

# **Baltic Packaging A/S**

Kirstinehøj 4, 2770 Kastrup  
CVR no. 70 71 03 15

## **Annual report for 2019**

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 12.08.20

Søren Elmann Ingerslev  
Dirigent

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**The company**

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Baltic Packaging A/S

Secondary firm names: Consafe A/S, MB Baltic Blikemballage A/S, MB Baltic Emballage A/S, MB Baltic Packaging A/S, Metalvarefabriken Baltic A/S

Kirstinehøj 4

2770 Kastrup

Tel.: 32 59 22 11

Registered office: Tårnby

CVR no.: 70 71 03 15

Financial year: 01.01 - 31.12

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**Executive Board**

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Stig Wall-Gremstrup

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**Board of Directors**

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Søren Elmann Ingerslev

Hugo Sebastian Trappmann

Boris Alexander Ley

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**Auditors**

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Beierholm

Statsautoriseret Revisionspartnerselskab

We have on this day presented the annual report for the financial year 01.01.19 - 31.12.19 for Baltic Packaging A/S.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

## **Statement of the Board of Directors and Executive Board on the annual report**

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In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.19 and of the results of the the company's activities for the financial year 01.01.19 - 31.12.19.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Tårnby, August 12, 2020

### **Executive Board**

Stig Wall-Gremstrup

### **Board Of Directors**

Søren Elmann Ingerslev  
Chairman

Hugo Sebastian  
Trappmann

Boris Alexander Ley

**To the Shareholder of Baltic Packaging A/S****Opinion**

We have audited the financial statements of Baltic Packaging A/S for the financial year 01.01.19 - 31.12.19, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.19 and of the results of the company's operations for the financial year 01.01.19 - 31.12.19 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

**Basis for conclusion**

We conducted our audit in accordance with International Standards on Auditing 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Statement regarding the 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 Statements Acts. We did not identify any material misstatement of management's review.

**Management's responsibility for the financial statements**

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Soeborg, Copenhagen, August 12, 2020

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Jan Nygaard

State Authorized Public Accountant  
MNE-no. mne11743

**Primary activities**

The company'sAs previous years, the main activities comprise production and sale of a wide variety of quality product within the chemical/technical tin packaging, which is delivered to paint and varnish industries domestically and abroad.

**Development in activities and financial affairs**

The income statement for the period 01.01.19 - 31.12.19 shows a profit/loss of DKK -11,902,112 against DKK -9,068,533 for the period 01.01.18 - 31.12.18. The balance sheet shows equity of DKK 5,051,563.

The management consider the net loss for the year to be as expected.

**Subsequent events**

No important events have occurred after the end of the financial year.



## Income statement

Note		2019 DKK	2018 DKK
	<b>Gross profit</b>	<b>7,547,392</b>	<b>11,916,663</b>
1	Staff costs	-15,196,551	-15,267,469
	<b>Loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>-7,649,159</b>	<b>-3,350,806</b>
	Depreciation and impairments losses of property, plant and equipment	-3,263,941	-3,125,708
	<b>Loss before net financials</b>	<b>-10,913,100</b>	<b>-6,476,514</b>
	Financial income	29,460	18,033
2	Financial expenses	-1,018,472	-601,063
	<b>Loss before tax</b>	<b>-11,902,112</b>	<b>-7,059,544</b>
3	Tax on profit or loss for the year	0	-2,008,989
	<b>Loss for the year</b>	<b>-11,902,112</b>	<b>-9,068,533</b>
	<b>Proposed appropriation account</b>		
	Retained earnings	-11,902,112	-9,068,533
	<b>Total</b>	<b>-11,902,112</b>	<b>-9,068,533</b>

## Balance sheet

Note	ASSETS		31.12.19	31.12.18
			DKK	DKK
	Plant and machinery		7,557,593	10,423,584
	Prepayments for property, plant and equipment		813,501	0
4	<b>Total property, plant and equipment</b>		<b>8,371,094</b>	<b>10,423,584</b>
	Deposits		6,500	6,500
	<b>Total investments</b>		<b>6,500</b>	<b>6,500</b>
	<b>Total non-current assets</b>		<b>8,377,594</b>	<b>10,430,084</b>
	Raw materials and consumables		5,268,734	3,321,047
	Work in progress		6,510,208	6,708,717
	Manufactured goods and goods for resale		5,290,450	3,424,016
	<b>Total inventories</b>		<b>17,069,392</b>	<b>13,453,780</b>
	Trade receivables		5,632,575	5,818,924
	Other receivables		243,915	746,380
	Prepayments		154,406	507,502
	<b>Total receivables</b>		<b>6,030,896</b>	<b>7,072,806</b>
	<b>Cash</b>		<b>42,346</b>	<b>347,275</b>
	<b>Total current assets</b>		<b>23,142,634</b>	<b>20,873,861</b>
	<b>Total assets</b>		<b>31,520,228</b>	<b>31,303,945</b>

## EQUITY AND LIABILITIES

Note		31.12.19 DKK	31.12.18 DKK
	Share capital	1,001,000	1,000,000
	Share premium	5,499,000	0
	Retained earnings	-1,448,437	10,453,675
	<b>Total equity</b>	<b>5,051,563</b>	<b>11,453,675</b>
5	Lease commitments	3,084,425	3,459,451
5	Payables to group enterprises	4,209,307	4,209,307
	<b>Total long-term payables</b>	<b>7,293,732</b>	<b>7,668,758</b>
5	Short-term part of long-term payables	392,147	392,187
	Payables to other credit institutions	4,887,902	5,358,069
	Trade payables	4,123,054	4,276,843
	Payables to group enterprises	7,925,824	0
	Other payables	1,846,006	2,154,413
	<b>Total short-term payables</b>	<b>19,174,933</b>	<b>12,181,512</b>
	<b>Total payables</b>	<b>26,468,665</b>	<b>19,850,270</b>
	<b>Total equity and liabilities</b>	<b>31,520,228</b>	<b>31,303,945</b>

6 Contingent liabilities

## Statement of changes in equity

Figures in DKK	Share capital	Share premium	Retained earnings
Statement of changes in equity for 01.01.18 - 31.12.18			
Balance as at 01.01.18	1,000,000	0	16,227,758
Net effect of changed accounting policies	0	0	3,294,450
Balance as at 01.01.18	1,000,000	0	19,522,208
Net profit/loss for the year	0	0	-9,068,533
Balance as at 31.12.18	1,000,000	0	10,453,675
Statement of changes in equity for 01.01.19 - 31.12.19			
Balance as at 01.01.19	1,000,000	0	10,453,675
Capital increase	1,000	5,499,000	0
Net profit/loss for the year	0	0	-11,902,112
Balance as at 31.12.19	1,001,000	5,499,000	-1,448,437

	2019	2018
	DKK	DKK

### 1. Staff costs

Wages and salaries	13,468,357	13,484,626
Pensions	854,905	716,367
Other social security costs	387,774	338,388
Other staff costs	485,515	728,088
<b>Total</b>	<b>15,196,551</b>	<b>15,267,469</b>
Average number of employees during the year	33	32

### 2. Financial expenses

Interest, group enterprises	397,836	84,253
Other interest expenses	508,797	419,350
Foreign currency translation adjustments	66,082	52,044
Other financial expenses	45,757	45,416
<b>Other financial expenses total</b>	<b>620,636</b>	<b>516,810</b>
<b>Total</b>	<b>1,018,472</b>	<b>601,063</b>

### 3. Tax on profit or loss for the year

Adjustment of deferred tax for the year	0	2,008,989
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#### 4. Property, plant and equipment

Figures in DKK	Plant and machinery	Prepayments for property, plant and equipment
Cost as at 01.01.19	86,341,698	0
Additions during the year	397,950	813,501
Cost as at 31.12.19	86,739,648	813,501
Depreciation and impairment losses as at 01.01.19	-75,918,114	0
Depreciation during the year	-3,263,941	0
Depreciation and impairment losses as at 31.12.19	-79,182,055	0
Carrying amount as at 31.12.19	7,557,593	813,501
Carrying amount of assets held under finance leases as at 31.12.19	3,399,680	0

#### 5. Longterm payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.19	Total payables at 31.12.18
Lease commitments	392,147	1,328,926	3,476,572	3,844,445
Payables to group enterprises	0	4,209,307	4,209,307	4,209,307
Total	392,147	5,538,233	7,685,879	8,053,752

## 6. Contingent liabilities

### *Lease commitments*

The company has concluded lease agreements with terms to maturity of 80 months and average lease payments of DKK 243k, a total of DKK 11.862k. Of this amount DKK 3,477 is recognized in the balance sheet as a financial lease commitment.

## 7. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

### Change in accounting policies

The companyThe company has changed its accounting policies in the following areas:

#### *Inclusion of production overheads in the cost of inventories*

Previously, production overheads were expensed in the income statement. In future, production overheads will be included in the cost of inventories as management believes that this will provide a fairer presentation. The change in accounting policy has a positive impact of DKK 238k on the net profit or loss for 2019. The change in policy has has a positive impact on the equity as at 31.12.28 of DKK 3.295k. As at 31.12.19, equity is increased by DKK 3.533k and the balance sheet total is increased by DKK 3.533k.

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will

**7. Accounting policies - continued -**

flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

**LEASES**

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.



**7. Accounting policies - continued -****INCOME STATEMENT****Gross profit**

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

**Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

**7. Accounting policies - continued -****Depreciation and impairment losses**

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Plant and machinery	5-10	500,000

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

**Other operating expenses****Other net financials**

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

**Tax on profit/loss for the year**

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

**7. Accounting policies** - continued -**BALANCE SHEET****Property, plant and equipment**

Property, plant and equipment comprise plant and machinery.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

*Prepayments for property, plant and equipment*

Prepayments for property, plant and equipment comprise prepayments to suppliers.

*Gains and losses on the disposal of property, plant and equipment*

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group

**7. Accounting policies** - continued -

of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

## 7. Accounting policies - continued -

### Inventories

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct and indirect material. Production overheads include indirect material and labour costs as well as maintenance, buildings and equipment used in the production process as well as the costs of factory administration and management. Interest on loans arranged to finance production is not included in the cost.

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

### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

### Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

### Cash

Cash includes deposits in bank accounts as well as operating cash.

## 7. Accounting policies - continued -

### Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

### Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.