PLUS PACK

PLUS PACK A/S

Energivej 40
5260 Odense S

CVR no. 37 75 40 13

Annual Report 2022

The Annual Report were presented
and approved at the Company's
Annual General Meeting on 24 of April 2023.

Chair of the General Meeting

Jens Albert Harsaae

TRANSFORMING
FOOD PACKAGING
FOR GOOD

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CORPORATE INFORMATION

HEAD OFFICE
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Telephone: +45 6550 6000
Website: www.pluspack.com

CVR No. 37 75 40 13

Established: 13 December 1963
Registered office: Odense
Financial year: 1 January – 31 December

BOARD OF DIRECTORS
Jens Albert Harsaae, Chairman
Kristian Knak Hede
Camilla Haustrup Hermansen
Carsten Bennike
Carsten Bo Pedersen
Lillie Li Valeur
Torben Käehne Rasmussen, Employee Representative
John Helmuth Madsen, Employee Representative
Pia Lyneborg Andersen, Employee Representative

EXECUTIVE BOARD
Anders Top Haustrup, CEO
Camilla Haustrup Hermansen, Deputy CEO

AUDITORS
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3 og 4. sal
5230 Odense M

MANAGEMENT'S STATEMENT

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of Plus Pack A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of the consolidated cash flows for 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 24 of April 2023

Executive Board

Anders Top Haustrup CEO	Camilla Haustrup Hermansen Deputy CEO

Board of Directors

Jens Albert Harsaae Chairman	Kristian Knak Hede	Camilla Haustrup Hermansen
Carsten Bennike	Carsten Bo Pedersen	Lillie Li Valeur
Pia Lyneborg Andersen Employee Representative	Torben Käehne Rasmussen Employee Representative	John Helmuth Madsen Employee Representative

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Plus Pack 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 Company at 31 December 2022, 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 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Plus Pack A/S for the financial year 1 January - 31 December 2022, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 judgment 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.

- 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.

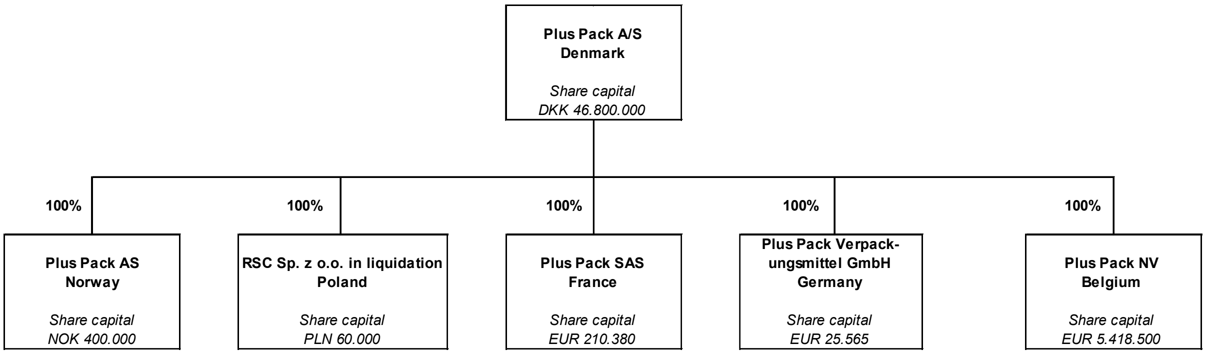
Odense, 24 of April 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam	Claus Damhave
State Authorized Public Accountant	State Authorized Public Accountant
MNE no: mne27768	MNE no: mne34166

MANAGEMENT'S REVIEW

GROUP CHART



PLUS PACK GROUP COMPANIES

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CEO
Anders Top Haustrup

RSC Sp. Z o.o. under liquidation
c/o Plus Pack A/S
Energivej 40
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Telephone: +45 6550 6000

Sales Manager:
Jaroslaw Czerwinski

MANAGEMENT'S REVIEW (CONTINUED)

FINANCIAL HIGHLIGHTS FOR THE GROUP

t.dkk	2022	2021	2020*	2019	2018
Key figures					
Net revenue	727.274	633.290	559.968	570.818	593.785
Gross profit	195.538	192.454	157.405	157.536	159.168
Profit before financial items	52.334	62.282	34.882	25.070	29.125
Profit from financial items	-6.452	-6.612	-7.874	-4.773	-5.749
Profit for the year after tax	34.648	42.822	20.688	15.885	19.103
Balance sheet total	484.327	435.815	365.555	307.256	324.665
Investments in tangible assets	53.269	35.647	103.402	12.531	38.979
Equity	174.701	166.097	133.130	120.013	113.945
Cashflow from operating activities	5.784	68.108	67.571	53.161	45.631
Cashflow from investing activities	-56.413	-37.439	-106.113	-13.091	-38.708
Cashflow from financing activities	46.474	-16.682	36.129	-35.088	-15.986
Change in net cash funds	-4.155	13.987	-2.413	4.982	5.541
Average number of employees	198	190	197	226	227
Ratios					
Net revenue index	122	107	94	96	100
Gross profit margin	26,9 %	30,4 %	28,1 %	27,6 %	26,8 %
Net profit ratio	7,2 %	9,8 %	6,2 %	4,4 %	4,9 %
Return on investment	11,4 %	15,5 %	10,3 %	7,9 %	9,2 %
Equity ratio	36,1 %	38,1 %	36,3 %	38,9 %	35,1 %
Return on equity	20,3 %	28,6 %	16,3 %	13,6 %	17,3 %

The ratios are calculated as follows:

Gross profit margin	= Gross profit/net revenue x 100
Net profit ratio	= Profit before financial items/net revenue x 100
Return on investment	= Profit before financial items/average balance sheet x 100
Equity ratio	= Equity as of 31 December/Assets as of 31 December x 100
Return on equity	= Profit for the year after tax/average equity x 100

*) In 2020, Plus Pack entered into a financial lease agreement on the building in Odense, which impacts 2020-2022 figures positively on Profit before financial items and financial items negatively compared to 2018-2019. Further, total assets and leasing debt have been increased which impacts the ratios as well.

MANAGEMENT'S REVIEW (CONTINUED)

CORE ACTIVITIES

At Plus Pack, we want to lead the food packaging industry forward by driving the transition from linear to circular packaging. We know that food packaging plays a defining role in building a more sustainable tomorrow. By continuously developing and providing truly circular food packaging, we enable our customers to protect and make food stand out, using ever less of our planet's resources.

Plus Pack designs, develops, manufactures, and sells packaging solutions for food. We work with customers, suppliers, end-users, and relevant stakeholders to identify packaging solutions or processes, which can help reduce the environmental impact. Focus is on preventing waste, minimizing footprint and increasing resource productivity while reducing overall carbon emissions and growing a product assortment, which is easy to recycle in accordance with the guiding principles for material recycling within a circular economy.

The key business areas are aluminium and plastic packaging solutions for applications like frozen, cold and warm food and ready meals sold in segments like Retail, Food service, Horeca and Industry. Plus Pack has considerable insight into regional food markets and trends through local sales organizations in Europe and representatives globally.

THE YEAR 2022

The Group's net revenue for the 2022 financial year was t.DKK 727.274 compared to t.DKK 633.290 in 2021. Profit before tax amounted to t.DKK 45.882, compared with a profit before tax of t.DKK 55.670 the year before. Group profit for the year was t.DKK 34.648 in 2022 compared with t.DKK 42.822 in 2021.

The result for 2022 was overall satisfactory. As forecasted, the activity level decreased in 2022 due to a normalization of the market after Covid-19. Net sales were impacted by higher sales prices due to higher raw material costs. Beginning 2022, Plus Pack increased the volume of raw material stock to offset supply disruptions and secure deliveries to our customers. During the year, the increased volume in raw materials and higher raw material costs led to a significant increase in working capital, hurting the operating cash flow.

In 2022, Plus Pack invested in a new warehouse building, constructed with elements that are easy to dismantle, reuse and recycle. The framework of the building is made of steel and wood, while the roof is covered with a white coating that helps reduce the amount of NOx particles being emitted from the atmosphere. It ensures cleaner air and aids the reduction of emissions. Additionally, Plus Pack invested in solar panels on the new warehouse building as well as the existing production and warehouse buildings in Odense. The solar panels are capable of producing 30% of Plus Pack's electricity consumption in Odense, supporting our goal to reduce scope 1&2 emissions. The new warehouse building is DGNB certified Silver according to the standard by the German Sustainable Building Council.

The operating activities showed a positive cash flow of t.DKK 5.784 vs. t.DKK 68.108 in 2021. The Group's total investments with cash flow impact during the 2022 financial year amounted to t.DKK 56.413 compared with t.DKK 37.439 in 2021. Equity increased to t.DKK 174.701 by 31 December 2022, compared with t.DKK 166.097 at the beginning of the year. The number of employees within the Plus Pack group averaged 198 in 2022, compared to 190 in 2021.

EVENTS SINCE THE END OF THE FISCAL YEAR

From the reporting date until today, no events have taken place to change the assessments made in the annual report.

MANAGEMENT'S REVIEW (CONTINUED)

THE FUTURE

In 2023, Plus Pack will continue the implementation of our strategy Circular 2024, aimed at further transforming food packaging to circularity. Food packaging has become a symbol of single-use consumption, where products are only used once, and materials are wasted after use. This needs to change to ensure a more sustainable consumption and production aligned with the UN Sustainable Development Goals.

This transformation will require prevention and reduction of waste in all activities, improved reuse and recycling of food packaging after use and increased use of recycled material in packaging solutions. Plus Pack's ambition is to deliver circular food packaging that protect food, is fit for purpose, and can be reused where possible and recycled after use being fit for future, too. It is Plus Pack's target to reduce CO2 emissions in scope 1 and 2 to net zero, and collaborate with customers and suppliers to reduce scope 3 emissions, focusing on real impact in the value chain of food packaging.

To deliver on Circular 2024, Plus Pack will continue to invest in new circular products and services and reduce CO2 emissions related to both production and consumption of our products. In 2023, no large property investments are planned, whereby the total level of investments is expected to be lower than 2022, when the new warehouse building was built. The activity level is expected to decrease compared to 2022 as the European and global economy is expected to slow down compared to recent years. Profit after tax is expected to decrease due to the lower volume and higher cost level driven by increasing inflation. Net revenue is expected to be in the range of MDKK 675-725. Profit after tax is expected to be in the range of MDKK 25-29.

FINANCIAL RISKS

Plus Pack continually seeks to reduce the Group's risks in relation to commodity purchases and currency transactions through hedging within a specified timeframe. Interest rate risks relating to the Group's loan financing are hedged as far as this is deemed profitable.

Plus Pack does not pursue a policy of participating in speculative financial transactions, and hedging relating to commodities, interest and currencies is always founded on underlying business transactions.

Plus Pack is working proactively in partnership with existing financing partners to exercise diligence in relation to Plus Pack's financial risks and in such a way that the company maintains its competitive engagement at all times.

MANAGEMENT'S REVIEW (CONTINUED)

STATEMENT ON CSR IN ACCORDANCE WITH SECTION 99A
For a description of our business model, please refer to page 9 of the Management's Review.

This is Plus Pack's second annual report, where relevant Group sustainability data is integrated into the management's review. The company will continuously work on improving sustainability data and reporting and to further integrate it into business operations and processes. Plus Pack has set ambitious targets on sustainability efforts, which are central in Circular 2024. Large investments are planned to introduce new circular products and increase share of renewable energy use.

t.dkk	2022	2021	2020	2019	2018
KPI					
CO2 emissions, tons, scope 1	196	265	243	321	321
CO2 emissions, tons, scope 2	911	1.094	952	1.071	1.440
Energy consumption, KWh	7.411	9.008	8.306	8.283	8.711
Materials, easy-to-recycle, %	99,6	99,4	99,5	99,6	n.a
Circular Sales, %	88	85	86	86	86
Gender diversity, in company, %	37	36	37	37	37
Gender diversity, leadership, %	33	25	22	24	25
Gender diversity, BoD, %	33	33	33	33	17
Sick leave, %	7,9	7,3	6,7	6,3	8,2
Accidents, no.	9	7	5	11	7
Employee well-being score	7,1	6,7	6,8	6,8	n.a
Response rate, %	86	86	91	88	n.a
Ratios					
CO2e in kg/ton material converted	82,3	84,6	84,7	102,2	119,0
KWh/ton material converted	550,7	560,5	588,4	608,4	588,5
Accidents/million working hours	30,9	24,9	17,6	34,6	21,6

The ratios are calculated as follows:

CO2e in kg/ton material converted	= CO2 emissions, tons (scope 1 and 2)/ton material converted
KWh/ton material converted	= Energy consumption in KWh/ton material converted
Accidents/million working hours	= Number of accidents/number of realized working hours x 1.000.000

Climate and environment
The environmental impact from food packaging is an important buying criteria in the food industry.

It is Plus Pack's policy to:
- ensure a sustainable development through targeted and balanced initiatives
- comply with all relevant regulatory requirements in the environmental field
- minimise use of resources through reduction of waste, optimization of raw materials and energy use
- develop new circular packaging solutions, products and services

Plus Pack's commitment is demonstrated by the implementation of the environmental management system ISO 14.001, which is being audited accordingly.

MANAGEMENT'S REVIEW (CONTINUED)

Increasing reuse of packaging and recycling of packaging materials is a guiding principle in Plus Pack's efforts to design, develop, produce, and sell circular packaging solutions. Production scrap and discarded raw materials are collected, separated, and sold to authorized partners in the market, who recycle the materials.

Plus Pack focuses on UN Sustainable Development Goal no. 12 (Responsible Consumption and Production) and four selected sub targets, which give strategic direction to the company's long-term sustainability efforts. These are 12.2 (We minimize footprint); 12.3 (We fight food waste); 12.5 (We think circular) and 12.8 (We engage and inspire). Plus Pack is actively participating in both local, national and international collaborations, partnerships and projects, which aim at preventing packaging waste and improving reuse and recycling of food packaging materials from existing waste streams.

In 2022, Plus Pack continued to chair the Danish Government's Climate Partnership on Waste, Water and Circular Economy and participate in the Green Business Forum and co-chair the Retail Sector Cooperation on Plastic Packaging under the Danish Ministry of Environment. Furthermore, Plus Pack participated in the cross-sector project Climate-Ready Manufacturing Company by the Confederation of Danish Industry (DI) to validate its CO2 reporting principles in scope 1, 2 and 3. Plus Pack had its near-term science-based CO2 emission target approved by the Science Based Targets initiative. The target is to reduce CO2 emissions in scope 1 and 2 with 50% by 2030 compared to 2018 and to measure and reduce CO2 emissions in scope 3.

In 2023, Plus Pack will continue to drive projects and actively participate in partnerships and projects, which aim at substantially reduce waste generation through prevention, reduction, reuse, and recycling of food packaging materials. In 2023, Plus Pack will get its scope 3 CO2 reduction plan in place and activate it with key stakeholders. Focus will be to increase recycled content in materials and use of renewable energy sources used in the initial phases of production of raw materials, which is sourced and used in Plus Pack's production. Conversion of aluminium and plastic material into packaging solutions does not itself cause significant CO2 emissions, these are classified and reported in scope 1 and 2. However, Plus Pack will continue to invest in emission reductions across all scopes.

In 2022, the scope 1 and 2 emissions amounted to 1.107 tons, 37% lower than the 2018 baseline at 1.761 tons and 18% lower than 2021 at 1.359 tons. Energy consumption in 2022 reduced with 1.597 KWh or 17% compared to 2021. The CO2 emissions per kilo material used in production was reduced with 3% in 2022 vs. 2021 and with more than 30% compared to the baseline year 2018. In 2022 a broad energy efficiency program was rolled out including a new energy monitoring system in Genk to ensure continuous improvements.

In 2023 the absolute CO2 emissions in scope 1 and 2 are expected to further decrease as the installed solar panels in Odense will deliver full year impact and focus on continuous energy efficiency gains across Plus Pack will continue.

In 2022 Plus Pack grew its share of easy-to-recycle raw materials used in production to 99,6% vs. 99,4% in 2021. Circular Sales grew to 88% in 2022 vs. 85% in 2021. In 2023 Plus Pack will continue investments in recyclable materials and circular products in order to expand its market offering.

STATEMENT ON THE UNDERREPRESENTED GENDER IN ACCORDANCE WITH SECTION 99B

Social responsibility

Plus Pack has established policies within social responsibility covering equality, working environment, human rights, suppliers and use of energy and resources.

Objectives and policies for the underrepresented gender

The aim of Plus Pack's equality policy is equal opportunities for men and women at Plus Pack's workplaces, covering all managerial levels.

MANAGEMENT'S REVIEW (CONTINUED)

It is Plus Pack's policy to:

- ensure equal career opportunities
- ensure equal access to skills development
- ensure equal pay for equal work

strive to qualify and recruit employees of both sexes for committees, working groups, managerial positions, etc.

Equality is not about making men and women the same, but about benefitting from the different competencies and resources of men and women working alongside each other. Certain functions within Plus Pack's organization are traditionally male- or female-dominated. It is therefore vital that specific initiatives are targeted at specific areas.

Plus Pack works towards the goal of achieving equality between men and women on the Board of Directors. In 2022, two female members were elected to the board out of 6 members, which is in accordance with the plan, and thus Plus Pack have reached its gender diversity target. Also, Plus Pack signed the Gender Diversity Pledge from DI, which promotes greater gender diversity in the business sector towards 2030. Plus Pack continues to promote that whenever possible both male and female candidates are processed in internal and external recruitments. In 2022, 32 new employees were hired in the company, of which 13 are female. In total there were 220 employees or head counts in Plus Pack, of which 82 are female. There were 21 leaders in Plus Pack, of which 7 are female.

People, Health & safety
A strong health and safety record is essential to ensure a good and attractive working environment for all employees.

It is Plus Pack's policy to ensure full compliance with relevant regulations in all areas and to limit any risks to harmful physical and psychological effects from the working environment, for example work related stress or injuries, by way of systematic preventive measures. Internal workplace assessments are carried out on a regular basis, and improvements to the working environment are made continually by setting and following up on clear goals.

In addition to its defined working environment policy Plus Pack has other policies that directly affect the working environment, including alcohol, ethics, racial issues, pregnancy, hygiene, bullying, stress and safety at work.

Plus Pack reported 9 accidents in 2022 compared to 7 accidents in 2021. The result was not satisfactory and above the long-term target of 0 accidents and the yearly target of maximum 3 accidents. The company's activity level was lower in 2022 than 2021, which led to an accident frequency rate of 30,9 in 2022 vs. 24,9 in 2021. There were no severe accidents during the year and 66% of the accidents resulted in 7 or less days of absence. The 3 most severe accidents resulted in twists or sprains in hands or legs. We remain focused on building a strong safety culture across all departments in the company and has initiated extra safety awareness campaigns. In 2023, Plus Pack is continuing both safety trainings and the awareness campaigns with the ambition to reduce accidents to below 4 and increase the number of recorded near misses.

During 2022, Plus Pack conducted leadership training for the top management team and the overall leadership team. Furthermore, workshops were held to improve teamwork, communication, and productivity in the workplace and digital training, focusing on cyber security and safe online behavior. In 2023, Plus Pack will continue the Leadership Development training to ensure direction, alignment and commitment. Employees in production and the warehouse will be trained in 5S to ensure more focus on a lean production. Next step in the awareness training of employees in both GDPR and cyber security will be completed in 2023. Additionally, we will roll out the second edition of our Plus Pack Packaging School to develop knowledge and skills within circularity and sustainable development in all departments and production shifts.

MANAGEMENT'S REVIEW (CONTINUED)

In 2022, Plus Pack continued to perform employee well-being surveys and received a score of 7,1, equivalent to a score at the high end of the normal range. In 2023, Plus Pack will continue to focus on building an even more attractive and healthy workplace. At the start of the year, workshops are planned in Denmark for blue collars on the topic of work rhythm, a potential improvement area in the well being survey. Similar initiatives are planned for Genk to help improve the site's well being score.

Reported sick leave was above target in 2022, reaching 7,9% vs. 7,3% in 2021 and a target of maximum 5%. The start of 2022 was impacted by covid-19, but during the year Covid-19 infections dropped significantly. Long term sickness accounted for a large share of the absence in 2022, whereas the short term sick leave excluding Covid-19 only accounted for a minor share. New follow-up procedures have been implemented to increase attendance and reduce the overall sick leave in 2023.

Human rights and suppliers
Working with national as well as global standards for human rights and trade is central to us as well as our customers and suppliers.

It is Plus Pack's policy to focus on potential risks related to human rights such as discrimination of employees. These standards contain policies, targets and norms in relation to:

- employee issues (child labor, discrimination, health and safety, working hours, etc.)
- corruption, gifts and kickbacks
- confidentiality, communication, anti-trust and competition issues
- environmental issues
- compliance with relevant legislation

Global standards for suppliers are an invariable part of the cooperation with all large suppliers and form part of Plus Pack's on-going supplier audit program. The program is based on specific measurements as well as on supply performance evaluation.

In 2022, Plus Pack continued its supplier excellence program with focus on supply chain resilience and initiated a risk assessment of supplier compliance to increasing demands on sustainability reporting, due diligence in supply chain and Code of Conduct.

In 2023, the supplier excellence program will continue and Plus Pack will increase its focus on sustainability in supply chain to enable customers' need for future reporting on ESG and sustainability matters.

Corruption and bribery
Plus Pack is aware of and focused on any potential risks in relation to corruption and bribery. For example, if we were perceived to use illegal means to obtain an advantage. Currently, we do not have a specific policy on corruption and bribery due to working on low-risk markets.

STATEMENT ON DATA ETHICS IN ACCORDANCE WITH SECTION 99D
Plus Pack has not had any policy on data ethics in 2022, as the company has assessed that their policy regarding GDPR has been comprehensive for this.

MANAGEMENT'S REVIEW (CONTINUED)

SUSTAINABILITY DATA REPORTING PRINCIPLES

CO2 EMISSION REPORTING

Plus Pack uses the international standard, the Greenhouse Gas (GHG) Protocol, to classify and calculate its direct climate emissions, scope 1, and indirect climate emissions, scope 2, which are linked to the company's own and controlled activities. Data considerations are based on relevance (data sources and criteria are evaluated fit for purpose), completeness (calculations are based on accessible and valid data), consistency (data sources and criteria make continuous reporting possible), transparency (progress is reported on a monthly basis) and accuracy (uncertainties are continually evaluated, addressed and reduced as much as possible). 2018 is Plus Pack's baseline year.

In general, CO2 emissions in scope 1 and 2 make up a minor part of a production company's overall carbon footprint. Material input is estimated to make up the majority of Plus Pack's total climate emissions i.e. Plus Pack's products represent the largest share of the company's overall climate emissions. These are classified as scope 3 emissions and are related to more thorough life cycle analyses, according to the GHG Protocol. Plus Pack's sustainability reporting for 2022 focuses on scope 1 and 2 where relevant data sources are accessible and valid. With the approval of Plus Pack's near-term science-based emissions target by the Science Based Target initiative Plus Pack has committed to changing its CO2 emission reporting from being market based to location based. Data for years 2018-2021 is updated correspondingly. This has positively influenced all the results.

CO2 EMISSIONS, SCOPE 1 AND 2

Company cars

The emissions are based on fuel consumption related to leased company cars. The emissions per driven km are based on a weighted average carbon consumption per km (actual CO2 emissions year-to-date (calculated per car)/actual driven km year-to-date). This model has been used from 2020. During 2018-2019 driven km were not reported. The driven km per month during 2018-2019 are calculated as an average of the max km allowed according to the leasing contracts. Consumption by electric and/or hybrid cars is not included in this model as the actual consumption split between fuel and KWh/per car is currently not accessible and/or evaluated too difficult to measure. The model will be revisited in 2023 as the share of leased electric and/or hybrid cars is growing.

Heating oil

The emissions are based on actual consumption of heating oil in Genk, Belgium. Consumption of heating oil is measured in liters which are converted to kWh and calculated into CO2 emissions with Energids' relevant emission factor. Same factors are used for years 2018-2022.

Electricity

The emissions are based on actual consumption of electricity in Odense, Denmark, and Genk, Belgium.. Consumption of electricity in Denmark is reported in KWh and calculated into CO2 emissions with EnergiNet's relevant emission factors from environmental declarations, which are updated on yearly basis. Consumption in Genk is reported in KWh and calculated into CO2 emissions with Luminus' relevant emission factors, which are updated on yearly basis. . During 2019 Plus Pack bought green electricity certificates from its supplier in Odense. However, the positive impact has not been taken into account as the documentation lacked proof of additionality and Plus Pack stopped buying green electricity in Odense from 2020. Data for years 2018-2021 is updated correspondingly

District Heating

The emissions are based on actual consumption of district heating in Odense, Denmark. Consumption of district heating is calculated in GJ and converted into KWh and multiplied with Fjernvarme Fyn emission factors, which are updated on yearly basis. Data for years 2018-2021 is updated correspondingly.

MANAGEMENT'S REVIEW (CONTINUED)

ENERGY CONSUMPTION

The data is based on actual energy consumption of electricity in Odense, Denmark and Genk, Belgium, district heating in Odense, Denmark and oil used for heating in Genk, Belgium. The consumption of heating oil is measured in liters which are converted to kWh and calculated into CO_2 emissions with Energids' relevant emission factor.

RAW MATERIALS, EASY-TO-RECYCLE

The data is based on purchased raw materials used in Plus Pack's production, also called material conversion and the percentage is calculated as share of materials, which is used and sorted for recycling relative to the share of waste, which is non-recyclable and sorted for incineration. Plus Pack defines its easy-to-recycle packaging materials as materials, which fulfill common market requirements for recyclable materials and/or enter into a closed loop recycling system established together with industrial recyclers. Valid data is not available for 2018.

CIRCULAR SALES

The data is based on realized sales of circular products in the market and calculated as share of sales of circular products relative to total sales of all products. Circular products are products that are placed on the market, and which support a circular economy by being manufactured from materials, which fulfill common requirements set by existing design guidelines for reuse and recycling i.e. Design for Recycling Guidelines by RecyClass, Recyclability of Plastic Packaging by COTREP and the design guide by The Danish Plastics Federation "Reuse and recycling of plastic packaging for private consumers". Aluminium, clear/NIR detectable PP and PET are examples of materials used to convert the circular products in Plus Pack's product assortment. When plastic products (trays and lids) are sold in combinations as sets, where one of components (lid or tray) is defined as circular and the other as non-circular, a 50/50 split apply when reporting.

GENDER DIVERSITY

In company

The number is the actual number of female employees in Plus Pack organisation calculated in % relative to the total number of head counts.

Leadership

The number is the actual number of female employees in Plus Pack Leadership Team calculated in % relative to the total number of members in the leadership team.

In BoD

The number is based on the actual number of female board members elected on the yearly general assembly calculated in % relative to the total number of members in the Board of Directors elected on the yearly general assembly.

SICK LEAVE

The data is based on sick leave calculated for Plus Pack's two biggest sites, which is Denmark and Belgium. Data for France, Norway, Germany and Poland is not included in this 2022 report but planned to be included in future reporting.

Odense

Sick leave is calculated based on total absence including short-term absence and long-term absence. Short-term absence is defined as absence less than 9 weeks for blue-collars and less than 31 days for white-collars. Plus Pack includes child's first day of illness. The calculation method and reporting is aligned with guidelines from Danish Industry in collaboration with The Danish Employers' Association and has been used since 2019. In 2017-2018 the calculation method and reporting was less structured as it has been since 2019.

MANAGEMENT'S REVIEW (CONTINUED)

Genk
Sick leave is calculated based on total absence including short-term absence and long-term absence. Short-term absence is defined as absence up to 4 weeks for both blue-collars and white-collars and long-term absence is more than 1 month and less than 1 year. The calculation method and reporting is aligned with Certimed, who is the market leader in medical monitoring. Certimed is calculating sick leave for Belgian companies.

ACCIDENTS
Number of accidents, accidents without absence and accidents with absence, and near-misses are reported on a daily-, weekly-, monthly- and yearly basis. The frequency of accidents, also called the H-value (H-værdi) is calculated by dividing the realized number of accidents with the number of hours worked by all employees multiplied with 1 million. The number of hours is defined as the number of hours worked by all employees with absence being deducted from the time that the employees could have worked. Working hours includes Belgium and Denmark, and not France, Norway, Germany and Poland in this 2022 report, but planned to be included in future reporting.

EMPLOYEE WELL-BEING SCORE
The employee well-being survey is done in collaboration with an external partner. The survey is anonymous. Reports can only be made with a minimum of 5 respondents in a given department, team or production shift. The survey takes form as an online questionnaire and the score is based on a rating between 1-10, where the score 5,8 to 7,2 is regarded normal. In comparison the score 0 to 4,4 is regarded very low whereas the score 4,4 to 5,7 is regarded low. The score 7,3 to 8,7 is regarded high and the score 8,8 to 10 is regarded very high. Respondents are all employees in Plus Pack, both blue-collars and white-collars.

Response rate
The response rate is calculated as the share of actual respondents relative to the total number of available respondents equal to total number of head counts in Plus Pack.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

INCOME STATEMENT

Notes	t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
1	Net revenue	727.274	633.290	663.345	569.229
2-3	Production costs	-531.736	-440.836	-537.934	-444.306
	GROSS PROFIT	**195.538**	**192.454**	**125.411**	**124.923**
2-3	Sales and distribution costs	-99.882	-89.916	-51.113	-43.099
2-3	Administration costs	-43.286	-40.284	-31.866	-30.323
4	Other operation income	637	333	1.977	163
4	Other operating costs	-673	-305	0	0
	PROFIT BEFORE FINANCING	**52.334**	**62.282**	**44.409**	**51.664**
9	Income from investments in subsidiaries	0	0	4.088	6.123
5	Financial income	2.633	1.123	1.994	842
5	Financial expenses	-9.085	-7.735	-7.399	-5.753
	PROFIT BEFORE TAX	**45.882**	**55.670**	**43.092**	**52.876**
6	Tax for the year	-11.234	-12.848	-8.444	-10.230
	PROFIT FOR THE YEAR	**34.648**	**42.822**	**34.648**	**42.646**
	BREAKDOWN OF THE CONSOLIDATED RESULT				
	Shareholders of Plus Pack A/S	34.648	42.646	34.648	42.646
	Minority interests	0	176	0	0
		34.648	**42.822**	**34.648**	**42.646**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

BALANCE SHEET

Notes	t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
	ASSETS				
	FIXED ASSETS				
7	**INTANGIBLE ASSETS**				
	Goodwill	568	1.850	0	0
	Completed development projects	4.344	5.986	4.344	5.986
	Development projects in progress	1.451	490	1.451	490
		6.363	**8.326**	**5.795**	**6.476**
8	**PROPERTY, PLANT AND EQUIPMENT**				
	Land and buildings	146.010	94.435	140.074	88.362
	Tools and machinery	67.979	72.646	64.518	69.040
	Process materials and fixtures and fittings	4.921	5.912	4.777	5.280
	Fixed assets in process of construction	11.792	28.150	10.360	27.284
		230.702	**201.143**	**219.729**	**189.966**
	FINANCIAL ASSETS				
9	Investments in subsidiaries	0	0	55.813	55.758
10	Deposits	12.772	8.139	12.593	7.982
10	Other securities and holdings	0	0	0	0
		12.772	**8.139**	**68.406**	**63.740**
	TOTAL FIXED ASSETS	**249.837**	**217.608**	**293.930**	**260.182**
	CURRENT ASSETS				
	INVENTORIES				
	Raw materials and consumables	59.472	42.882	58.900	42.309
	Finished goods	46.035	48.021	43.537	46.751
		105.507	**90.903**	**102.437**	**89.060**
	RECEIVABLES				
	Trade receivables	95.721	82.257	42.406	38.608
	Receivables from related parties	0	0	28.726	25.647
11	Deferred tax asset	1.326	2.974	0	0
	Other receivables	6.010	12.595	4.240	10.666
12	Prepayments	5.696	5.093	4.928	4.331
		108.753	**102.919**	**80.300**	**79.252**
	CASH	**20.230**	**24.385**	**6.567**	**4.486**
	TOTAL CURRENTS ASSETS	**234.490**	**218.207**	**189.304**	**172.798**
	TOTAL ASSETS	**484.327**	**435.815**	**483.234**	**432.980**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

BALANCE SHEET

Notes	t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
	EQUITY AND LIABILITIES				
	EQUITY				
13	Share capital	46.800	46.800	46.800	46.800
	Reserve for fair value of hedging instr.	-1.518	3.047	-1.518	3.047
	Reserve for exchange rate adj.	-370	-95	-370	-95
	Reserve for development projects	0	0	4.520	5.050
	Retained earnings	112.289	95.141	107.769	90.091
	Proposed dividend	17.500	21.000	17.500	21.000
	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PLUS PACK A/S	**174.701**	**165.893**	**174.701**	**165.893**
	Minority interest	0	204	0	0
	TOTAL EQUITY	**174.701**	**166.097**	**174.701**	**165.893**
	PROVISIONS				
11	Deferred tax	2.873	6.238	3.560	6.565
9	Negative investments in subsidiaries	0	0	0	611
14	Other provisions	5.510	4.826	0	0
		8.383	**11.064**	**3.560**	**7.176**
	LIABILITIES OTHER THAN PROVISIONS				
	NON-CURRENT LIABILITIES				
15	Leasing	136.703	94.385	136.703	94.116
15	Other payables	7.664	7.532	7.664	7.532
		144.367	**101.917**	**144.367**	**101.648**
	CURRENT LIABILITIES				
15	Current part of non-current liabilities	8.472	6.343	8.472	6.262
	Bank loans	31.129	11.620	31.129	11.620
	Trade payables	55.662	87.854	51.494	81.506
	Payables to related parties	11.231	3.054	39.632	27.897
	Corporate tax liabilities	6.467	896	6.084	217
	Other payables	43.915	46.970	23.795	30.761
		156.876	**156.737**	**160.606**	**158.263**
	TOTAL LIABILITIES	**309.626**	**269.718**	**308.533**	**267.087**
	TOTAL EQUITY AND LIABILITIES	**484.327**	**435.815**	**483.234**	**432.980**

16 Provision of collateral
17 Contingent liabilities
18 Fee for auditors elected by the annual general meeting
19 Exchange rate risk and financial instruments
20 Related parties and controlling interest
21 Appropriation of profit and loss
22 Events since the end of the fiscal year

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

STATEMENT OF EQUITY (GROUP)

	GROUP							
t.DKK	SHARE-CAPITAL	RESERVE FOR FAIR VALUE OF HEDGING INSTR.	RESERVE FOR EXCHANGE RATE ADJ.	RETAINED EARNINGS	PROPOSED DIVIDEND	TOTAL	MINORITY INTEREST	TOTAL EQUITY
EQUITY AT 1.1 2021	**46.800**	**967**	**-296**	**73.495**	**12.000**	**132.966**	**164**	**133.130**
Transfer through appropriation of profit	0	0	0	21.646	21.000	42.646	176	42.822
Payment of dividend	0	0	0	0	-12.000	-12.000	-136	-12.136
Exchange rate adj. in subsidiaries	0	0	201	0	0	201	0	201
Fair value adjustment of hedging instruments beginning of year	0	-967	0	0	0	-967	0	-967
Fair value adjustment of hedging instruments end of year	0	3.906	0	0	0	3.906	0	3.906
Tax on equity transactions	0	-859	0	0	0	-859	0	-859
EQUITY AT 31.12.2021	**46.800**	**3.047**	**-95**	**95.141**	**21.000**	**165.893**	**204**	**166.097**
Transfer through appropriation of profit	0	0	0	17.148	17.500	34.648	0	34.648
Payment of dividend	0	0	0	0	-21.000	-21.000	-172	-21.172
Purchase of minority interest	0	0	0	0	0	0	-32	-32
Exchange rate adj. in subsidiaries	0	0	-275	0	0	-275	0	-275
Fair value adjustment of hedging instruments beginning of year	0	-3.047	0	0	0	-3.047	0	-3.047
Fair value adjustment of hedging instruments end of year	0	-1.946	0	0	0	-1.946	0	-1.946
Tax on equity transactions	0	428	0	0	0	428	0	428
EQUITY AT 31.12.2022	**46.800**	**-1.518**	**-370**	**112.289**	**17.500**	**174.701**	**0**	**174.701**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

STATEMENT OF EQUITY (PARENT COMPANY)

	PARENT COMPANY						
t.DKK	SHARE-CAPITAL	RESERVE FOR FAIR VALUE OF HEDGING INSTR.	RESERVE FOR EXCHANGE RATE ADJ.	RESERVE FOR DEVELOP-MENT PROJECTS	RETAINED EARNINGS	PROPOSED DIVIDEND	TOTAL EQUITY
EQUITY AT 1.1 2021	**46.800**	**967**	**-296**	**6.356**	**67.139**	**12.000**	**132.966**
Transfer through appropriation of profit	0	0	0	0	21.646	21.000	42.646
Development costs for the year	0	0	0	1.397	-1.397	0	0
Depreciation, amortisation and impairment for the year	0	0	0	-2.703	2.703	0	0
Payment of dividend	0	0	0	0	0	-12.000	-12.000
Exchange rate adj. in subsidiaries	0	0	201	0	0	0	201
Fair value adjustment of hedging instruments beginning of year	0	-967	0	0	0	0	-967
Fair value adjustment of hedging instruments end of year		3.906	0	0	0	0	3.906
Tax on equity transactions		-859	0	0	0	0	-859
EQUITY AT 31.12 2021	**46.800**	**3.047**	**-95**	**5.050**	**90.091**	**21.000**	**165.893**
Transfer through appropriation of profit	0	0	0	0	17.148	17.500	34.648
Development costs for the year	0	0	0	1.849	-1.849	0	0
Depreciation, amortisation and impairment for the year	0	0	0	-2.379	2.379	0	0
Payment of dividend	0	0	0	0	0	-21.000	-21.000
Exchange rate adj. in subsidiaries	0	0	-275	0	0	0	-275
Fair value adjustment of hedging instruments beginning of year	0	-3.047	0	0	0	0	-3.047
Fair value adjustment of hedging instruments end of year	0	-1.946	0	0	0	0	-1.946
Tax on equity transactions	0	428	0	0	0	0	428
EQUITY AT 31.12.2022	**46.800**	**-1.518**	**-370**	**4.520**	**107.769**	**17.500**	**174.701**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

CASH FLOW STATEMENT

	GROUP	
t.DKK	**2022**	**2021**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before financing	52.334	62.282
Depreciations incl. gain/loss on disposals of fixed assets	28.772	24.550
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL	**81.106**	**86.832**
Changes in inventories and receivables	-22.086	-44.305
Changes in trade payables and other payables	-34.559	45.291
Changes in intercompany receivables and payables	-21	-328
Changes in market value on financial instruments	-5.852	2.666
CASH FLOW FROM PRIMARY ACTIVITIES	**18.588**	**90.156**
Financial interests, paid	2.633	1.123
Financial expenses, paid	-9.388	-7.562
	11.833	**83.717**
Corporate tax, paid	-6.049	-15.609
	5.784	**68.108**
CASH FLOW FROM INVESTMENTS		
Purchase of intangible assets	-2.444	-1.792
Purchase of tangible assets	-53.269	-35.647
Disposals of fixed assets	289	0
Purchase of minority interests	-989	0
	-56.413	**-37.439**
CASH FLOW FROM FINANCING		
Payment of dividend	-21.000	-12.000
Payment of dividend to minority interests	-172	-134
Repayment/establishment of loan from related parties	8.198	0
Paid deposit	-4.642	0
Established new loan/leasing agreements	51.095	0
Repayment of borrowing from financial and credit institutions	-6.514	-6.502
Changes in utilisation of short term bank loans	19.509	1.954
	46.474	**-16.682**
CASH FLOW FOR THE YEAR	**-4.155**	**13.987**
Cash and cash equivalents at 31 December 2021	24.385	10.398
Cash and cash equivalents at 31 December 2022	**20.230**	**24.385**
Cash and cash equivalents at 31 December 2022 are specified as followed:		
Cash	20.230	24.385
Cash and cash equivalents at 31 December 2022	**20.230**	**24.385**

The cash flow statement cannot be derived directly from financial statements.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

NOTES

1 SEGMENT INFORMATION

t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Aluminium	524.593	391.082	453.038	349.572
Plastic	202.681	242.208	210.307	219.657
	727.274	**633.290**	**663.345**	**569.229**

2 DEPRECIATIONS

Depreciation of intangible and tangible fixed assets for the year are included in the income statement as follows:

t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Production costs	19.853	16.210	19.057	15.499
Administration costs	8.775	8.340	5.541	6.082
	28.628	**24.550**	**24.598**	**21.581**

3 STAFF

Total costs in respect of wages and salaries are specified as follows:

t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Wages and salaries	105.401	101.879	77.722	74.267
Pensions	8.416	7.830	6.578	5.966
Other social costs	7.409	7.231	1.304	1.249
	121.226	**116.940**	**85.604**	**81.482**
Average number of full-time employees	198	190	133	128

Remuneration to board of directors and executive board specified as follows:

t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Board of directors	1.178	1.295	1.178	1.295
Executive Board	5.353	3.585	5.353	3.585
	6.531	**4.880**	**6.531**	**4.880**

During the financial year 2021 Camilla Haustrup Hermansen was elected as member of the executive board.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

NOTES

4 OTHER OPERATING INCOME AND EXPENSES

	GROUP		PARENT COMPANY	
t.DKK	**2022**	**2021**	**2022**	**2021**
Gain/loss from disposals of fixed assets	-144	0	1.977	163
Other operating income	637	333	0	0
Other operating expenses	-529	-305	0	0
	-36	**28**	**1.977**	**163**
Other operating income	637	333	1.977	163
Other operating expenses	-673	-305	0	0
	-36	**28**	**1.977**	**163**

5 FINANCIEL INCOME/EXPENSES

	GROUP		PARENT COMPANY	
t.DKK	**2022**	**2021**	**2022**	**2021**
Interest from intercompany receivables	0	0	225	94
Other financial income	2.633	1.123	1.769	748
	2.633	**1.123**	**1.994**	**842**
Interest to intercompany payables	161	34	997	703
Other financial expenses	8.924	7.701	6.402	5.050
	9.085	**7.735**	**7.399**	**5.753**

6 TAX FOR THE YEAR

	GROUP		PARENT COMPANY	
t.DKK	**2022**	**2021**	**2022**	**2021**
Current tax charges for the year	12.586	11.889	11.084	10.217
Deferred tax adjustments in the year	-1.717	1.546	-3.005	600
Tax adjustments, prior years	-922	0	-922	0
	9.947	**13.435**	**7.157**	**10.817**
Tax for the year comprises the following:				
Tax on profit of the year	11.234	12.848	8.444	10.230
Tax on changes on the equity	-1.287	587	-1.287	587
	9.947	**13.435**	**7.157**	**10.817**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

NOTES

7 INTANGIBLE ASSETS

	GROUP			PARENT COMPANY	
t.DKK	Goodwill	Completed development projects	Intangible assets in progress	Completed development projects	Development projects in progress
Cost at 1 January 2022	37.559	31.495	490	31.495	490
Exchange rate adjustment	0	0	0	0	0
Additions in the year	0	1.483	2.444	1.483	2.444
Disposals in the year	0	-74	-1.483	-74	-1.483
Cost at 31 December 2022	37.559	32.904	1.451	32.904	1.451
Impairment losses at 1 January 2022	2.287	0	0	0	0
Impairment losses at 31 December 2022	2.287	0	0	0	0
Amortisation at 1 January 2022	33.422	25.509	0	25.509	0
Exchange rate adjustment	0	0	0	0	0
Amortisation/depreciation in the year	1.282	3.097	0	3.097	0
Amortisation on disposals in the year	0	-46	0	-46	0
Amortisation at 31 December 2022	34.704	28.560	0	28.560	0
Carrying amount at 31 December 2022	**568**	**4.344**	**1.451**	**4.344**	**1.451**

The amortisation period of 20 years for goodwill is determined on the basis of the Management's experience in the Group's areas of business and, in the Management's opinion, reflects the best estimate of the acquired company's economic lifetime.

Development projects comprises primarily of costs for developing the Company's ERP system, as well as other internal reporting systems (software). Costs comprises solely of external costs. The development projects are depreciated, when completed, over 5 years, which reflects the best estimate of the economic lifetime of the systems. Management has not found any indications of a need for impairment of the carrying amount.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

NOTES

8 PROPERTY, PLANT AND EQUIPMENT

	GROUP			
t.DKK	Land and buildings	Tools and machinery	Process materials and fixtures and fittings	Fixed assets in process of cons-truction
Cost at 1 January 2022	103.990	376.425	50.147	28.150
Additions in the year	0	0	0	53.269
Disposals in the year	-112	-1.268	-2.594	0
Transfers of the year	54.664	13.608	1.355	-69.627
Cost at 31 December 2022	158.542	388.765	48.908	11.792
Depreciations at 1 January 2022	9.555	303.779	44.235	0
Depreciation in the year	3.067	18.059	2.159	0
Depreciations on disposals in the year	-90	-1.052	-2.407	0
Depreciations at 31 December 2022	12.532	320.786	43.987	0
Carrying amount at 31 December 2022	**146.010**	**67.979**	**4.921**	**11.792**
Assets held under financial lease	135.168	20.352	0	0

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

NOTES

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	PARENT COMPANY			
t.DKK	**Land and buildings**	**Tools and machinery**	**Process materials and fixtures and fittings**	**Fixed assets in process of construc-tion**
Cost at 1 January 2022	93.594	334.992	39.375	27.284
Additions in the year	0	0	0	51.554
Disposals in the year	-112	-3.599	-1.488	0
Transfers of the year	54.107	13.016	1.355	-68.478
Cost at 31 December 2022	147.589	344.409	39.242	10.360
Depreciations at 1 January 2022	5.232	265.952	34.095	0
Depreciation in the year	2.373	17.269	1.859	0
Depreciations on disposals in the year	-90	-3.330	-1.489	0
Depreciations at 31 December 2022	7.515	279.891	34.465	0
Carrying amount at 31 December 2022	**140.074**	**64.518**	**4.777**	**10.360**
Assets held under financial lease	135.168	20.352	0	0

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

NOTES

9 INVESTMENTS IN SUBSIDIARIES

	PARENT COMPANY	
t.DKK	**2022**	**2021**
Cost at 1 January 2022	129.590	129.590
Additions in the year	989	0
Cost at 31 December 2022	130.579	129.590
Adjustments at 1 January 2022	-81.926	-85.631
Exchange rate adjustment	-275	201
Profit for the year	4.088	6.123
Dividends	-4.732	-2.619
Adjustments at 31 December 2022	-82.845	-81.926
Carrying amount at 31 December 2022	**47.734**	**47.664**

Carrying amount of investments in subsidiaries is presented in the balance sheet as follows:

Fixed financial assets	55.813	55.758
Write-downs on receivables	-8.079	-7.483
Negative investments in subsidiaries	0	-611
	47.734	**47.664**

Investments in subsidiaries are specified as follows:

t.DKK	**Ownership**	**Nominal value**
Plus Pack NV, Belgium	100 %	5.419 t.eur
Plus Pack SAS, France	100 %	210 t.eur
Plus Pack AS, Norway	100 %	400 t.nok
Plus Pack Verpackungsmittel GmbH, Germany	100 %	26 t.eur
RSC Sp. Z o.o. in liquidation, Poland	100 %	60 t.pln

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10 OTHER FINANCIAL ASSETS

	GROUP	
t.DKK	Deposits	Other securities and holdings
Cost at 1 January 2022	8.156	420
Additions in the year	4.642	0
Cost at 31 December 2022	12.798	420
Adjustments at 1 January 2022	-17	-420
Exchange rate adjustment	-9	0
Adjustments at 31 December 2022	-26	-420
Carrying amount at 31 December 2022	**12.772**	**0**

	PARENT COMPANY	
t.DKK	Deposits	Other securities and holdings
Cost at 1 January 2022	8.000	420
Additions in the year	4.620	0
Cost at 31 December 2022	12.620	420
Adjustments at 1 January 2022	-18	-420
Exchange rate adjustment	-9	0
Adjustments at 31 December 2022	-27	-420
Carrying amount at 31 December 2022	**12.593**	**0**

11 DEFERRED TAX

	GROUP		PARENT COMPANY	
t.DKK	2022	2021	2022	2021
Deferred tax is made up of the following items:				
Intangible assets	-1.275	-1.425	-1.275	-1.425
Property, plant and equipment	-4.258	-4.643	-4.265	-4.429
Inventories	2.637	148	2.637	148
Other debt	-656	-859	-657	-859
Losses to be carried forward	2.005	3.515	0	0
	-1.547	**-3.264**	**-3.560**	**-6.565**

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11 DEFERRED TAX (CONTINUED)

	GROUP		PARENT COMPANY	
t.DKK	**2022**	**2021**	**2022**	**2021**
Carrying amount of deferred taxes are presented in the balance sheet as follows:				
Deferred tax asset	1.326	2.974	0	0
Deferred tax liability	-2.873	-6.238	-3.560	-6.295
	-1.547	**-3.264**	**-3.560**	**-6.295**
Movements for the year are specified as follows:				
Deferred tax at 1 January	-3.264	-1.718	-6.565	-5.965
Deferred tax on the equity	334	-438	334	-438
Adjustments for the year	1.383	-1.108	2.671	-162
	-1.547	**-3.264**	**-3.560**	**-6.565**
Deferred tax assets not reported in the balance sheet	14.914	15.007	0	0

At 31 December 2022, the group has recognized a deferred tax asset totaling 2.005 t.DKK regarding losses to be carried forward in Plus Pack NV and Plus Pack Verpackungsmittel GmbH. Based on budgets, Management considers it likely that there will be future taxable income against which non-utilized tax losses can be offset.

12 PREPAYMENTS

Accrued costs comprises prepayment for rent of office, IT, insurance, subscription, etc.

13 SHARE CAPITAL

	GROUP		PARENT COMPANY	
t.DKK	**2022**	**2021**	**2022**	**2021**
Share capital comprises the following:				
A-shares – nominal DKK 100 per share	23.400	23.400	23.400	23.400
B-shared – nominal DKK 100 per share	23.400	23.400	23.400	23.400
	46.800	**46.800**	**46.800**	**46.800**

Each A-share is assigned 10 votes and each B-share is assigned 1 vote. Shareholders are assigned right of first refusal in respect of share issues of the same class of shares. In raising capital, priority subscription rights exist in respect of both A- and B-shares. Holders of B-shares are entitled to a non-cumulative preference dividend of up to 8 %. In all other respects, holders of shares of both classes have the same rights.

14 OTHER PROVISIONS

	GROUP		PARENT COMPANY	
t.DKK	**2022**	**2021**	**2022**	**2021**
Other provisions at 1 January	4.826	4.813	0	0
Adjustments for the year	684	13	0	0
Other provisions at 31 December	5.510	4.826	0	0

Other provision comprises provisions for pensions to employees.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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15 NON-CURRENT LIABILITIS

	GROUP			
t.DKK	< 1 year	1 <> 5 years	> 5 years	Total
Lease contract	8.432	26.962	109.741	145.135
Other payables	40	818	6.846	7.704
	8.472	27.780	116.586	152.839

	PARENT COMPANY			
t.DKK	< 1 year	1 <> 5 years	> 5 years	Total
Lease contract	8.432	26.962	109.741	145.135
Other payables	40	818	6.846	7.704
	8.472	27.780	116.586	152.839

16 PROVISION OF COLLATERAL

GROUP

As security for the Company's debt to banks and other credit institutions the Company has provided security or other collateral in its assets for a total amount of 100.000 t.DKK. The securities comprises of a business mortgage at 75.000 t.DKK and a chattel mortgage at 25.000 t.DKK. The carrying amount of the assets totals 240.950 t.DKK. Furthermore, the banks and other credit institutions are secured for their engagement by certain fixed and current assets as further pledges cannot be made without the banks approval.

A factoring agreement has been made with Fortis Factoring of 700 t.EUR for trade receivables in Plus Pack NV. The carrying amount at 31 December 2022 of the receivables totals 1.532 t.EUR. A factoring agreement has been made with Fortis Factoring of 1.800 t.EUR for trade receivables in Plus Pack SAS. The carrying amount at 31 December 2022 of the receivables totals 4.263 t.EUR.

The Group has granted an absolute guarantee for credits and bank loans at a total amount of t.DKK 3.346.

PARENT COMPANY

As security for the Company's debt to banks and other credit institutions the Company has provided security or other collateral in its assets for a total amount of 100.000 t.DKK. The securities comprises of a business mortgage at 75.000 t.DKK and a chattel mortgage at 25.000 t.DKK. The carrying amount of the assets totals 240.950 t.DKK. Furthermore, the banks and other credit institutions are secured for their engagement by certain fixed and current assets as further pledges cannot be made without the banks approval.

The Company has granted an absolute guarantee for its subsidiaries' credits and bank loans at a total amount of t.DKK 63.346.

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17 CONTINGENT LIABILITIES

Annual leasing payment under operational leasing contracts:

t.DKK	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Leasing contracts expiring in 2022	0	2.689	0	1.890
Leasing contracts expiring in 2023	2.454	2.046	1.726	1.524
Leasing contracts expiring in 2024	1.646	1.362	1.256	1.100
Leasing contracts expiring in 2025	1.150	953	1.035	880
Leasing contracts expiring in 2026	286	82	283	79
	5.536	**7.132**	**4.300**	**5.473**

GROUP

The Group has entered into two leasing contracts for the lease of the Group's premises in Belgium. The total amortized leasing liability at 31 December 2022 amounts to a total of 13.605 t.DKK. The lease agreement runs until 31 December 2027.

Besides the lease liability for the Group's premises, a total rent liabilities currently amounts to 40 t.DKK

The Group is jointly taxed with Danish Companies, with C&A Invest A/S as the administration company. The Group is therefore held liable under the Corporation Tax Act rules accordingly for any obligations to withholding tax, tax on interests, royalties and dividends for the jointly taxed companies.

PARENT COMPANY

The Company is jointly taxed with Danish Companies, with C&A Invest A/S as the administration company. The Company is therefore held liable under the Corporation Tax Act rules accordingly for any obligations to withholding tax, tax on interests, royalties and dividends for the jointly taxed companies.

18 FEE FOR AUDITORS ELECTED BY THE ANNUAL GENERAL MEETING

	GROUP		PARENT	
	PwC		PwC	
t.DKK	2022	2021	2022	2021
Audit	561	470	255	270
Tax consultancy services	78	82	44	52
Other fees	246	40	242	25
	885	**592**	**541**	**347**

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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19 EXCHANGE RATE RISK AND FINANCIAL INSTRUMENTS

As part of the hedge of recognized transactions, the Group uses hedging instruments in form of forward exchange contracts and hedge of LME. The group has secured sales of 1.625 t.PLN against DKK, 15.000 t.NOK against DKK and approx. 70% of next years unsecured LME. Hedge of recognized transactions comprise receivables and payables.

At 31 December 2022 unrealized net losses in derivative financial instruments for currency hedging, commodity futures and interest rate swaps totals to 1.946 t.DKK. The amount is recognized in the balance sheet under other debt and other receivables.

20 RELATED PARTIES AND CONTROLLING INTEREST

HAUSTRUP HOLDING A/S — Parent company
Energivej 40
DK-5260 Odense S

C&A INVEST A/S — Ultimate Parent Company
Energivej 40
DK-5260 Odense S

CONSOLIDATED FINANCIAL STATEMENT
The Company's overall parent company, which prepares the consolidated accounts in which the company is included as a subsidiary is C&A Invest A/S, Energivej 40, DK-5260 Odense S, CVR-no. 37 27 37 83.

TRANSACTIONS WITH RELATED PARTIES
Section 98c(7) of the Danish Financial Statement Act is applied regarding related parties transactions. It is the assessment of the Management, that all transactions have been carried out at market terms.

21 APPROPRIATION OF PROFIT AND LOSS

	GROUP		PARENT COMPANY	
t.DKK	2022	2021	2022	2021
Proposed dividend	17.500	21.000	17.500	21.000
Retained earnings	17.148	21.646	17.148	21.646
Minority interest	0	176	0	0
	34.648	**42.822**	**34.648**	**42.646**

22 EVENTS SINCE THE END OF THE FISCAL YEAR

From the reporting date until today, no events have taken place to change the assessments made in the annual report.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES

GENERAL
The financial statements of Plus Pack A/S are presented in accordance with the regulations relating to Class C, large companies, of the Danish Financial Statements Act.

The accounting principles applied remain unchanged from last year.

The annual report for 2022 is compiled in DKK thousand.

GENERAL INFORMATION ON INCLUSION ON CALCULATIONS AND MEASUREMENT
The accounts have been prepared based on the historical cost price principle.

Income is included in the income statement as it is earned. Adjustments in the value of financial assets and liabilities measured at fair value or amortised cost price are also included. The income statement also includes all the costs that have been paid to achieve the annual income, including amortisation and depreciation, write-downs and provisions as well as reversals as a result of the changed accounting estimates of amounts which were previously included in the income statement.

Assets are included in the balance sheet where it is likely that the Company will benefit from future economic advantages and the value of the asset can be measured reliably.

Liabilities are included in the balance sheet where it is likely that the Company will lose future economic advantages and the value of the liability can be measured reliably.

When first included, assets and liabilities are measured at cost price. Assets and liabilities are subsequently measured as described for each individual account item below.

Certain financial assets and liabilities are measured at amortised cost price where a constant effective interest over the maturity period is included. The amortised cost price is calculated as the original cost price less principal payments plus/minus the cumulative amortisation of the difference between the cost price and the nominal amount. In this way capital losses and gains are amortised over the maturity period.

When including and measuring, consideration is given to the foreseeable losses and risks that occur prior to the presentation of the financial statements and that confirm or invalidate circumstances on the balance sheet date.

DKK will be used as the measurement currency. All other currencies will be regarded as foreign currency.

LEASING
Leases where the Company bears all the significant risks and advantages associated with ownership (financial leasing) are included in the balance sheet at the fair value of the asset or the current value of lease payments, whichever is the lowest, calculated using the lease's internal interest rate or an approximate value thereof as a discount factor. Financially leased assets are amortised and written down using the same method laid down for the Company's other fixed assets.

The capitalised residual lease obligation is included in the balance sheet as a liability and the lease payment's interest rate component is charged on an on-going basis in the income statement.

All other leases are considered to be operating leases. Lease payments for operating leases are included directly in the income statement over the lease term.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES (CONTINUED)

CONSOLIDATION
The consolidated financial statements include Plus Pack A/S (the Parent Company) and the companies (subsidiaries) in which the Parent Company directly or indirectly holds more than 50% of the voting rights or in some other way has a controlling influence. Companies in which the Group owns between 20% and 50% of the voting rights and has a significant, but not controlling, influence are regarded as associated companies. An overview of the Group is shown earlier in the annual report.

The consolidated financial statements are prepared as an amalgamation of the audited financial statements of the Parent Company and the individual subsidiaries, which are all prepared in accordance with the Group's accounting principles. Intragroup income and expenditure, shareholdings, balances and dividends are eliminated, as are unrealised internal gains and losses.

In the case of the acquisition of new companies the acquisition method is used, whereby the assets and liabilities of the newly acquired company are converted to market values at the time of acquisition. If the cost price exceeds the net asset value for accounting purposes calculated after revaluation, the remaining positive difference is capitalised as goodwill in the year of acquisition and is amortised systematically in the profit and loss account in accordance with an individual assessment of the economic lifetime of the asset, which shall not exceed 20 years.

TRANSLATION OF FOREIGN CURRENCIES
Transactions in foreign currencies are translated during the year at the exchange rate on the transaction date.

Unrealised and realised gains and losses on forward exchange contracts, which are hedging transactions, are included in the profit and loss account at the same time and under the same item as the exchange rate adjustment of the hedged transactions.

Receivables, debt and other items in foreign currency not settled on the balance sheet date are translated at the exchange rate on the balance sheet date.

To the extent that the value of receivables, debt and other items in foreign currency are hedged through forward exchange contracts, the items are translated at the hedged rates without accrual of premiums and discounts.

Other realised and unrealised exchange rate adjustments are included in the profit and loss account under financial items.

The balance sheet items of foreign subsidiaries are translated at the exchange rate on the balance sheet date. The profit and loss accounts are translated at the average exchange rates for the year. Exchange rate adjustments on investments in subsidiaries and associated companies are taken directly to equity.

DERIVATIVE FINANCIAL INSTRUMENTS
Derivative financial instruments are initially recognised in the balance sheet at cost price and are subsequently remeasured at their fair value. Positive and negative market values of derivative financial instruments are classified as "other receivables" and "other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES (CONTINUED)

HEDGE ACCOUNTING
Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or hedged liability related to the hedged risk.

Changes in the fair value of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in "reserve for fair value of hedging instr." under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity 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.

SEGMENT INFORMATION
Information is given on product categories. Segment information follows the Group's accounting policies, risks and internal financial management.

PROFIT AND LOSS ACCOUNT

NET REVENUE
Income from sale of packing solutions is recognized in revenue when most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Net revenue is measured at fair value of the agreed consideration exclusive VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

PRODUCTION COSTS
Production costs comprises materials consumed and expenses incurred, including depreciation and wages, in order to achieve the net revenue for the year.

SALES AND DISTRIBUTION COSTS
Sales and distribution costs comprises expenses relating to shipping, sales staff, warehouse staff, advertising and exhibitions etc. and depreciation.

ADMINISTRATION COSTS
Administration costs comprises expenses relating to administrative staff, management, office premises and office expenses etc. and depreciation.

OTHER OPERATION INCOME/EXPENSES
Other operating income and other operating expenses cover accounting items of a secondary nature in relation to the Company's and Group's core activity.

PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES
The proportionate share of the profit/loss after tax of the individual subsidiaries is recognized in the income statement of the parent company after full elimination of intra-group profits/losses.

FINANCIAL INCOME AND EXPENSES
These items comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES (CONTINUED)

TAX
Tax on profits for the year comprises current year tax and deferred tax for the year and is included in the income statement to the extent that it can be attributed to the profit for the year and is taken directly to equity to the extent that it can be attributed to items taken directly to equity.
Any changes in deferred tax as a result of amendments to tax rates are included in the income statement.

The Parent is jointly taxed with all Danish subsidiaries and parent companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

C&A Invest A/S, the ultimate parent company, acts as a management company.

Current tax liabilities are included on the balance sheet under short-term debt to the extent that they have not been paid.

Deferred tax liabilities are included on the balance sheet as a provision. The deferred tax liability is included as tax on temporary differences with the exception of goodwill which does not qualify for a depreciation allowance. The deferred tax liability is calculated at 22%.

A provision for deferred tax is made at the tax rate expected in the country concerned. Changes in deferred tax as a result of changes in tax rates are included in the income statement.

BALANCE SHEET

INTANGIBLE ASSETS
Intangible assets are valued at their cost price less accumulated amortisation/depreciation and impairment losses. Amortisation and depreciation are applied on a straight-line basis over the expected lifetime of the asset, which is:

Goodwill .... up to 20 years
Know-How................................. up to 20 years
Development projects .... 5 years

Assets with a short lifetime and low-value assets are charged to expenses in the year of acquisition.

The amortisation period of up to 20 years for goodwill and know-how is determined on the basis of the Management's experience in the Group's areas of business and, in the Management's opinion, reflects the best estimate of the acquired company's economic lifetime.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES (CONTINUED)

INTANGIBLE ASSETS (CONTINUED)
Costs of development projects comprise expenses directly and indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intension manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development projects". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve id reduced by amortisation of and impairment losses on the development projects on a continuing basis.

PROPERTY, PLANT AND EQUIPMENT (PPE)
Property, plant and equipment (PPE) is assessed at its cost price less accumulated depreciation and impairment losses.

The cost price includes the cost of materials, components, services of external suppliers, direct wage costs and indirect production costs. Interest and other borrowing costs are not included in the cost price.

PROPERTY, PLANT AND EQUIPMENT (PPE) (CONTINUED)
Property, plant and equipment (PPE) is depreciated on a straight-line basis over the expected lifetime of the asset to the expected residual value. The lifetime of major assets is determined on an individual basis, but the lifetime of other assets is determined for groups of assets of the same type.

The expected lifetimes of the latter assets is:

Land and buildings	10 - 20 years
Plant and machinery, aluminium prod.	10 - 20 years
Plant and machinery, plastic prod.	5 - 10 years
Tools for aluminium production.......................	10 years
Tools for plastic production............................	5 years
Other plant, equipment and fixtures and fittings	3 - 8 years

The costs of repair and maintenance of property, plant and equipment (PPE) is included in production costs in the profit and loss account.

Gains or losses on the disposal or scrapping of property, plant and equipment (PPE) are calculated as the difference between the sales price (less dismantling, sales and reinstatement costs) and the book value and are included in the profit and loss account as other operating income or other operating costs.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES (CONTINUED)

INVESTMENTS IN SUBSIDIARIES
Investments in subsidiaries are recognised and assessed in the Parent Company's financial statements in accordance with the net equity method.

The financial statements of the Parent Company include a pro rata share of the subsidiaries' profit after tax for the year less amortisation of goodwill under the item "Income from investments in subsidiaries".

A pro rata share of the companies' net asset values, calculated in accordance with the accounting principles of the Parent Company and adjusted for the share of unrealised intragroup profits or losses and for positive or negative goodwill, is recognised on the balance sheet under the item "Investments in subsidiaries".

Subsidiaries with negative net asset values are valued at DKK 0, and any receivables from these companies are written down by the Parent Company's share of the negative net asset value. If the negative net asset value for accounting purposes exceeds the value of receivables, the residual amount is recorded under "Negative investments in subsidiaries".

Net revaluations of investments in subsidiaries in excess of the dividend received from the company are taken to equity as "Reserve for net revaluation in accordance with the net equity method" under shareholders' equity.

OTHER SECURITIES AND HOLDINGS
Other securities and holdings are assessed at their market value. Unlisted securities are assessed at their estimated sales value.

DEPRECIATION OF FIXED ASSETS
The accounting values of intangible assets and property, plant and equipment (PPE) are reviewed annually to determine whether there is any indication of a reduction in value over and above that expressed by regular depreciation. Where this is the case, the asset is written down to its lowest recovery value. The recovery value of the asset is calculated as the greater of the net sales price and the capital value. If it is not possible to determine the recovery value of a particular asset, an assessment is made of the impairment losses requirement for the smallest group of assets for which it is possible to calculate the recovery value. Goodwill and other assets for which it is not possible to assess any capital value because the assets do not in themselves generate future cash flows are assessed for the purpose of their impairment loss requirements together with the group of assets to which they can be attributed.

INVENTORIES
Inventories are assessed at their cost price in accordance with the FIFO method or at the net realisable value (the expected sales price less any finishing costs and costs of sales) if this is lower.

The cost price of goods for resale, raw materials and ancillary materials includes the invoice price plus delivery costs.

The cost price of manufactured, finished goods and of work in progress includes the purchase price of the materials used and direct wage costs plus indirect production costs. Indirect production costs include indirect materials and wage costs, the maintenance and depreciation of machinery, factory buildings and equipment used in the production process, and factory administration and management costs. Any borrowing costs during the manufacturing period are not included.

FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER 2022

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23 ACCOUNTING PRINCIPLES (CONTINUED)

RECEIVABLES
Receivable are assessed at their nominal value less impairment loss on the basis of individual assessments.

An impairment loss is recognized if there is evidence that at receivable or a group of receivables is impaired. If there is evidence that an individual receivable bad been impaired, an impairment loss is recognized on an individual basis.

PREPAYMENTS
Prepayments comprises expenses incurred concerning subsequent financial years.

EQUITY
Dividends
Dividends proposed for the year is recognized as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the year is disclosed as a separate item in the equity.

PROVISIONS
Provisions are included where the Company or Group has a legal or actual liability as a result of an event which occurred before or on the balance sheet date and it is likely that financial assets will have to be surrendered in order to meet the liability.

FINANCIAL LIABILITIES
Fixed-interest loans such as mortgage loans and bank loans which are expected to be held to maturity are recorded at the raising of the loan as the funds received less transaction costs incurred. In subsequent periods the loans are assessed at their amortised cost price, which corresponds to the capitalised value on the basis of the effective interest rate, such that the difference between the funds received and the nominal value (the capital loss) is included in the profit and loss account over the term of the loan.

Other liabilities are assessed at their amortised cost price, which largely corresponds to the nominal value.

CASH FLOW STATEMENT
The cash flow statement shows the consolidated cash flow for the year and the Group's liquid assets at the beginning and end of the year.

CASH FLOW FROM OPERATING ACTIVITIES
The cash flow from operations is presented indirectly and is calculated as the profit for the year adjusted for non-liquid operating items, changes in working capital, financial and extraordinary items paid and corporate tax paid.

CASH FLOW FROM INVESTMENTS
The cash flow from investment activities includes payments in connection with the purchase and sale of fixed assets and payments in connection with the purchase and sale of companies.

CASH FLOW FROM FINANCING
The cash flow from financing activities includes payments to and from shareholders and the raising and repayment of secured debts and other long-term debt.

LIQUIDITY
Liquidity includes liquid funds and realisable securities with insignificant risk of value adjustments.