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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

HILLARY DENMARK APS

HAVNEHOLMEN 29, 1561 KØBENHAVN V

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2020

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 7 August 2021

Johan Frankl

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 25 00 02 50

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COMPANY DETAILS

Company	Hillary Denmark ApS Havneholmen 29 1561 Copenhagen V
	CVR No.: 25 00 02 50 Established: 1 November 1999 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Executive Board	Johan Frankl
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Hillary Denmark ApS for the financial year 1 January - 31 December 2020.

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

In my opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2020 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 6 August 2021

Executive Board

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Johan Frankl

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hillary Denmark ApS

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Hillary Denmark ApS for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at **31 December 2020** and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management’s Review
Management is responsible for Management’s Review.

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

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

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

Based on the work we have performed, we conclude that Management’s Review is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

Copenhagen, 6 August 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

FINANCIAL HIGHLIGHTS OF THE GROUP

	2020 EUR '000	2019 EUR '000
Income statement		
Net revenue	45,807	43,940
Gross profit/loss	16,150	13,757
Operating profit/loss of main activities	5,189	2,912
Financial income and expenses, net	-1,214	-676
Profit/loss for the year before tax	3,975	2,236
Profit/loss for the year	3,237	1,648
Results for the year without minority interests	2,446	-1,768
Balance sheet		
Total assets	37,088	36,059
Equity	13,503	10,266
Cash flows		
Cash flows from operating activities	3,940	-5,744
Cash flows from investing activities	775	-18,510
Cash flows from financing activities	-251	12,718
Total cash flows	4,464	-11,536
Investment in property, plant and equipment	-3,186	0
Key ratios		
Return on invested capital	14.9	7.4
Equity ratio	25.1	19.0
Return on equity	27.2	14.0

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current
Return on invested capital:	$\frac{\text{Operating Profit/loss adjusted for goodwill amortisation x 100}}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
The principal activities comprise as in previous years in that of a holding company. The holdings are today focused on companies recycling plastic and manufacturing plastic products.

Development in activities and financial and economic position
In 2019 the subsidiary AB Plasta acquired the company Rullpack AB in Sweden. This increased the turnover of AB Plasta by approximately € 20 Million per annum.

No significant changes or developments in the activities have taken place during 2020. The subsidiaries have performed well with high revenue and EBITDA margins.

Profit/loss for the year compared to the expected development
The results for Hillary Denmark ApS where in line with expected results.

Significant events after the end of the financial year
In early 2021 the company sold part of its holding to an institutional investor and during this process changes in the company structure was made. A company called Plasta Holdings UAB was created. Shares in AB Plasta and its subsidiaries, Plasta Business Park and UAB Gelpod are now under the new holding company.

Hillary Denmark ApS has majority control over Plasta Holdings UAB with 55,4% of the votes.

UAB Daiktams LT has in 2021 been sold in its entirety.

Future expectations
We anticipate that further growth of the group will take place through acquisitions by AB Plasta or Rullpack AB during the coming few years.

It is predicted that the subsidiaries day to day business will be less formidable during 2021 then in 2020 due to raw material price increases and logistics issues stemming from the Covid-19 pandemic. The material price issue should start easing towards the end of the year and beginning of 2022. The expectation is that as the world and particularly the EU imposes more and more regulations on virgin plastic, recycled PE products will become even more important in society and thus generate further increases in profitability for the subsidiaries.

Corporate social responsibility (CSR) report
Hillary Denmark ApS is committed to managing its business in a sustainable manner. Balancing economic, environmental and social responsibilities is necessary for sustainable business and beneficial to our stakeholders. The company follows the Principles for Social Responsibility, and we expect all subsidiaries, suppliers and partners to do the same.

Environmental & climate matters
In Hillary Denmark ApS itself there are no significant environmental or climate risks.
The main holdings are in industrial production companies with a focus on plastics. This means that Hillary Denmark ApS and its subsidiaries are well positioned to have a significant impact on environmental and climate matters. In the group there is a very clear and outspoken objective to use as much post usage (collected) recycled plastic as possible with a minimal CO2 footprint compared to alternatives. When considering any type of investment, the possibility for usage or production of recycled collected plastic is a very important factor in the decision making process.
Dealing in industrial production always requires diligent control over the environmental impact and the main subsidiaries have clearly defined policies for contributing to a healthier environment.

All major subsidiaries are ISO 9001 certified, and one has ISO 140001 certification.

Social, employee matters and respect for human rights
Hillary Denmark ApS and its subsidiaries adhere to national regulation, UN and I.LO conventions and strives for a safe, inclusive and tolerant work environment.

Anticorruption and bribery
The company and subsidiaries have a zero tolerance policy for taking or offering bribes.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2020 EUR	2019 EUR	2020 EUR	2019 EUR
NET REVENUE	1	**45,807,034**	**43,939,810**	**0**	**0**
Production costs	2	-29,657,444	-30,182,963	0	0
GROSS PROFIT/LOSS		**16,149,590**	**13,756,847**	**0**	**0**
Distribution costs	2	-502,803	-660,464	0	0
Administrative expenses	2, 3	-11,671,108	-10,776,408	-289,762	-285,317
OPERATING PROFIT		**3,975,679**	**2,319,975**	**-289,762**	**-285,317**
Other operating income		1,225,378	595,554	843,727	476,521
Other operating expenses		-12,251	-3,488	0	0
OPERATING PROFIT		**5,188,806**	**2,912,041**	**553,965**	**191,204**
Result of equity investments in group enterprises		0	0	847,098	-847,098
Financial income		45,138	39,062	0	0
Financial expenses		-1,259,325	-714,894	-1,151	0
PROFIT BEFORE TAX		**3,974,619**	**2,236,209**	**1,399,912**	**-655,894**
Tax on profit/loss for the year	4	-737,397	-588,472	0	0
PROFIT FOR THE YEAR	5	**3,237,222**	**1,647,737**	**1,399,912**	**-655,894**

BDO

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2020 EUR	Group 2019 EUR	Parent Company 2020 EUR	Parent Company 2019 EUR
Intangible fixed assets acquired		3,085,730	2,809,207	0	264,706
Goodwill		2,543,279	3,342,157	0	0
Intangible assets	6	**5,629,009**	**6,151,364**	**0**	**264,706**
Land and buildings		1,658,231	1,682,397	0	0
Production plant and machinery		8,793,430	8,733,009	0	0
Other plant, machinery tools and equipment		1,446,677	1,701,383	0	0
Tangible fixed assets in progress and prepayment		133,552	159,129	0	0
Property, plant and equipment	7	**12,031,890**	**12,275,918**	**0**	**0**
Equity investments in group enterprises		0	0	4,418,635	3,579,537
Other investments		40,415	40,415	40,415	40,415
Rent deposit and other receivables		33,228	41,928	0	0
Financial non-current assets	8	**73,643**	**82,343**	**4,459,050**	**3,619,952**
NON-CURRENT ASSETS		**17,734,542**	**18,509,625**	**4,459,050**	**3,884,658**
Raw materials and consumables		1,520,036	1,652,968	0	0
Work in progress		855,403	833,976	0	0
Finished goods and goods for resale		3,017,686	2,596,412	0	0
Prepayments		2,029,419	1,555,305	0	0
Inventories		**7,422,544**	**6,638,661**	**0**	**0**
Trade receivables		5,987,024	6,312,234	0	0
Receivables from group enterprises		1,110,390	1,117,029	1,110,390	1,038,535
Receivables from associated enterprises		0	3,675	0	0
Other receivables		2,913,487	2,930,582	1,675,826	1,235,852
Prepayments	9	396,848	265,151	0	0
Receivables		**10,407,749**	**10,628,671**	**2,786,216**	**2,274,387**
Cash and cash equivalents		**1,523,312**	**281,990**	**65,663**	**150**
CURRENT ASSETS		**19,353,605**	**17,549,322**	**2,851,879**	**2,274,537**
ASSETS		**37,088,147**	**36,058,947**	**7,310,929**	**6,159,195**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2020 EUR	Group 2019 EUR	Parent Company 2020 EUR	Parent Company 2019 EUR
Share capital		20,151	20,151	20,151	20,151
Fair value reserve, currency translation of foreign entities		100,656	24,028	0	0
Other reserves		663,170	416,448	0	0
Retained earnings		8,511,705	6,389,054	3,431,627	2,031,715
Minority shareholders		4,207,268	3,416,047	0	0
EQUITY		**13,502,950**	**10,265,728**	**3,451,778**	**2,051,866**
Provision for deferred tax	10	2,168,206	1,511,792	0	0
PROVISIONS		**2,168,206**	**1,511,792**	**0**	**0**
Debt to mortgage credit institution		4,983,896	7,032,698	0	0
Lease liabilities		37,980	54,563	0	0
Trade payables		265,880	0	0	0
Non-current liabilities	11	**5,287,756**	**7,087,261**	**0**	**0**
Debt to mortgage credit institution		3,610,995	4,785,347	0	0
Lease liabilities		16,583	16,013	0	0
Prepayments from customers		469,354	660,988	0	0
Trade payables		4,291,758	4,896,335	0	0
Debt to Group companies		1,099,348	900,885	1,099,348	900,885
Corporation tax payable		339,029	310,990	0	0
Other liabilities		5,406,231	5,273,092	2,759,803	3,206,444
Deferred income	12	895,937	350,516	0	0
Current liabilities		**16,129,235**	**17,194,166**	**3,859,151**	**4,107,329**
LIABILITIES		**21,416,991**	**24,281,427**	**3,859,151**	**4,107,329**
EQUITY AND LIABILITIES		**37,088,147**	**36,058,947**	**7,310,929**	**6,159,195**

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EQUITY

	Group					
	Share capital	Other reserves	Fair value reserve, currency translation of foreign entities	Retained earnings	Minority shareholders	Total
Equity at 1 January 2020	20,151	416,448	24,028	6,305,146	3,416,047	10,181,820
Proposed profit allocation, Note 5				2,446,020	791,202	3,237,222
Other legal bindings						
Foreign exchange adjustments				7,261		7,261
Revaluations in the year		246,722		-246,722		0
Currency translation						
Value adjustments in the year			76,628		19	76,647
Equity at 31 December 2020	**20,151**	**663,170**	**100,656**	**8,511,705**	**4,207,268**	**13,502,950**

	Parent Company		
	Share capital	Retained earnings	Total
Equity at 1 January 2020	20,151	2,031,715	2,051,866
Proposed profit allocation, jf. note 5		1,399,912	1,399,912
Equity at 31 December 2020	**20,151**	**3,431,627**	**3,451,778**

BDO

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group		Parent Company	
	2020 EUR	**2019** EUR	**2020** EUR	**2019** EUR
Profit/loss for the year	3,237,222	1,647,737	1,399,912	-655,894
Profit/loss from subsidiaries	0	0	-847,098	0
Tax on profit/loss, reversed	737,397	588,472	0	0
Other adjustments	656,414	1,511,792	0	0
Corporation tax paid	-737,397	-588,472	0	0
Change in inventories	-783,883	-6,638,661	0	0
Change in receivables (ex tax)	220,922	-10,628,671	-511,829	101,826
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	609,555	8,363,394	2,659	341
CASH FLOWS FROM OPERATING ACTIVITY	**3,940,230**	**-5,744,409**	**43,644**	**-553,727**
Purchase of intangible assets	522,355	-6,151,364	0	-264,706
Sale of intangible fixed assets	0	0	264,706	0
Purchase of property, plant and equipment	244,028	-12,275,918	0	0
Purchase of financial assets	8,700	-82,343	0	0
Sale of financial assets	0	0	8,000	-1,507,902
CASH FLOWS FROM INVESTING ACTIVITY	**775,083**	**-18,509,625**	**272,706**	**-1,772,608**
Changes in subordinated loan capital	-250,837	4,099,988	-250,837	2,314,433
Other cash flows from financing activities	0	8,617,991	0	0
CASH FLOWS FROM FINANCING ACTIVITY	**-250,837**	**12,717,979**	**-250,837**	**2,314,433**
CHANGE IN CASH AND CASH EQUIVALENTS	**4,464,476**	**-11,536,055**	**65,513**	**-11,902**
Cash and cash equivalents at 1. januar	-11,536,055	0	150	12,052
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-7,071,579**	**-11,536,055**	**65,663**	**150**
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents	-7,071,579	-11,536,055	65,663	150
CASH AND CASH EQUIVALENTS, NET DEBT	**-7,071,579**	**-11,536,055**	**65,663**	**150**

NOTES

	Group		Parent Company		Note
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	
Net revenue					1
Revenue	45,807,034	43,939,810	0	0	
	45,807,034	**43,939,810**	**0**	**0**	
Segment details (geography)					
Europe	45,807,034	43,939,810	0	0	
	45,807,034	**43,939,810**	**0**	**0**	
Segment details (activities)					
Sale of plastic products	45,807,034	43,939,810	0	0	
	45,807,034	**43,939,810**	**0**	**0**	
Staff costs					2
Average number of employees	468	485	1	1	
Wages and salaries	7,472,270	7,542,483	0	0	
Social security costs	158,288	153,162	0	0	
	7,630,558	**7,695,645**	**0**	**0**	

Information on management remuneration is omitted in accordance with the exemption provision in the Danish Financial Statements Act, section 98 b, subsection. 3 No. 2.

	Group 2020 EUR	Group 2019 EUR	Parent Company 2020 EUR	Parent Company 2019 EUR	Note
Fee to statutory auditor					3
Total fee:					
BDO	0	0	10,000	4,000	
Auditors of foreign subsidiaries	9,800	8,350	0	0	
	9,800	**8,350**	**10,000**	**4,000**	
Specification of the fees:					
Statutory audit	9,800	6,350	6,000	4,000	
Assurance engagements	0	2,000	4,000	0	
	9,800	**8,350**	**10,000**	**4,000**	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year	737,397	588,472	0	0	
	737,397	**588,472**	**0**	**0**	

NOTES

	Group		Parent Company		
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	Note
Proposed distribution of profit					5
Retained earnings	2,446,020	-1,768,310	1,399,912	-655,894	
Minoritetsinteressernes andel af dattervirksomheders resultat	791,202	3,416,047	0	0	
	3,237,222	**1,647,737**	**1,399,912**	**-655,894**	

Intangible assets 6

	Group	
	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2020	3,868,434	3,994,388
Additions	930,603	0
Disposals	-264,706	0
Cost at 31 December 2020	**4,534,331**	**3,994,388**
Amortisation at 1 January 2020	1,059,227	652,231
Amortisation for the year	389,374	798,878
Amortisation at 31 December 2020	**1,448,601**	**1,451,109**
Carrying amount at 31 December 2020	**3,085,730**	**2,543,279**

	Parent Company
	Intangible fixed assets acquired
Cost at 1 January 2020	264,706
Disposals	-264,706
Cost at 31 December 2020	**0**
Carrying amount at 31 December 2020	**0**

Property, plant and equipment 7

	Group	
	Land and buildings	Production plant and machinery
Cost at 1 January 2020	3,619,907	29,957,012
Additions	72,299	2,766,709
Disposals	-133,469	-4,808,705
Cost at 31 December 2020	**3,558,737**	**27,915,016**
Depreciation and impairment losses at 1 January 2020	1,937,507	21,150,254
Reversal of depreciation of assets disposed of	-133,469	-4,039,470
Depreciation for the year	96,468	2,010,802
Depreciation and impairment losses at 31 December 2020	**1,900,506**	**19,121,586**
Carrying amount at 31 December 2020	**1,658,231**	**8,793,430**
Finance lease assets		2,194,768

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Note

Tangible fixed assets (continued) 7

	Group	
	Other plant, machinery tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2020	3,828,573	159,129
Additions	320,749	26,513
Disposals	-141,124	-52,090
Cost at 31 December 2020	**4,008,198**	**133,552**
Depreciation and impairment losses at 1 January 2020	2,119,621	
Reversal of depreciation of assets disposed of	-48,758	
Depreciation for the year	490,658	
Depreciation and impairment losses at 31 December 2020	**2,561,521**	
Carrying amount at 31 December 2020	**1,446,677**	**133,552**
Finance lease assets	586,194	

Financial non-current assets 8

	Group	
	Other investments	Rent deposit and other receivables
Cost at 1 January 2020	40,415	33,228
Cost at 31 December 2020	**40,415**	**33,228**
Carrying amount at 31 December 2020	**40,415**	**33,228**

	Parent Company	
	Equity investments in group enterprises	Other investments
Cost at 1 January 2020	4,418,635	40,415
Cost at 31 December 2020	**4,418,635**	**40,415**
Impairment losses and amortisation of goodwill at 1 January 2020	847,098	0
Impairment losses for the year	-847,098	0
Impairment losses and amortisation of goodwill at 31 December 2020	**0**	**0**
Carrying amount at 31 December 2020	**4,418,635**	**40,415**

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Note

Fixed asset investments (continued) 8
Investments in subsidiaries (EUR)

Name and domicil	Equity	Profit/loss for the year	Ownership
Plasta, Lithuania	13,530,213	3,211,629	71 %
Plasta Business Park, Lithuania	794,944	-593,543	71 %
Gelpod, Lithuania	278,804	40,228	81 %

Prepayments 9

	Group		Parent Company	
	2020 EUR	**2019** EUR	**2020** EUR	**2019** EUR
Costs	396,848	265,151	0	0
	396,848	**265,151**	**0**	**0**

Prepayment is prepayed cost to insurance, rent and semilar cost.

Provision for deferred tax 10

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2020 EUR	**2019** EUR	**2020** EUR	**2019** EUR
Deferred tax, beginning of year	1,511,792	0	0	0
Deferred tax of the year, income statement	656,414	1,511,792	0	0
Provision for deferred tax 31 December 2020	**2,168,206**	**1,511,792**	**0**	**0**

Long-term liabilities 11

	Group			
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Debt to mortgage credit institution	5,180,150	196,254	0	7,405,736
Lease liabilities	54,563	16,583	0	54,563
Trade payables	265,880	0	0	0
	5,500,593	**212,837**	**0**	**7,460,299**

NOTES

	Group		Parent Company		
	2020	2019	2020	2019	Note
	EUR	EUR	EUR	EUR	

Deferred income 12

Deferred income consists of prepaid income.

Contingencies etc. 13

Contingent liabilities

None.

Charges and securities 14

The group have a pledge and securities towards to bank related to the loan agreements. it consists of following:

3 buildings in Plasta Business Park are pledged for AB Plasta.
a Pledge of right of rent the land plot where the above 3 buildings are located.
There is a maximum pledge of a value of 5 million EUR on the total of the equipment and other fixed assets.
There is a maximum pledge of a value of 2 million on the total of the inventory.

ACCOUNTING POLICIES

The Annual Report of Hillary Denmark ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Hillary Denmark ApS and the subsidiaries in which Hillary Denmark ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or newly formed entities within the Group are recognised in the Consolidated Financial Statements as if the entity has been combined from the earliest financial period included in the Consolidated Financial Statements. Consolidated or wound up entities are recognised in the Consolidated Income Statement from the earliest financial period included in the Financial Statements. Comparative figures are corrected for newly acquired, sold or wound-up entities.

Acquired entities within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed as from the earliest financial period included in the Consolidated Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition. The difference from acquired entities is EUR ('000).

Transaction costs incurred in relation to acquisition of entities are recognised in the Income Statement in the year they were paid.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Minority interests
The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

ACCOUNTING POLICIES

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs
Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

Distribution costs
The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from equity interests in subsidiaries and associates
Dividend from equity interests is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

ACCOUNTING POLICIES

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.
Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery..	5-10 years	0 %
Other plant, fixtures and equipment...	3-5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts
Lease contracts relating to tangible fixed assets
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Fixed asset investments
Equity investments in subsidiaries and associates are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

ACCOUNTING POLICIES

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed from the earliest financial period included in the Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents
Cash and cash equivalents include cash at bank.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

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

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

ACCOUNTING POLICIES

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.