

Annual report for 2020

Eurowrap A/S

Odinsvej 30, 4100 Ringsted

CVR no. 79 52 41 15

Adopted at the annual general meeting on 12
March 2021

Anders Ditlev Jørgensen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Eurowrap A/S for the financial year 1 January - 31 December 2020.

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

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

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Ringsted, 12 March 2021

Executive board

Anders Ditlev Jørgensen

Supervisory board

Guillaume Marie Georges Nusse Martin Ian Bramley
chairman

Anders Ditlev Jørgensen

Johnny Engelund Kampman

Independent auditor's report

To the shareholder of Eurowrap A/S

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the group and the parent at 31 December 2020 and of the results of the group's and the parent company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the consolidated financial statements and the parent company financial statements of Eurowrap A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the group and the parent company as well as consolidated statement of cash flows ["financial statements"].

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 group 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 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, in our view, management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Independent auditor's report

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 group's and the parent 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 group or the parent 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 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 these financial statements.

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

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

Independent auditor's report

- 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 group's and the parent 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 group and the parent 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information for the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 12 March 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
MNE no. mne18628

Jesper Bo Winther
State Authorised Public Accountant
MNE no. mne26864

Company details

The company

Eurowrap A/S
Odinsvej 30
4100 Ringsted

CVR no.: 79 52 41 15

Reporting period: 1 January - 31 December 2020

Incorporated: 29 November 1985

Financial year: 36th financial year

Domicile: Ringsted

Supervisory board

Guillaume Marie Georges Nusse, chairman
Martin Ian Bramley
Anders Ditlev Jørgensen
Johnny Engelund Kampman

Executive board

Anders Ditlev Jørgensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Copenhagen

Financial highlights

Seen over a 5-year period, the development of the Group may be described by means of the following financial highlights:

	Group				
	2020	2019	2018/19	2017/18	2016/17
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	196.485	188.978	218.649	230.636	246.902
Gross profit	50.355	50.565	64.672	66.917	78.208
EBITDA	20.037	21.957	26.213	27.565	40.027
Operating profit/loss	7.994	16.301	20.485	20.812	31.096
Profit before financial income and expenses	15.525	18.128	21.243	22.232	32.895
Net financials	1.048	-505	-1.390	-1.717	-2.050
Profit/loss for the year	13.353	14.210	16.043	16.436	24.239
Balance sheet					
Balance sheet total	228.981	229.193	218.163	203.735	198.483
Equity	160.721	153.900	149.897	130.500	123.469
Cash flows from:					
- operating activities	17.439	2.369	18.431	14.984	38.363
- investing activities	-486	-583	-1.686	-3.635	-3.639
- financing activities	-2.817	-6.418	-1.813	-5.341	-15.209
The year's changes in cash and cash equivalents	14.136	-4.632	14.932	6.008	19.515
Financial ratios					
Gross margin	25,6%	26,8%	29,6%	29,0%	31,7%
EBIT margin	7,9%	9,6%	9,7%	9,6%	13,3%
Return on assets	6,8%	7,9%	9,7%	10,9%	16,6%
Solvency ratio	70,2%	67,1%	68,7%	64,1%	62,2%
Return on equity	8,5%	9,4%	11,4%	12,9%	21,2%
Number of employees	99	98	107	105	106

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

The numbers for 2019 only comprises a 9 month period as the Group has changed the financial year.

Management's review

Business review

Consolidated and Parent Company Financial Statements of Eurowrap A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements have been prepared under the same accounting policies as last year.

Business activities

Eurowrap is a leading designer, manufacturer and distributor of gift packaging including gift wrap, giftbags, gift tags, bows and ribbons and other related products.

Eurowrap comprises of Eurowrap A/S in Denmark and Eurowrap Ltd. in England. The Danish company manufactures gift roll wrap and is responsible for group sales in Continental Europe, whereas the UK subsidiary is responsible for design, Far East sourcing and group sales in the UK.

Financial review

The income statement of the Group for 2020 shows a profit of TDKK 13.353, and the balance sheet at 31 December 2020 shows equity of TDKK 160.721.

The Group figures in TDKK have been negatively influenced by the Brexit uncertainty and the subsequent development in the British currency as well as the lockdowns due to covid-19.

The profit for the Group was below last year but is considered satisfactory.

The Group expects a stable development for the coming year in local currency.

Special risks apart from generally occurring risks in industry

Operating risks

Eurowrap serves European retail where understanding market trends, customer requirements, expectations and on-time deliveries are essential for company performance. The business is seasonal with a large part of group turnover being Christmas items, which makes order timing and planning crucial for the business. The company has the normal risk attached to the market interest rate. The Company's mortgage loan have a flexible interest rate that will be adjusted once a year.

Currency risks

The company's primary markets are Great Britain, France, Germany and Scandinavia. The foreign exchange risks are primarily attached to the British market.

Management's review

External environment

The Company has a highly energy-efficient production system which recycles hot air pressure and drying process several times after which the excess heat is used to heat the building via a cooling system that reduces energy and water consumption for cooling significantly. The company uses only water-based inks.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the the group's financial position.

Accounting policies

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

The accounting policies applied remain unchanged from last year.

The annual report for 2020 is presented in TDKK.

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 amortisation, depreciation and impairment losses, 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 group's and the parent company's and the value of the asset can be measured reliably.

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

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate 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 financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, the value adjustments are recognised directly in equity.

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 the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Accounting policies

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under equity in the consolidated financial statements.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to the fair value reserve under 'Equity'. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Consolidated financial statements

The consolidated financial statements comprise the parent company Eurowrap and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Income statement

Hedge accounting

Fair value adjustments of financial instruments that are designated and qualify as fair value hedges of recognised assets or liabilities are recognised in the income statement together with any fair value adjustments of the hedged asset or liability that can be attributed to the hedged risk.

Accounting policies

Changes in the fair value of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in equity under retained earnings as regards the effective portion of the hedge. The ineffective portion of the hedge is recognised in the income statement. If the hedged transaction results in an asset or a liability, amounts deferred under equity are transferred to the cost of the asset or liability. If the hedged transaction results in income or expenses, amounts deferred under equity are transferred to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair value of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, while the ineffective portion is recognised in the income statement.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of productions

Cost of productions comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Distribution costs

Distribution costs comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

	Useful life	Residual value
Buildings	10-50 years	0 %
Production plant and machinery	3-15 years	0 %
Other fixtures & fittings, tools and equipment	3-5 years	0 %

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Accounting policies

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of items of property, plant and equipment and investments in subsidiaries are tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Inventories

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

The net realisable value of inventories is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Accounting policies

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement 1 January 2020 - 31 December 2020

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Revenue		196.485	188.978	95.516	82.477
Cost of productions	1	-146.130	-138.413	-79.680	-69.561
Gross profit		50.355	50.565	15.836	12.916
Distribution costs	1	-30.902	-25.350	-9.024	-7.692
Administrative costs	1	-11.459	-8.914	-6.448	-4.926
Operating profit/loss		7.994	16.301	364	298
Other operating income		7.531	1.827	317	539
Profit/loss before financial income and expenses		15.525	18.128	681	837
Income from investments in subsidiaries		0	0	0	20.876
Financial income	2	1.737	218	1.434	22
Financial costs	3	-689	-723	-607	-642
Profit/loss before tax		16.573	17.623	1.508	21.093
Tax on profit/loss for the year	4	-3.220	-3.413	-334	-49
Net profit/loss for the year		13.353	14.210	1.174	21.044
Distribution of profit	5				

Balance sheet at 31 December 2020

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Assets					
Land and buildings		66.409	69.878	51.548	53.599
Plant and machinery		5.196	6.399	4.998	6.092
Other fixtures and fittings, tools and equipment		1.150	1.606	197	132
Tangible assets	6	72.755	77.883	56.743	59.823
Investments in subsidiaries	7	0	0	92.161	92.161
Fixed asset investments		0	0	92.161	92.161
Total non-current assets		72.755	77.883	148.904	151.984
Raw materials and consumables		18.215	16.836	18.215	16.836
Work in progress		2.965	1.862	2.965	1.862
Finished goods and goods for resale		25.217	29.389	4.137	5.823
Inventories	8	46.397	48.087	25.317	24.521
Trade receivables		35.276	41.981	19.798	24.699
Receivables from Group		595	380	5.763	2.475
Other receivables		944	2.218	630	634
Corporation tax		255	44	0	0
Prepayments	9	1.182	1.160	1.182	1.160
Receivables		38.252	45.783	27.373	28.968
Cash at bank and in hand		71.576	57.440	11.460	10.479
Total current assets		156.226	151.310	64.151	63.968
Total assets		228.981	229.193	213.055	215.952

Balance sheet at 31 December 2020

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Equity and liabilities					
Share capital		12.195	12.195	12.195	12.195
Revaluation reserve		16.741	17.561	16.741	17.561
Reserve for current value of hedging		-712	0	0	0
Retained earnings		132.497	124.144	120.982	118.988
Equity	10	160.721	153.900	149.918	148.744
Provision for deferred tax	11	9.784	10.146	9.522	9.788
Total provisions		9.784	10.146	9.522	9.788
Mortgage loans		29.535	31.057	29.535	31.057
Other credit institutions		0	493	0	0
Total non-current liabilities	12	29.535	31.550	29.535	31.057

Balance sheet at 31 December 2020 (continued)

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Equity and liabilities					
Mortgage loans	12	1.594	1.593	1.594	1.593
Other credit institutions	12	10.618	11.472	10.277	11.137
Trade payables		6.611	10.638	5.016	7.758
Payables to Group		320	280	1.786	2.758
Corporation tax		1.179	2.016	599	127
Other payables		8.619	7.598	4.808	2.990
Total current liabilities		28.941	33.597	24.080	26.363
Total liabilities		58.476	65.147	53.615	57.420
Total equity and liabilities		228.981	229.193	213.055	215.952
Staff	1				
Rent and lease liabilities	13				
Mortgages and collateral	14				
Financial instruments	15				
Related parties and ownership structure	18				

Statement of changes in equity

Group

	Share capital	Revaluation reserve	Reserve for current value of hedging	Retained earnings	Total
Equity at 1 January 2020	12.195	17.561	0	124.144	153.900
Exchange adjustments	0	0	0	-5.820	-5.820
Dissolution of previous years' revaluation	0	-820	0	820	0
Fair value adjustment of hedging instruments	0	0	-712	0	-712
Net profit/loss for the year	0	0	0	13.353	13.353
Equity at 31 December 2020	12.195	16.741	-712	132.497	160.721

Parent company

	Share capital	Revaluation reserve	Retained earnings	Total
Equity at 1 January 2020	12.195	17.561	118.988	148.744
Dissolution of previous years' revaluation	0	-820	820	0
Net profit/loss for the year	0	0	1.174	1.174
Equity at 31 December 2020	12.195	16.741	120.982	149.918

Cash flow statement 1 January 2020 - 31 December 2020

	Note	Group	
		2020 TDKK	2019 TDKK
Net profit/loss for the year		13.353	14.210
Adjustments	16	3.851	8.283
Change in working capital	17	3.548	-16.209
Cash flows from operating activities before financial income and expenses		20.752	6.284
Financial income		1.737	218
Financial costs		-690	-723
Cash flows from ordinary activities		21.799	5.779
Corporation tax paid		-4.360	-3.410
Cash flows from operating activities		17.439	2.369
Purchase of property, plant and equipment		-486	-583
Cash flows from investing activities		-486	-583
Repayment of mortgage loans		-1.521	-1.197
Repayment of loans from credit institutions		-463	-299
Repayment of other long-term debt		-833	5.578
Dividend paid		0	-10.500
Cash flows from financing activities		-2.817	-6.418
Change in cash and cash equivalents		14.136	-4.632
Cash and cash equivalents		57.440	62.072
Cash and cash equivalents		71.576	57.440
Analysis of cash and cash equivalents:			
Cash at bank and in hand		71.576	57.440
Cash and cash equivalents		71.576	57.440

Notes

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
1 Staff				
Wages and Salaries	34.685	25.918	20.598	14.549
Pensions	2.523	1.730	872	625
Other social security expenses	646	513	354	318
	37.854	28.161	21.824	15.492
Wages and Salaries, pensions and other social security expenses are recognised in the following items:				
Cost of productions	14.410	9.994	14.410	9.994
Distribution costs	15.771	12.204	2.947	2.069
Administrative costs	7.673	5.963	4.467	3.429
	37.854	28.161	21.824	15.492
Average number of employees	99	98	45	43
Including remuneration to the Executive Board & Board of Directors	TDKK 5.371 (2019: TDKK 3.996)			
2 Financial income				
Interest received from subsidiaries	0	0	0	22
Other financial income	303	218	0	0
Exchange adjustments	1.434	0	1.434	0
	1.737	218	1.434	22

Notes

	Group		Parent company	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
3 Financial costs				
Interest paid to parent	3	2	3	2
Other financial costs	<u>686</u>	<u>721</u>	<u>604</u>	<u>640</u>
	<u>689</u>	<u>723</u>	<u>607</u>	<u>642</u>
4 Tax on profit/loss for the year				
Current tax for the year	3.634	3.602	599	127
Deferred tax for the year	<u>-414</u>	<u>-189</u>	<u>-265</u>	<u>-78</u>
	<u>3.220</u>	<u>3.413</u>	<u>334</u>	<u>49</u>
5 Distribution of profit				
Retained earnings	<u>13.353</u>	<u>14.210</u>	<u>1.174</u>	<u>21.044</u>
	<u>13.353</u>	<u>14.210</u>	<u>1.174</u>	<u>21.044</u>

Notes

6 Tangible assets

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	126.895	85.594	15.762	228.251
Exchange adjustment	-1.349	-134	-255	-1.738
Additions for the year	82	0	569	651
Disposals for the year	0	-377	-265	-642
Cost at 31 December 2020	<u>125.628</u>	<u>85.083</u>	<u>15.811</u>	<u>226.522</u>
Impairment losses and depreciation at 1 January 2020	57.017	79.195	14.156	150.368
Exchange adjustment	-373	-110	-185	-668
Depreciation for the year	2.575	1.116	820	4.511
Impairment and depreciation of sold assets for the year	0	-314	-130	-444
Impairment losses and depreciation at 31 December 2020	<u>59.219</u>	<u>79.887</u>	<u>14.661</u>	<u>153.767</u>
Carrying amount at 31 December 2020	<u>66.409</u>	<u>5.196</u>	<u>1.150</u>	<u>72.755</u>

	2020 TDKK	2019 TDKK
Amortisation and impairment of intangible assets are recognised in the following items:		
Depreciation and impairment, production	3.164	2.658
Depreciation and impairment, distribution	1.043	820
Depreciation and impairment, administrative	304	350
	<u>4.511</u>	<u>3.828</u>

Notes

6 Tangible assets (continued)

Parent company

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	104.523	83.375	11.441	199.339
Additions for the year	82	0	174	256
Disposals for the year	0	-377	-67	-444
Cost at 31 December 2020	<u>104.605</u>	<u>82.998</u>	<u>11.548</u>	<u>199.151</u>
Impairment losses and depreciation at 1 January 2020	50.924	77.283	11.309	139.516
Depreciation for the year	2.133	1.031	106	3.270
Impairment and depreciation of sold assets for the year	0	-314	-64	-378
Impairment losses and depreciation at 31 December 2020	<u>53.057</u>	<u>78.000</u>	<u>11.351</u>	<u>142.408</u>
Carrying amount at 31 December 2020	<u>51.548</u>	<u>4.998</u>	<u>197</u>	<u>56.743</u>

	2020 TDKK	2019 TDKK
Amortisation and impairment of intangible assets are recognised in the following items:		
Depreciation and impairment, production	3.164	2.658
Depreciation and impairment, administrative	106	193
	<u>3.270</u>	<u>2.851</u>

Notes

	Group		Parent company	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
7 Investments in subsidiaries				
Cost at 1 January 2020	<u>0</u>	<u>0</u>	<u>92.161</u>	<u>92.161</u>
Cost at 31 December 2020	<u>0</u>	<u>0</u>	<u>92.161</u>	<u>92.161</u>
Carrying amount at 31 December 2020	<u>0</u>	<u>0</u>	<u>92.161</u>	<u>92.161</u>

Group

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Euro Wrap Ltd.	Skelmersdale, UK	100%

8 Inventories

Raw materials and consumables	18.215	16.836	18.215	16.836
Work in progress	2.965	1.862	2.965	1.862
Finished goods and goods for resale	<u>25.217</u>	<u>29.389</u>	<u>4.137</u>	<u>5.823</u>
	<u>46.397</u>	<u>48.087</u>	<u>25.317</u>	<u>24.521</u>

9 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well.

10 Equity

The share capital consists of 24.390 shares of a nominal value of DKK 500. No shares carry any special rights.

Notes

	Group		Parent company	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
11 Provision for deferred tax				
Provision for deferred tax at 1 January 2020	10.146	10.326	9.788	9.812
Deferred tax recognised in income statement	-338	-145	-266	-78
Deferred tax recognised in equity	0	-42	0	54
Provisions for deferred tax through net exchange differences for foreign companys	-24	7	0	0
Provision for deferred tax at 31 December 2020	<u>9.784</u>	<u>10.146</u>	<u>9.522</u>	<u>9.788</u>
12 Long term debt				
Mortgage loans				
After 5 years	21.987	23.998	21.987	23.998
Between 1 and 5 years	7.548	7.059	7.548	7.059
Non-current portion	29.535	31.057	29.535	31.057
Within 1 year	1.594	1.593	1.594	1.593
	<u>31.129</u>	<u>32.650</u>	<u>31.129</u>	<u>32.650</u>
Other credit institutions				
Between 1 and 5 years	0	493	0	0
Non-current portion	0	493	0	0
Other short-term debt to credit institutions	10.618	11.472	10.277	11.137
Current portion	10.618	11.472	10.277	11.137
	<u>10.618</u>	<u>11.965</u>	<u>10.277</u>	<u>11.137</u>

Notes

	Group		Parent company	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	TDKK	TDKK	TDKK	TDKK
13 Rent and lease liabilities				
Rent and lease liabilities				
Operating lease liabilities.				
Total future lease payments:				
Within 1 year	1.662	1.467	6	170
Between 1 and 5 years	<u>5.412</u>	<u>7.228</u>	<u>0</u>	<u>9</u>
	<u>7.074</u>	<u>8.695</u>	<u>6</u>	<u>179</u>

14 Mortgages and collateral

The following assets have been put up as security for debt to mortgage credit institutions:

Land and buldings with a carrying amount of	<u>66.409</u>	<u>69.878</u>	<u>51.548</u>	<u>53.599</u>
	<u>66.409</u>	<u>69.878</u>	<u>51.548</u>	<u>53.599</u>

The following assets have been put up as security for the group's bankers:

Mortgage registrered to the mortgagor amounting to TDKK 50.000 in land and buildings with a carrying amount of	<u>66.409</u>	<u>69.878</u>	<u>51.548</u>	<u>53.599</u>
	<u>66.409</u>	<u>69.878</u>	<u>51.548</u>	<u>53.599</u>

Eurowrap Ltd has given suretyship for Eurowrap A/S' banks.

15 Financial instruments

The group has entered into a number of forward contracts during the year which had not been settled at 31 December 2020. The purpose of these contracts was to hedge future fluctuations in the GBP and USD exchange rate and the resulting impact on purchases. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK - 1.095 (2019: TDKK - 165).

Notes

	Group	
	2020	2019
	TDKK	TDKK
16 Cash flow statement - adjustments		
Financial income	-1.737	-218
Financial costs	689	723
Depreciation, amortisation and impairment losses	4.511	3.875
Tax on profit/loss for the year	3.220	3.413
Other adjustments	-2.832	490
	3.851	8.283
17 Cash flow statement - change in working capital		
Change in inventories	264	8.149
Change in receivables	6.528	-26.999
Change in trade payables, etc.	-4.122	2.434
Fair value adjustments recognised in equity	878	207
	3.548	-16.209

Notes

18 Related parties and ownership structure

Controlling interest

The ultimate parent undertaking is Exacompta Clairefontaine SA, incorporated in France.

Exacompta Clairefontaine SA (incorporated in France) is the largest group to consolidate these financial statements and copies can be obtained from:

Exacompta Clairefontaine SA
19 Rue de l'Abbaye
F-88480 Etival Clairfontaine
France

Other related parties

Immediate parent company - AE4 2012 Holding AB, c/o Schjødt Advokat, byrå, Box 715 101 33, Stockholm

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.