and tax rates, which are valid according to the legislation on the balance sheet date, when deferred tax is expected to become actual tax. 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 recognized under other non-current

ANNUAL REPORT**ACCOUNTING POLICIES**

assets 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.

Current tax receivable and payable is recognized 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. Allowances under the tax prepayment scheme are included in the income statement as financial items.

Liabilities other than provisions

Financial liabilities are recognized 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 recognized in the income statement over the term of the loan.

Furthermore, the capitalized residual lease liability on financial leasing contracts is recognized in the financial liabilities.

Other financial liabilities are measured at net realisable value.

Deferred income liabilities

Deferred income, recognized in liabilities, comprises received payment concerning revenue in the following years.

CASH FLOW STATEMENT**Explanation of entity's definition of cash and cash equivalents**

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, installments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash.

ANNUAL REPORT

KEY FIGURES AND FINANCIAL RATIOS

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Gross profit (loss)	25.828	26.791	25.540	20.255	19.076
Results from net financials	-1.182	-1.463	-1.601	-315	-769
Profit (loss) from ordinary operating activities	2.469	2.575	5.959	2.354	3.189
Profit (loss)	997	964	3.381	1.567	1.886
Assets	79.948	90.927	70.143	51.912	43.684
Investment in property, plant and equipment	3.282	5.832	8.447	3.584	3.845
Equity	18.543	17.546	16.969	13.588	12.822
Average number of employees	39	45	37	37	33
Return on capital employed	22%	22%	36%	23%	28%
Equity ratio	22%	22%	30%	33%	33%
Solvency ratio	7%	6%	29%	15%	19%

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios calculation formula:

Return on capital employed:

$EBITDA \times 100 / \text{Average invested capital}$

Average invested capital:

Fixed assets and net current assets

Equity ratio:

$\text{Equity} \times 100 / \text{Average equity}$

Return on equity:

$\text{Profit/losses for the year} \times 100 / \text{Average equity}$

ANNUAL REPORT

INCOME STATEMENT FOR 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Gross profit		25.827.825	26.791.217
Staff costs	1	-17.583.103	-18.998.523
Depreciation, amortisation and impairment losses		-5.775.470	-5.217.785
Profit (loss) from ordinary operating activities		2.469.252	2.574.909
Financial income	2	220.028	240.081
Financial expenses	3	-1.401.529	-1.703.391
Profit (loss) from ordinary activities before tax		1.287.751	1.111.599
Tax	4	-291.000	-247.960
PROFIT/LOSS FOR THE YEAR	5	996.751	863.639

ANNUAL REPORT

BALANCE OF 31 DECEMBER 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
ASSETS			
Plant and machinery		34.490.946	36.559.813
Fixtures, fittings, tools and equipment		17.902.467	16.829.396
Property, plant and equipment	6	<u>52.393.413</u>	<u>53.389.209</u>
Deposits		360.000	395.400
Long-term investments and receivables	7	<u>360.000</u>	<u>395.400</u>
FIXED ASSETS		<u>52.753.413</u>	<u>53.784.609</u>
Raw materials and consumables		2.308.128	1.652.102
Manufactured goods and goods for resale		10.950.726	11.637.237
Goods in transit		170.265	0
Inventories		<u>13.429.119</u>	<u>13.289.339</u>
Trade receivables		11.853.122	12.400.874
Receivables from group enterprises		593.208	400.632
Other receivables		179.500	9.952.297
Deferred income assets	8	540.677	386.801
Receivables		<u>13.166.507</u>	<u>23.140.604</u>
Cash and cash equivalents		<u>599.185</u>	<u>712.606</u>
CURRENT ASSETS		<u>27.194.811</u>	<u>37.142.549</u>
ASSETS		<u>79.948.224</u>	<u>90.927.158</u>

ANNUAL REPORT

BALANCE OF 31 DECEMBER 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
EQUITY AND LIABILITIES			
Contributed capital	9	2.250.000	2.250.000
Retained earnings		<u>16.292.633</u>	<u>15.295.882</u>
EQUITY		<u>18.542.633</u>	<u>17.545.882</u>
Provisions for deferred tax	10	<u>2.600.000</u>	<u>2.309.000</u>
PROVISIONS		<u>2.600.000</u>	<u>2.309.000</u>
Debt to banks		0	750.000
Other payables		565.533	0
Lease commitments		<u>15.783.331</u>	<u>18.917.693</u>
Long-term liabilities other than provisions	11	<u>16.348.864</u>	<u>19.667.693</u>
Debt to other credit institutions		9.843.827	27.600.963
Prepayments received from customers		33.952	45.976
Trade payables		6.984.522	14.649.702
Payables to group enterprises		17.086.145	618
Other payables		3.685.167	2.831.483
Lease commitments		4.823.114	5.525.841
Short-term part of debt to banks		0	750.000
Short-term liabilities other than provisions		<u>42.456.727</u>	<u>51.404.583</u>
LIABILITIES OTHER THAN PROVISIONS		<u>58.805.591</u>	<u>71.072.276</u>
EQUITY AND LIABILITIES		<u>79.948.224</u>	<u>90.927.158</u>
Related parties	12		
Contingent liabilities	13		
Mortgages and collaterals	14		
Ownership	15		
Disclosure of deferred tax assets and liabilities	16		

ANNUAL REPORT

STATEMENT OF CHANGES IN EQUITY FOR 2019

	<u>2019</u>	<u>2018</u>
	DKK	DKK
Contributed capital:		
Capital, 1 January 2019	2.250.000	2.250.000
Capital, 31 December 2019	<u>2.250.000</u>	<u>2.250.000</u>
Retained earnings:		
Retained earnings, 1 January 2019	15.295.882	14.719.283
Decrease of equity regarding additional debt from previous years	0	-368.000
The tax effect of debt from previous years	0	80.960
Increase	996.751	863.639
Retained earnings, 31 December 2019	<u>16.292.633</u>	<u>15.295.882</u>
Equity, 31 December 2019	<u>18.542.633</u>	<u>17.545.882</u>

ANNUAL REPORT

CASH FLOW STATEMENT FOR 2019

	2019 DKK	2018 DKK
Profit (loss)	996.751	863.639
Depreciation of fixed assets ex. sales etc.	5.775.470	5.217.785
Adjustments for deferred tax	291.000	247.960
Decrease (increase) in inventories	-139.780	-994.700
Decrease (increase) in receivables	10.166.673	-12.058.969
Decrease (increase) in trade payables	-6.257.987	-1.802.571
Cash flow from operating activity	10.832.127	-8.526.856
Purchase of property, plant and equipment, classified as investing activities	-4.779.674	-21.360.056
Sales of deposits, investments and receivables	35.400	0
Cash flows from investment activity	-4.744.274	-21.360.056
Repayments of long-term liabilities, classified as financing activities	-3.837.089	0
Repayment of bank debt	-19.257.136	0
Raising of bank debt	0	11.854.293
Raising of long-term liabilities, classified as financing activities	0	9.988.304
Increase loan to group enterprises	-192.576	0
Repayment of loan to group enterprises	0	9.093.671
Raising of debt to group enterprises	17.085.527	0
Decrease of equity regarding additional debt	0	-368.000
Cash flow from financing activity	-6.201.274	30.568.268
Net increase (decrease) in cash and cash equivalents	-113.421	681.356
Cash and cash equivalents, beginning balance	712.606	31.250
Cash and cash equivalents (cash flow), ending balance	599.185	712.606

ANNUAL REPORT

NOTES

	2019 DKK	2018 DKK
1. Staff costs		
Wages and salaries	16.638.186	19.349.739
Post-employment benefit expense	1.873.446	1.409.614
Social security contributions	292.395	303.749
Employee expenses transferred to assets	-1.484.000	-2.330.000
Other employee expense	263.076	265.421
Employee benefits expense	17.583.103	18.998.523
The total fee et cetera to the Company's Management and board comprises	2.719.611	2.323.199
Average number of employees	39	45
2. Other finance income		
Interest income from group enterprises	220.028	0
Other interest income	0	240.081
Other finance income	220.028	240.081
3. Other finance expenses		
Other interest expenses	1.401.529	1.421.177
Other adjustments of finance expenses	0	282.214
Other finance expenses	1.401.529	1.703.391
4. Tax		
Current tax expense	0	0
Adjustments for deferred tax	291.000	167.000
Adjustments for deferred tax on changes in equity	0	80.960
Tax expense on ordinary activities	291.000	247.960
5. Proposed distribution of results		
Proposed dividend	0	0
Retained earnings	996.751	863.639
	996.751	863.639

ANNUAL REPORT

NOTES

	2019 DKK	2018 DKK
6. Property, plant and equipment		
Plant and machinery:		
Cost, 1 January 2019	57.320.624	40.559.579
Additions	1.603.620	16.761.045
Cost, 31 December 2019	58.924.244	57.320.624
Accumulated depreciation, 1 January 2019	-20.760.811	-17.298.616
Depreciation	-3.672.487	-3.462.195
Accumulated depreciation, 31 December 2019	-24.433.298	-20.760.811
Plant and machinery, 31 December 2019	34.490.946	36.559.813
Fixtures, fittings, tools and equipment:		
Cost, 1 January 2019	38.182.228	33.583.217
Additions	3.176.054	4.599.011
Cost, 31 December 2019	41.358.282	38.182.228
Accumulated depreciation, 1 January 2019	-21.352.832	-19.597.242
Depreciation	-2.102.983	-1.755.590
Accumulated depreciation, 31 December 2019	-23.455.815	-21.352.832
Fixtures, fittings, tools and equipment, 31 December 2019	17.902.467	16.829.396
Accounting value of assets, which are not owned by the Company, amounts to 30.460.723 DKK.		
7. Long-term Investments and receivables		
Deposits		
Cost, 1 January 2019	395.400	395.400
Disposals	-35.400	0
Cost, 31 December 2019	360.000	395.400
8. Explanation of income assets		
Deferred income assets comprise prepaid of other operating expenses.		
9. Contributed capital		
The share capital is divided into shares of 1 DKK or multiples thereof.		
10. Disclosure of provisions for deferred tax		
Deferred tax, 1 January 2019	2.309.000	2.142.000
Adjustments for deferred tax	291.000	167.000
Deferred tax, 31 December 2019	2.600.000	2.309.000
11. Long-term liabilities		
Long-term liabilities other than provisions due after 5 years and more	1.630.137	2.516.273
Long-term liabilities other than provisions due after 5 years and more	1.630.137	2.516.273

ANNUAL REPORT**NOTES****12. Related parties**

The company is included in the consolidated financial statements of:

Novio Packaging Group B.V.

The company's consolidated financial statements can be obtained by contacting the company.

The following related party has a controlling interest in Novio Packaging A/S:

Novio Packaging Group B.V.

Bijsterhuizen 2401

6604LK Wijchen

Main shareholder

The company has had transactions with related parties in 2019 for:

Revenue, 5.966 DKK'000

Cost of sales, 198 DKK'000

Interest income, 220 DKK'000

Receivables from group enterprises, 593 DKK'000

Payables to group enterprises, 17.086 DKK'000

13. Contingent liabilities

The Company has rent commitments of 4.171 DKK'000 at 31 December 2019.

The Company's contractual lease commitments, which are not recognized in the balance at 31 December 2019, amounts to 3.000 DKK'000. The lease commitments' start up is in 2020.

14. Mortgages and collaterals

As collateral for debt to banks and other credit institutions, the Company has issued mortgage deeds of a total of 24.000 DKK'000, which give security in fixed assets and inventory with a accounting value of total 66.159 DKK'000 per 31 December 2019.

Trade receivables with a total accounting value of 11.853 DKK'000 have been given as collateral for debt to banks of 9.086 DKK'000.

The parent company has provided security to the Company's credit institution. This guarantee involves any present and future obligation which the Company has or may have towards the credit institution.

15. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Novio Packaging Group B.V.

Bijsterhuizen 2401

NL-6604LK Wijchen

16. Disclosure of deferred tax assets and liabilities

Provisions concerning deferred tax assets comprise deferred tax relating to property, plant and equipment, inventories and financial lease.