

BORGEN INGENIØR OG SMEDEFIRMA A/S

Fabriksvangen 7
DK-3550 Slangerup

CVR no. 29 54 00 55

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

23 February 2024

Christian Zmölnig
Chairman of the annual general meeting

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Contents

Statement by the Board of Directors and the Executive Board

Independent auditor's report

Management's review

Company details
Operating review

Financial statements 1 January – 31 December

Income statement
Balance sheet
Statement of changes in equity
Notes

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for BORGEN INGENIØR OG SMEDEFIRMA A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Slangerup, 23 February 2024

Executive Board:

Tim Silbermann

Board of Directors:

Christian Zmölnig
Chairman

Ricardo Ernesto Rehm

Rainer Widmar



Independent auditor's report

To the shareholder of BORGEN INGENIØR OG SMEDEFIRMA A/S

Opinion

We have audited the financial statements of BORGEN INGENIØR OG SMEDEFIRMA A/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

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



Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 February 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised Public Accountant
mne34283

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Management's review

Company details

BORGEN INGENIØR OG SMEDEFIRMA A/S
Fabriksvangen 7
DK-3550 Slangerup

CVR no.: 29 54 00 55
Established: 16 May 2006
Registered office: Frederikssund
Financial year: 1 January - 31 December

Board of Directors

Christian Zmölnig, Chairman
Ricardo Ernesto Rehm
Rainer Widmar

Executive Board

Tim Silbermann

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Management's review

Operating review

Principal activities

The Company's main activities are to conduct trading, manufacturing, investment activities and other related business.

Development in activities and financial position

The Company's income statement for 2023 shows a profit of DKK 262,042 as against a profit of DKK 195,839 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK -937,759 as against DKK -1,199,801 at 31 December 2022.

Capital resources

Management notes that the property's book value is assessed to be significantly lower than realizable market value. Furthermore, the main liability is payables to the Parent Company (Paper Bottle Company A/S). The Parent Company has received a letter of support from ALPLA Group, valid until January 2025. On this basis, management consider that there are sufficient funding for operations and a realizable upside related to the value of the property.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Financial statements 1 January – 31 December

Income statement

DKK	Note	2023	2022
Gross profit		280,220	316,665
Depreciation on property, plant and equipment		-140,949	-140,949
Profit before financial income and expenses		139,271	175,716
Other financial income		587	0
Other financial expenses		-1,666	-3,993
Profit before tax		138,192	171,723
Tax on profit for the year	4	123,850	24,116
Profit for the year		<u>262,042</u>	<u>195,839</u>
Proposed profit appropriation			
Other reserves		-104,480	-104,480
Retained earnings		<u>366,522</u>	<u>300,319</u>
		<u>262,042</u>	<u>195,839</u>

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Land and buildings		<u>2,609,690</u>	<u>2,750,639</u>
Total fixed assets		<u>2,609,690</u>	<u>2,750,639</u>
Current assets			
Cash at bank and in hand		<u>130,502</u>	<u>98,246</u>
Total current assets		<u>130,502</u>	<u>98,246</u>
TOTAL ASSETS		<u>2,740,192</u>	<u>2,848,885</u>

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Other reserves		1,259,671	1,364,151
Retained earnings		-2,697,430	-3,063,952
Total equity		<u>-937,759</u>	<u>-1,199,801</u>
Provisions			
Provisions for deferred tax		225,313	349,163
Total provisions		<u>225,313</u>	<u>349,163</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage debt		0	112,020
Current liabilities other than provisions			
Mortgage debt		112,020	112,284
Trade payables		71,500	0
Payables to group entities		3,238,348	3,400,000
Other payables, including taxes payable		30,770	75,219
		<u>3,452,638</u>	<u>3,587,503</u>
Total liabilities other than provisions		<u>3,452,638</u>	<u>3,699,523</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,740,192</u></u>	<u><u>2,848,885</u></u>

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Other reserves	Retained earnings	Total
Equity at 1 January 2023	500,000	1,364,151	-3,063,952	-1,199,801
Transferred over the profit appropriation	0	-104,480	366,522	262,042
Equity at 31 December 2023	<u>500,000</u>	<u>1,259,671</u>	<u>-2,697,430</u>	<u>-937,759</u>

BORGEN INGENIØR OG SMEDEFIRMA A/S
Annual report 2023
CVR no. 29 54 00 55

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of BORGEN INGENIØR OG SMEDEFIRMA A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

For products with a high degree of customisation, revenue is recognised as production takes place, and accordingly, revenue corresponds to the selling price of the work performed for the year (the percentage of completion method). When total income and costs attributable to the contract or the stage of completion at the balance sheet date cannot be estimated reliably, revenue is recognised only at costs incurred and only to the extent that the recovery thereof is likely.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Equity

Other reserves

The other reserve for revaluation at cost price relates to a reassessment of the value of the property to reflect a more realistic value after having depreciated the building for a longer period. The reserve will be depreciated over the useful life of the building.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as intercompany balance with the Parent Company.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

2 Capital resources

Management notes that the property's book value is assessed to be significantly lower than realizable market value. Furthermore, the main liability is payables to the Parent Company (Paper Bottle Company A/S). The Parent Company has received a letter of support from ALPLA Group, valid until January 2025. On this basis, management consider that there are sufficient funding for operations and a realizable upside related to the value of the property.

3 Staff costs

	<u>2023</u>	<u>2022</u>
Average number of full-time employees	<u>0</u>	<u>0</u>

Financial statements 1 January – 31 December

Notes

4 Tax on profit for the year

DKK	2023	2022
Deferred tax adjustment for the year	-123,850	-24,116
	<u>-123,850</u>	<u>-24,116</u>

5 Property, plant and equipment

DKK	Land and buildings
Cost at 1 January 2023	5,999,231
Cost at 31 December 2023	5,999,231
Revaluations at 1 January 2023	1,748,911
Revaluations at 31 December 2023	1,748,911
Depreciation and impairment at 1 January 2023	-4,997,503
Depreciation for the year	-140,949
Depreciation and impairment at 31 December 2023	-5,138,452
Carrying amount at 31 December 2023	<u>2,609,690</u>

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's joint taxable income and for certain possible withholding taxes such as dividend tax, etc.

7 Mortgages and collateral

As security for mortgage debt, the Company has provided security in the property. Mortgage debt amounts to DKK 112 thousand on the balance sheet date, while the book value of the property amounts to DKK 2,610 thousand.