Elopak ASA

(A public limited liability company organised under the laws of Norway)

Initial public offering of up to 97,158,333 Shares with an indicative price range of NOK 24 to NOK 30 per Share

Admission to listing and trading of the Company's Shares on Oslo Børs

This prospectus (the "**Prospectus**") has been prepared by Elopak ASA, a public limited liability company incorporated under the laws of Norway (the "**Company**" and, together with its consolidated subsidiaries, the "**Group**" or "**Elopak**") in connection with the initial public offering (the "**Offering**") and the related admission to listing and trading (the "**Listing**") of the Company's shares (the "**Shares**") on Oslo Børs, a regulated market operated by Oslo Børs ASA ("**Oslo Børs**"). The Offering comprises a number of new Shares to be issued by the Company as will raise gross proceeds of up to EUR 50 million (~NOK 507.8 million) (the "**New Shares**") and up to 76,000,000 existing Shares (the "**Base Sale Shares**") offered by the Company's majority shareholder Ferd AS (the "**Selling Shareholder**" or "**Ferd**"). The Selling Shareholder has reserved the right to increase the Offering by up to an additional 15,000,000 existing Shares (the "**Upsize Option**", and such additional Shares sold pursuant to the Upsize Option, together with the Base Sale Shares, the "**Sale Shares**"). The New Shares, the Sale Shares and, unless the context indicates otherwise, the Additional Shares (as defined below), are referred to as the "**Offer Shares**").

The Offering consists of (i) a private placement to (a) investors in Norway, (b) institutional investors outside Norway and the United States of America (the "**U.S.**" or the "**United States**"), in each case subject to applicable exemptions from applicable prospectus and registration requirements, and (c) persons reasonably believed to be qualified institutional buyers ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") or another available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**") and (ii) a retail offering to the public in Norway (the "**Retail Offering**"). All offers and sales of Offer Shares outside the United States will be made pursuant to Regulation S under the U.S. Securities Act ("**Regulation S**").

In addition, the Joint Global Coordinators may elect to over-allot up to 14,573,750 additional Shares (the "**Additional Shares**"), equal to up to approximately 15% of the aggregate number of New Shares and Base Sale Shares to be sold in the Offering. In order to facilitate such over-allotment, the Selling Shareholder is expected to grant an option to the Joint Global Coordinators, which may be exercised by Skandinaviska Enskilda Banken AB, Oslo branch ("**SEB**") as the "**Stabilisation Manager**" (as defined herein), to borrow a number of Shares equal to the number of Additional Shares (the "**Lending Option**"), as well as an option to purchase a number of Shares equal to the number of Additional Shares to cover any over-allotments made in connection with the Offering (the "**Greenshoe Option**"). The Greenshoe Option is exercisable, in whole or in part by the Stabilisation Manager, on behalf of the Joint Global Coordinators, within a 30-day period commencing at the time at which "if issued/if sold" trading in the Shares commences on Oslo Børs, on the terms and subject to the conditions described in this Prospectus. A stock exchange notice will be made on the first day of trading of the Shares on Oslo Børs if the Joint Global Coordinators over-allot shares in connection with the Offering. The Company will not receive any of the proceeds from the sale of the Sale Shares or any Additional Shares.

The price (the "**Offer Price**") at which the Offer Shares will be sold is expected to be between NOK 24 and NOK 30 per Offer Share (the "**Indicative Price Range**"). The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined following a bookbuilding process and will be set by the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators. See Section 17 "Terms of the Offering" for further information on how the Offer Price will be set. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or about 16 June 2021. The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 CEST on 8 June 2021 and close at 14:00 CEST on 16 June 2021. The application period for the Retail Offering (the "**Application Period**") will commence at 09:00 CEST on 8 June 2021 and close at 12:00 CEST on 16 June 2021. The Bookbuilding Period and the Application Period may, at the Selling Shareholder's and the Company's sole discretion, in consultation with the Joint Global Coordinators and for any reason, be shortened or extended, but will in no event be shortened to end before 12:00 CEST on 15 June 2021 or extended to end later than 14:00 CEST on 22 June 2021.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and in particular consider Section 2 "Risk Factors" before investing in the Offer Shares and the Company.

Prior to the Offering, there has been no public market for the Shares. Oslo Børs is expected to consider the Company's application for the Shares to be admitted to listing and trading on Oslo Børs on or about 11 June 2021. Completion of the Offering is subject to the approval of the listing application by Oslo Børs, the satisfaction of the conditions for admission to listing set by Oslo Børs and certain other conditions as set out in Section 17.14 "Conditions for completion of the Offering".

The Shares are, and the New Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares will rank in parity with one another and carry one vote. Except where the context otherwise requires, references in this Prospectus to the Shares refer to all issued and outstanding ordinary shares of the Company, including the Offer Shares.

The due date for the payment of the Offer Shares is expected to be on or about 18 June 2021 in the Retail Offering and on 21 June 2021 in the Institutional Offering. Delivery of the Offer Shares is expected to take place on or about 21 June 2021 in the Retail Offering and on or about 21 June 2021 in the Institutional Offering, in each case through the facilities of the Norwegian VPS and subject to due payment being made. Trading in the Shares on Oslo Børs on an "if issued/if sold" basis is expected to start on or about 17 June 2021, under the ticker code "ELO". If closing of the Offering does not take place on 22 June 2021 or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded and any allocations made being deemed not to have been made, and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions pursuant to Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Accordingly, neither this Prospectus nor any advertisement or any other Offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required by the Company, the Selling Shareholder and the Joint Global Coordinators (as defined below) to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities law of any such jurisdiction. See Section 18 "Selling and transfer restrictions".

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International SEB

Joint Bookrunners

ABG Sundal Collier Carnegie DNB Markets

The date of this Prospectus is 7 June 2021

IMPORTANT INFORMATION

This Prospectus has been prepared solely for use in connection with the Offering and the Listing of the Shares on Oslo Børs. Please see Section 20 "Definitions and Glossary" for definitions of terms used throughout this Prospectus.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company has engaged Goldman Sachs International and Skandinaviska Enskilda Banken AB, Oslo branch as "**Joint Global Coordinators**", and "**Joint Bookrunners**" in the Offering. ABG Sundal Collier ASA, Carnegie AS and DNB Markets, a part of DNB Bank ASA as joint bookunners (together with the Joint Global Coordinators, the "**Managers**").

No person is authorised to give information or to make any representation concerning the Company or in connection with the Offering other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Selling Shareholder or the Joint Global Coordinators or by any of the affiliates, advisers or selling agents of any of the foregoing.

The distribution of this Prospectus and the Offering may be restricted by law in certain jurisdictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of the Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except as permitted by applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the Offer Shares, see Section 18 "Selling and transfer restrictions".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors".

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. Neither the Company, the Selling Shareholder, the Joint Global Coordinators, any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any offeree or purchaser of the Shares regarding the legality or suitability of an investment in the Shares. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

In the ordinary course of their businesses, the Joint Global Coordinators and certain of their respective affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

This Prospectus and the Offering are governed by Norwegian law. The courts of Norway, with Oslo as legal venue, have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to persons reasonably believed to be QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S.

Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. Any Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 18 "Selling and transfer restrictions".

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Joint Global Coordinators or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO UNITED KINGDOM INVESTORS

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as "**Relevant Persons**").

The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In relation to any member state of the European Economic Area (the "**EEA**") other than Norway (each a "**Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of Article 2(e) of the EU Prospectus Regulation. This Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Joint Global Coordinators to publish a prospectus pursuant to Article 1 of the EU Prospectus Regulation or a supplement prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company, the Selling Shareholder nor the Joint Global Coordinators has authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary, other than offers made by the Joint Global Coordinators which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Joint Global Coordinators and the Company that:

a) it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators have been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

NOTICE TO INVESTORS IN CANADA

This Prospectus constitutes an “exempt offering document” as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Offer Shares. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or on the merits of the Offer Shares and any representation to the contrary is an offence.

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and that are not created or used solely to purchase or hold securities as an accredited investor described in paragraph (m) of the definition of “accredited investor”.

Canadian investors are advised that this document has been prepared in reliance on section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”). Pursuant to section 3A.3 of NI 33-105, this document is exempt from the requirement that the issuer and the underwriters in the offering provide Canadian investors with certain conflicts of interest disclosure pertaining to “connected issuer” and/or “related issuer” relationships as would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

Securities legislation in certain provinces or territories of Canada may provide Canadian purchaser with remedies for rescission or damages if an “offering memorandum” such as this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

The offer and sale of the Offer Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Offer Shares must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction. These resale restrictions may under certain circumstances apply to resales of the Offer Shares outside of Canada.

Upon receipt of this Prospectus, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Offer Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglaise seulement

See Section 18 "Selling and transfer restrictions" for certain other notices to investors.

INVESTORS COULD BE UNABLE TO EXERCISE THEIR VOTING RIGHTS FOR SHARES REGISTERED IN A NOMINEE ACCOUNT

Beneficial owners of the Shares registered in a nominee account (through brokers, banks, dealers or other third parties) could be unable to exercise their voting rights for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting.

There can be no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner they desire.

STABILISATION

In connection with the Offering, the Stabilisation Manager, or its agents, may engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days commencing at the time at which trading in the Shares commences on Oslo Børs. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail. The Stabilisation Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilisation Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

Any stabilisation activities will be conducted based on the principles as set out in Article 5 of Regulation (EU) No 596/2014 (the Market Abuse Regulation) regarding buy-back programmes and stabilisation of financial instruments.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Company's shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The majority of the members of the Company's board of directors (the "**Board**" or "**Board of Directors**") and the members of the senior management of the Group (the "**Management**") are not residents of the United States, and the majority of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its board members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its board members or members of the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its board members or members of the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

DATA PROTECTION

As data controllers, each of the Joint Global Coordinators processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No. 38. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data it discloses to the Joint Global Coordinators.

PRE-EMPTIVE RIGHTS TO SUBSCRIBE FOR SHARES IN FUTURE ISSUANCES COULD BE UNAVAILABLE TO SHAREHOLDERS

Under Norwegian law, unless otherwise resolved at the Company's General Meeting, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares, and doing so in the future could be impractical and costly. Accordingly, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

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1. SUMMARY

Introduction

Warnings..................	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The securities	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS with international securities identification number ("**ISIN**") NO 001 1002586.
The issuer and offeror	The Company's name is Elopak ASA, with business registration number 811 413 682 in the Norwegian Register of Business Enterprises and legal entity identifier ("**LEI**") 529900BIDQN2AOKV6N08. The Company's registered office and headquarter is at Industriveien 30, 3430 Spikkestad, Norway. The main telephone number at the headquarter is +47 31 27 10 00. The Company's website is www.elopak.com.
Approval of the Prospectus...............	The Prospectus was approved by the Financial Supervisory Authority of Norway as competent authority, with business registration number 840 747 972, registered address at Revierstredet 3, N-0151 Oslo, Norway, telephone number +47 22 93 98 00 and e-mail: post@finanstilsynet.no. The Prospectus was approved on 7 June 2021.

Key information on the issuer

Who is the issuer of the securities?

Corporate information...............	The Company is a public limited liability company and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company was incorporated on 11 February 1957, its registration number in the Norwegian Register of Business Enterprises is 811 413 682 and its LEI is 529900BIDQN2AOKV6N0.
Principal activities	Elopak is a leading global supplier of liquid carton packaging and filling equipment, catering to both the fresh and the aseptic segments.[1] The fresh segment constitutes Elopak's largest segment. Elopak has developed a complete end-to-end offering consisting of supplying filling machines, gable top blanks and Roll Fed packaging materials, closures and aftermarket services and spare parts within both the fresh and aseptic segments. The gable top blanks offered by Elopak are Elopak's own brand, Pure-Pak®, which it supplies to both the fresh and the aseptic segments. Using

[1] Source: Roland Berger market study, February 2021.

	renewable, recyclable and sustainably sourced materials, Elopak provides innovative packaging solutions that offer a natural and convenient alternative to plastic bottles and are designed to meet the needs of a low carbon circular economy. Elopak has a global footprint with customers in over 70 countries and approximately 2,600 employees worldwide.
Major shareholders ..	Shareholders owning more than 5% if the Shares have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, no shareholder other than Ferd AS hold more than 5% of the Shares to the Company's knowledge.

Key managing directors ....

Name	**Position**
Thomas Körmendi	Chief Executive Officer
Bent K. Axelsen	Chief Financial Officer
Ivar Jevne	EVP Material and Product Supply
Wolfgang Buchkremer	Chief Technology Officer
Nete Bechmann	Chief Human Resources Officer
Patrick Verhelst	Chief Marketing Officer
Stephen D. Naumann	EVP Region Europe North & CIS
Lionel Ettedgui	EVP North America
Finn M. Tørjesen	EVP Region Europe South & New Markets

Statutory auditor	The Company's statutory auditor is PricewaterhouseCoopers AS, with business registration number 987 009 713 in the Norwegian Register of Business Enterprises and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway ("**PwC**").

What is the key financial information regarding the issuer?

Selected historical key financial information	The tables below set out selected financial information for the Group for the financial years ended 31 December 2020, 2019 and 2018, prepared in accordance with International Financial Reporting Standards as adopted by the EU (“**IFRS**”). The unaudited interim condensed financial statements for the three-month period ended on 31 March 2021 and 2020 have been prepared by the Group in accordance with IAS34 Interim Financial reporting. The audited consolidated financial statements for the year ended 31 December 2019 were restated from the original audited consolidated financial statements for the year ended 31 December 2019, due to a change in revenue recognition under IFRS 15. In addition, the comparative figures (2018) included in the audited consolidated financial statements for the year ended 31 December 2019 have been restated in connection with the preparation of the audited consolidated financial statements for the year ended 31 December 2019. Audited consolidated financial statements (Elopak) for the year ended 31 December 2018 have not been restated/re-issued.

Income statement and other comprehensive income

In EUR 1,000	Three months' period ended 31 March 2021 (Unaudited)	2020 (Unaudited)	Year ended 31 December 2020 (Audited)	2019 (Audited)	2018 (Restated)	2018 (Audited)
Revenue	222,793	233,047	908,773	906,530	909,247	904,435
Profit before taxes	15,715	14,544	60,209	16,897	32,391	32,018
Profit for the period	10,951	15,788	47,828	9,866	27,970	27,687
Basic and diluted earnings per share (in EUR)	2.18	3.15	9.54	1.97	5.58	-

Statement of financial position

In EUR 1,000	As of 31 March 2021 (Unaudited)	As of 31 December 2020 (Audited)	2019 (Audited)	2018 (Restated)	2018 (Audited)
Total assets	762,249	749,123	775,540	672,818	666,931
Total equity	204,467	185,444	153,889	151,600	145,714
Total liabilities	557,782	563,678	621,652	521,217	521,217
Total equity and liabilities	762,249	749,123	775,540	672,818	666,931

Statement of cash flow

In EUR 1,000	Three months' period ended 31 March 2021 (Unaudited)	2020 (Unaudited)	Year ended 31 December 2020 (Audited)	2019 (Audited)	2018 (Restated)	2018 (Audited)
Net cash flow from operating activities	-3,729	20,728	102,633	86,165	30,966	37,826
Net cash flow from investing activities	-2,142	-7,671	-35,647	-40,784	-36,033	-36,033
Net cash flow from financing activities	9,046	-9,794	-74,120	-44,562	4,819	-2,041
Foreign currency translation on cash	918	-4,549	-1,929	312	-280	-280
Net increase/decrease in cash	4,092	-1,286	-9,063	1,131	-527	-527
Cash at beginning of year	6,443	15,507	15,507	14,375	14,903	14,903
Cash at end of period	10,536	14,221	6,443	15,507	14,375	14,375

What are the key risks that are specific to the issuer?

Key risks specific to the issuer	• The Group's business and financial performance may be adversely affected by changes in consumer preferences in its target markets. • Unfavourable economic conditions in the countries in which the Group operates could impact consumer spending. • If there is significant consolidation among the Group's customers, the Group may become less profitable. • If the future rate of economic development and growth in developing markets does not materialise as expected, the business, financial condition and results of operations of the Group may be materially adversely affected.

- The Group's business and financial performance may be harmed by future increases in raw material costs, freight costs and import duties.
- The Group's global operations subject it to risks such as unfavourable political, regulatory and labour conditions.
- Demand for the Group's offerings may be affected by risks related to the products of the Group's customers and any supply shortages or interruptions of the Group's customers.
- The Group's failure to compete effectively with other participants in the fresh and aseptic packaging market segment and/or producers of alternative packaging solutions and technology could reduce sales and profitability and adversely affect the Group's financial condition and results of operations.
- Supply of faulty or contaminated products could harm the reputation and business of the Group.
- The Group may not be successful in adequately protecting its intellectual property rights, including its unpatented proprietary know-how and trade secrets, or in avoiding claims involving infringement of third party intellectual property rights.
- Failure to maintain satisfactory relationships with the Group's customers may adversely affect the Group's results of operations.
- The Group is subject to operational risks in connection with potential accidents arising from its operations and other unforeseen risks.
- Loss of key management and other personnel, or an inability to attract and retain qualified management and other personnel, could impact the business of the Group.
- Interruptions or accidents at, or a loss of, any of the Group's key manufacturing facilities could have an adverse effect on the financial condition or results of operations of the Group.
- The Group depends on a small number of suppliers for certain key raw materials and any interruption in the supply of raw materials would harm the business and financial performance of the Group.

Key information about the securities

What are the main features of the securities?

Type, class and ISIN	All Shares in the Company are common shares and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS with ISIN NO 001 1002586.
Currency, number of shares and nominal value	The Shares are issued in NOK and will traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's registered share capital is NOK 351,516,620 divided on 251,083,300 Shares, each with a nominal value of NOK 1.40.
Rights attaching to the securities........................	The Company has one class of Shares and all Shares carry equal rights in the Company in accordance with the Norwegian Public Limited Companies Act. Each Share carries one vote.
Restrictions on transfer..	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal upon transfer of the Shares. Share transfers are not subject to approval by the Board of Directors.

	Transfer of Shares in the Company in or into various jurisdictions other than Norway may be restricted or affected by law in such jurisdictions. See Section 18 “Selling and Transfer Restrictions” for more details.
Dividend and dividend policy.............................	In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the “**Norwegian Public Limited Companies Act**”), the Company’s capital requirements, including capital expenditure requirements, the Company’s financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors. Elopak will initially target a dividend pay-out ratio of approximately 50-60% of the Group's adjusted net profit. There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above. The proposal to pay a dividend in any year is subject to restrictions, please refer to section 5.1 "Dividend policy" and 5.2 “Legal constraints on the distribution of dividends" for more details.

Where will the securities be traded?

Admission to trading	The Company applied for the Listing of its Shares on Oslo Børs on 10 June 2021, and expects commencement of trading in it’s the Shares on an "if issued/if sold" basis on Oslo Børs on or about 17 June 2021. Commencement of unconditional trading in the Shares is expected to take place on or about 21 June 2021. The Company has not applied for admission to trading of its Shares on any other stock exchange, regulated market or multilateral trading facility.

What are the key risks that are specific to the securities?

Key risks specific to the securities............	• The Shares are listed on an "if issued/if sold" basis until delivery of the Shares, which could result in all conditional trades being reversed. • The price of the Shares could fluctuate significantly, which could cause investors to lose a significant part of their investment. • Ferd may have significant voting power, the ability to influence matters requiring shareholder approval and may block equity transactions that could be in the interest of the Company. • There is no existing market for the Shares and an active trading market in the Shares may not develop.

Key information on offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in the security?

Terms and conditions of the offering....................	The Offering consists of (i) an offer of New Shares by the Company to raise gross proceeds of up to approximately EUR 50 million and ii) an offering of up to 76,000,000 Base Sale Shares all of which are existing, validly issued and fully paid-up registered Shares offered by the Selling Shareholder. The Selling Shareholder has reserved the right to increase, at its sole discretion, the Offering by up to an additional 15,000,000 existing Shares pursuant to the Upsize Option. The Offering comprises: • The Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway, (b) institutional investors outside Norway and the United States, and (c) investors in the United States who are QIBs as defined in, and in reliance on, Rule 144A under the U.S Securities Act or another applicable exemption from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • The Retail Offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. The Company and the Selling Shareholder have, in consultation with the Joint Global Coordinators, set an Indicative Price Range for the Offering from NOK 24 to NOK 30 per Offer Share. Assuming that the Offer Price is set at the low-point of this range and that all Base Sale Shares are sold in the Offering (i.e. excluding exercise of the Upsize Option and any over-allotments), the total number of Offer Shares in the Offering will be 97,158,333 and the aggregate gross amount of the Offering will be approximately NOK 2,331.8 million, and assuming full exercise of the Greenshoe Option the number of Offer Shares be 111,732,083 and the aggregate gross amount of the Offering will then be approximately NOK 2,681.6 million (at the low-point of the Indicative Price Range). Assuming that the Offer Price is set at the mid-point of the Indicative Price Range, the Offering is increased in full pursuant to the Upsize Option, and the Greenshoe Option is exercised in full, the total number of Offer Shares will be 124,028,518 Offer Shares and the aggregate gross amount of the Offering will then be NOK 3,348.8 million The Selling Shareholder and the Company will, in consultation with the Joint Global Coordinators, determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may change during the course of the Offering and the Offer Price may be set within, above, or below, the Indicative Price Range. Any such amendments to the Indicative Price Range will be announced through Oslo Børs' information system. The Offer Shares allocated in the Offering are expected to be traded on Oslo Børs on an "if issued/if sold" basis from and including 17 June 2021 to and including 21 June 2021. Completion of the Offering is conditional upon, among other things, the Company satisfying the listing conditions and being approved for listing on Oslo Børs, see Section 17.14 "Conditions for completion of the Offering".
Timetable in the offering....................	Key indicative dates in the Offering are set out below:

Bookbuilding Period (Institutional Offering) commences........	at 09:00 hours on 8 June 2021
Bookbuilding Period (Institutional Offering)ends	at 14:00 hours on 16 June 2021
Application Period (Retail Offering) commences...................	at 09:00 hours on 8 June 2021
Application Period (Retail Offering) ends	at 12:00 hours on 16 June 2021
Allocation of the Offer Shares	16 June 2021
Pricing of the Offer Shares	16 June 2021

Publication of the results of the Offering	On or about 16 June 2021
Distribution of allocation notes/contract notes	On or about 17 June 2021
Listing and commencement of conditional trading	17 June 2021
Account from which payment will be debited in the Retail Offering to be sufficiently funded	17 June 2021
Payment date in the Retail Offering	On or about 18 June 2021
Registration of the capital increase in the Norwegian Register of Business Enterprises	On or about 18 June 2021
Delivery of Offer Shares in the Retail Offering	On or about 21 June 2021
Payment and delivery in the Institutional Offering	On or about 21 June 2021
Commencement of unconditional trading in the Shares	On or about 21 June 2021

Admission to trading	The Company will, on or about 8 June 2021, apply for a listing of its Shares on Oslo Børs. It is expected that Oslo Børs will approve the listing application of the Company on 11 June 2021, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and there being a minimum free float in the Shares of 25%. It is expected that trading in the Shares on the Oslo Stock Exchange will commence on a conditional basis ("if issued/if sold") at 09:00 (CEST) on 17 June 2021, and on an unconditional basis at 09:00 (CEST) on 21 June 2021.
Allocation	Notification of allocation of the Offer Shares in Institutional Offering and the Retail Offering will take place on or about 17 June 2021, by issuing contract notes to the applicants by mail or otherwise.
Dilution	The issuance of New Shares in the Offering may result in the number of Shares in the Company of minimum 268,009,967 and maximum 272,241,633, which corresponds to a dilution for the existing shareholders of between approximately 6.3% and 7.8% (depending on a final Offer Price in the high-end or the low-end of the Indicative Price Range, respectively).
Expenses	Total expenses for the Offering is estimated to EUR 4.4 million, giving net proceeds to the Company of EUR 45.6 million if all Offer Shares are subscribed issued and paid. No expenses or taxes will be charged by the Company or the Joint Global Coordinators to the applicants in the Offering.

Who is the offeror and/or the person asking for admission to trading?

Brief description of the offeror(s)	The Company is the offeror of the Offer Shares. Reference is made to "Issuer and offeror" under the introduction above for details about the Company.

Why is the Prospectus being produced?

Reasons for the offer/admission to trading	This Prospectus is being produced in connection with the Offering and the Listing on Oslo Børs of the Offer Shares.
Use of proceeds	The net proceeds from the sale of New Shares will be used to paydown debt with the aim to reach Elopak's target leverage of ~2.0x adjusted EBITDA in the medium term and optimize the balance sheet to be well positioned to invest in future growth.
Underwriting agreements	The Company and the Selling Shareholder expect that, on or around 16 June 2021, they will enter into an underwriting agreement (the "**Underwriting Agreement**") with the Joint Global Coordinators with respect to the Offering of the Offer Shares by the Company. On the terms and subject to the conditions set forth in the Underwriting Agreement and provided that the Underwriting Agreement has not been terminated prior thereto in accordance with the terms thereof, the Managers are expected to agree to procure subscribers for the New

	Shares and purchasers for the Sale Shares or, failing which, to subscribe for the New Shares and purchase the Sale Shares themselves, severally and not jointly. The Joint Bookrunners are also expected to prefund the New Shares, severally and not jointly.
Conflict of interests ..	The Joint Global Coordinators or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Joint Global Coordinators do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Global Coordinators will receive a management fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Company may, at its sole discretion, pay to the Joint Global Coordinators an additional discretionary fee in connection with the Offering. The Selling Shareholder will receive the net proceeds from the sale of the Sale Shares. Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

2. RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors set out in this Section 2 and all information contained in this Prospectus, including the Group's financial statements. The risks and uncertainties described in this Section 2 are the known principal risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are not exhaustive with respect to all risks relating to the Group and the Shares, but are limited to risk factors that are considered specific and substantial to the Group and the Shares. The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.

If any of the following risks were to materialize, individually or together with other circumstances, it or they could have a material and adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same. Additional specific risk factors of which the Company is currently unaware, or which it currently deems not to be material risks, may also have corresponding negative effects. Before making any investment decision, any potential investor must also take into account that a number of general risk factors that are not included in this Section 2 still applies to the Group and the Shares.

2.1 Risk factors related to the industry and markets in which the Group operates

2.1.1 ***The Group's business and financial performance may be adversely affected by changes in consumer preferences in its target markets.***

Demand for the Group's fresh and aseptic carton packaging products in the principal end-use markets served is primarily driven by consumer consumption of the products sold in the packages the Group produces, which is in turn affected by changes in consumer preferences. Due to changes in health trends and consumer preferences, consumers are increasingly aware of the health benefits and risks associated with for example dairy and non-carbonated soft drinks ("**NCSD**"), and consumers may materially reduce their consumption of such products. Any reduction in consumer demand for these product types as a result of lifestyle, nutritional or health considerations could have a significant impact on demand for the Group's customers' products and, as a result, could have a material adverse effect on the business, financial condition and results of operations of the Group. For example, drinks with high sugar content, such as juice, have recently experienced relatively lower demand in Europe than drinks with lower sugar content.

2.1.2 ***Unfavourable economic conditions in the countries in which the Group operates could impact consumer spending***.

The Group's business is impacted by the effects of general economic conditions in all countries in which it operates, and in particular in developing markets. The ability to maintain business in the countries in which the Group operates will depend on the economic conditions of these countries as well as continued demand for the Group's products and services in these countries, and any downturns or periods of economic weakness in these consumer markets could result in decreased demand for the Group's products and services. In particular, the business of the Group could be adversely affected by any economic downturn that results in financial difficulties for any of its major customers. The economies of the countries in which the Group operates may not experience growth in the future or may experience lower growth, and an increase in demand for the Group's products and services in these markets may not occur or demand may even decline. In addition, the Group may not be able to sustain its current revenue or profit levels if adverse economic events or circumstances occur or continue to occur in the countries in which it operates. Thus, any unfavourable economic conditions in the countries in which the Group operates could have a material adverse effect on the business, financial condition and results of operations of the Group.

2.1.3 *If there is significant customer consolidation in the industry, the Group may become less profitable.*

The Group's top 10 customers by carton volumes sold accounted for approximately 34% of the Group's carton volumes in both Pure-Pak® and Roll Fed in 2020 and the top three customers accounted for approximately 20% of the Group’s carton volumes in 2020. Consolidation among the Group's customers could adversely affect the Group's profitability. In particular, if a significant number of the Group’s customers consolidate, they could attempt to demand more favourable contractual terms, which would place additional pressure on the Group’s margins and cash flows. Such customers may also close some or all of their own production facilities following a consolidation, which could impact sales of the Group's filling machines and other products. For example, in the mid-2010s Arla acquired smaller Nordic dairies. Following their acquisition by Arla, these dairies began purchasing cartons at lower margins in accordance with Arla's customer agreement with Elopak. Further such consolidation, if it occurs, this in turn could have a material adverse effect on the business, financial condition and results of operations of the Group. See Section 2.2.4 "Failure to maintain satisfactory relationships with the Group's customers may adversely affect the Group's results of operations" for risks relating to the Group's relationships with its customers.

2.1.4 *If the future rate of economic development and growth in developing markets does not materialise as expected, the business, financial condition and results of operations of the Group may be materially adversely affected.*

One aspect of the Group’s growth strategy is to increase its sales in developing markets, including in the Middle East, North Africa, Sub-Saharan Africa and Asia Pacific. The economies of the countries in these regions vary in terms of development and political and economic stability and are subject to fluctuations in consumer prices, inflation, devaluation, price volatility, employment rates, gross domestic product, interest and foreign currency exchange rates and country default. All of these factors could negatively affect the ability of customers to pay for the Group's products and the demand for the Group's products in these countries, which could have a material adverse effect on the Group’s strategic ambitions and thereby on the business, financial condition and results of operations of the Group.

Further, customer facilities and consumer preferences in the developing markets may differ from those in the markets in which the Group currently operates, which could affect the demand for the Group's cartons in those markets. For example, although the Group is especially strong in Fresh, where products generally require refrigeration, many customers in certain of the developing countries targeted by the Group may not have sufficient cold chain facilities to cater to the consumption of chilled beverages and food. The lack of such facilities could adversely affect demand for the Group's cartons, in particular for Fresh.

Such impact could be exacerbated further due to the fact that consumption of small cartons is higher in developing markets due to the consumers not having widespread access to refrigeration. This may affect the Group's margins, as Elopak's margins on small cartons are lower than on larger cartons. Further, Elopak may not be able to meet market demand for the smallest cartons in the developing markets with its current product portfolio, which is not as developed for small cartons as for large cartons. Developing new cartons accommodated to the needs and preferences of developing markets may result in significant costs for Elopak.

In addition, local preferences may be different in other unforeseen ways in developing markets compared to the markets in which the Group currently operates. For example, consumers in certain countries in developing markets may prefer other formats than consumers in the Group's current markets, such that there may be higher demand for Elopak's products which are less developed than for Elopak's more developed products, resulting in lower revenues and margins for the Group in those markets.

2.1.5 *The Group's business and financial performance may be harmed by future increases and volatility in raw material costs, freight costs and import duties.*

Raw material costs historically have represented a significant portion of the Group's total cost of goods. Consequently, changes in raw material prices impact the Group's results of operations. The Group's primary raw materials are boards, plastic resin, low-density polyethylene ("**LDPE**") and aluminium foil, which are used to manufacture both the Group's Pure-Pak® cartons and Roll Fed packaging materials. Boards accounted for 50% of Elopak's spending on raw materials in 2020, and are purchased under three to five year contracts. The price of raw materials fluctuates, in particular with respect to movements in resin and aluminium prices, where resin prices vary significantly based upon movements in crude oil and natural gas prices, as well as changes in refining capacity and the demand for other petroleum-based products. Aluminium is a globally traded commodity with prices subject to global market factors, including speculative activities by market participants, production capacity, energy costs, strength or weakness in key end-markets such as housing and transportation, political and economic conditions and production costs in major production regions.

In addition, the cost and availability of the key raw materials used by the Group have at times fluctuated greatly because of weather, economic or general industry conditions. These factors can increase the price of raw materials from the Group's existing suppliers or from any prospective suppliers and the Group may not be able to pass on such price increases to its customers. Due to differences in the timing of the pricing mechanism trigger points between sales and purchase contracts, there is often some time during which margins are negatively impacted during periods of rising raw material prices and positively impacted in periods of falling raw material prices. Therefore, the Group may not be able to increase the selling prices of finished products quickly enough to respond to raw material price increases.

To manage pricing volatility, the Group has a hedging strategy in place for LDPE and aluminium. If the Group's hedging strategies prove to be ineffective or if the Group fails to effectively monitor and manage its hedging activities, the Group could incur significant losses which could materially adversely affect the financial position and results of operations of the Group. Factors that could affect the impact and effectiveness of the Group's hedging activities include the accuracy of operational forecasts of raw material needs and volatility of the raw materials pricing markets. See "*The Group's hedging activities may result in significant losses and in period-to-period earnings volatility*".

As the Group is dependent on third parties for the transportation of raw materials and the products it sells, its freight costs are particularly influenced by the fluctuating costs of fuel. The Group is also, to a limited extent, exposed to import duties in certain smaller countries, such as Algeria.

The Group has price adjustments mechanisms in place in certain of its customer agreements, such as clauses adjusting pricing on a quarterly or half-yearly basis based on the price development of certain raw materials. However, there is no assurance that the Group will be able to enter into or maintain customer agreements with such price adjustment mechanisms or that the price adjustment mechanisms in place will prove to be effective or cover all, or any, potential increase in raw materials costs for the Group. If the Group is unsuccessful in implementing sufficient mechanisms for limiting any increase of raw material costs it could result in significant losses which could have a material adverse effect on the Group's business, financial condition and results of operations. Any increase in the selling prices of the products the Group produces resulting from a pass-through of increased raw material costs, freight costs or import duties could reduce the overall volume of cartons sold, thereby decreasing the Group's revenue, and any inability of the Group to pass-through raw material price increases to customers could have a material adverse effect on the Group’s business, financial condition and results of operations.

2.1.6 *The Group's global operations subject it to risks such as unfavourable political, regulatory and labour conditions.*

The Group has global operations and, accordingly, its business is subject to risks resulting from differing legal, political, social and regulatory requirements and economic conditions and unforeseeable developments in a variety of jurisdictions. These risks include, *inter alia*:

- political instability;
- armed conflicts in the regions in which the Group operates or serves its customers;
- acts of terrorism and military actions in response to such acts;
- differing economic cycles and adverse economic conditions;
- unexpected changes in regulatory environments, labor and consumer protection laws and government interference in the economy;
- varying tax and import duty regimes, including with respect to the imposition of withholding taxes on remittances and other payments by Joint Ventures or partnerships, or with respect to import duties on goods;
- foreign currency exchange controls and restrictions on repatriation of funds;
- fluctuations in foreign currency exchange rates;

- inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws;
- differing permitting and licensing regimes, which may make it difficult to ensure maintenance of all appropriate permits and licenses in every country the Group operates in;
- insufficient protection against product piracy and other violations of the Group's intellectual property rights;
- the effect of a data breach or significant disruption in the Group's operations as a result of unauthorised access to information technology networks, such as cyber-attacks; and
- difficulties in attracting and retaining qualified management and employees, or legal or other difficulties in further optimising the Group's workforce.

The Group's overall success as a global business depends, in part, on its ability to anticipate and effectively manage differing legal, political, social and regulatory requirements, economic conditions and unforeseeable developments. There can be no assurance that the Group will be able to comply with applicable regulations in all countries in which it operates or that the Group can do so without incurring unexpected costs. If these or other risks related to the Group's international operations cannot be managed, the business, financial condition and results of operations of the Group may be materially affected.

2.1.7 ***Demand for the Group's offerings may be affected by risks related to the products of the Group's customers and any supply shortages or interruptions of the Group's customers.***

The Group is subject to risks faced by its customers, the largest of which include dairy and NCSD producers. A major outbreak of cattle-related disease or illness in a region where the Group's customers or its customers' suppliers produce and distribute dairy products could result in the widespread destruction of cattle stocks, and consequently, a significant shortfall in the supply of raw milk to certain markets. A similar event occurred in 2015 when one of the Group’s egg producing customers, Michael Foods, had to slaughter hens due to bird flu, which caused a decline in the demand for Elopak's cartons in that market. Such an event, if it occurred with respect to one of the Group’s dairy customers, could disrupt the production of such customers and lead to a significant decrease in demand for the Group's offerings. This in turn could materially and adversely affect the business and financial results of the Group. Additionally, such outbreaks could lead to a loss of consumer confidence in dairy products, leading to a decrease in demand for the Group’s offerings, which could materially and adversely affect the business and financial results of the Group.

Production by the Group's customers is also affected by access to sufficient and the timely supply of certain goods, for example juice concentrates and purees, which in turn depends on the stable supply of fresh fruits and vegetables. Any shortages or interruptions in the supply of such fruits and vegetables to the Group's customers or any diseases or natural disasters, including droughts, floods, earthquakes and hurricanes, could lead to a supply disruption and higher raw material prices for the Group's customers. In such cases, the production levels of the Group's customers could be materially and adversely affected, resulting in a significant reduction or a cancellation of purchase orders for the Group's products and support services, which in turn could have a material adverse effect on the business, financial condition and results of operations of the Group.

2.2 Risk factors relating to the Group's business

2.2.1 ***The Group's failure to compete effectively with other participants in the fresh and aseptic packaging market and/or producers of alternative packaging solutions and technology could reduce sales and profitability and adversely affect the Group's financial condition and results of operations.***

The Group predominantly operates in the fresh packaging market, but both the fresh and aseptic packaging markets are highly competitive environments, particularly in Europe where the Group historically has derived the majority of its revenue. Competition is based on pricing, product range, style, quality, sustainability and brand name recognition. Although there are certain barriers to entry in the fresh and aseptic carton packaging industry, such as high capital costs and significant intellectual property and technological investments, new entrants from other segments in the packaging industry or outside the packaging industry, as well as existing fresh and aseptic packaging suppliers, may compete with the Group and threaten its market share. These competitors may adopt aggressive pricing policies, expand their product offering, undertake more extensive marketing and advertising campaigns or sell products which may be more attractive to customers than the Group's products and services.

In addition to other fresh and aseptic carton packaging suppliers, the Group faces competition from existing or future alternative packaging solutions, such as glass bottles, dispenser solutions for re-use and aseptic bottles and containers made from high-density polyethylene ("**HDPE**") and polyethylene terephthalate ("**PET**"), which can also be used to package perishable beverages such as liquid dairy and NCSD products. For example, in recent years, substitution of cartons by PET bottles in both the European fresh segment and in the NCSD segment (for example, in the United Kingdom and in Germany) has impacted the Group's results of operations. Further, while HDPE and PET based packaging solutions are currently more commonly used for NCSD than for dairy products, the development of these technologies or changes in consumer preferences could impact the prevalence of these solutions in the dairy market and these packaging solutions may begin to serve as a viable packaging alternative for dairy products in the future.

In light of the growing number of producers of alternative packaging solutions, the Group expects competition to persist and potentially intensify, while increased focus on sustainability could increase the demand for cartons vs PET. In such circumstances the prices the Group can charge for its products and systems would be constrained by the availability and cost of substitutes. Any failure by the Group to compete effectively or address the threat from new competitors or an acceleration in competition by existing competitors could result in a significant reduction in its market share, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.2 *Supply of faulty or contaminated products could harm the reputation and business of the Group.*

The Group's systems-based solutions are complex in nature and need to meet customer quality, performance and reliability standards. If the Group's products do not meet these standards, the Group may be required to replace or rework the products. The Group has control measures and systems in place to ensure product safety and quality is maintained. The consequences of not being able to meet customer quality, performance or reliability standards, due to accidental or malicious raw material contamination caused by human error or faulty equipment, could be severe. Such consequences may include adverse effects on consumer health, reputation, loss of customers and market share, financial costs or loss of revenue. In addition, if any of the Group's customers supply faulty or contaminated products to the market as a consequence of the Group's defective products, or if manufacturers of the end-products utilize the Group's faulty or contaminated products, the Group's industry or the Group's customer industries could be negatively impacted, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.3 *The Group may not be successful in adequately protecting its intellectual property rights, including its unpatented proprietary know-how and trade secrets, or in avoiding claims involving infringement of third party intellectual property rights.*

In addition to relying on patent and trademark rights, the Group relies on unpatented proprietary know-how and trade secrets and employs various methods, including confidentiality agreements with employees and consultants, to protect its know-how and trade secrets, in particular with respect to business processes and production. The Group's patents, trademarks and other precautions regarding unpatented proprietary know-how and trade secrets may not afford effective protection against infringement by competitors and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods.

Further, the Group may not be able to deter current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information, and it is possible that third parties may copy or otherwise obtain and use the Group's confidential information and proprietary technology without authorisation or otherwise infringe the Group's intellectual property rights. While the Group attempts to ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships, such as with Nampak in South Africa and Nippon in Japan, third parties may take actions that could materially and adversely affect the Group's rights or the value of its intellectual property, similar proprietary rights or reputation.

In the future, the Group may also rely on litigation to enforce its intellectual property rights and contractual rights, and, if not successful, the Group may not be able to protect the value of its intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on the business and results of operations of the Group, regardless of outcome.

Furthermore, no assurance can be given that the Group will not be subject to claims asserting the infringement of the intellectual property rights of third parties seeking damages, the payment of royalties or licensing fees and/ or injunctions against the sale of the Group's products. Any such litigation could be protracted and costly and could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.4 ***Failure to maintain satisfactory relationships with the Group's customers may adversely affect the Group's results of operations.***

Part of the Group's strategy is to pursue new customer relationships and to expand its existing customer relationships, including by potentially entering new markets such as the non-food sector. However, many of the Group's existing customers are national or multinational companies that purchase large quantities of packaging materials. The significant negotiating leverage possessed by many of the Group's current and potential customers, in addition to the competitive environment in which the Group operates, may result in significant downward pricing pressure, particularly in Europe and North America, constraining the Group’s ability to implement price increases. If Elopak is not able to meet any such downward pricing pressure, it could have a material adverse effect on the Group’s business, financial condition and results of operations.

In addition, certain of the Group's customers may relatively easily switch packaging suppliers to the Group's competitors, particularly in relation to Roll Fed material, or renegotiate contracts on terms that are less favourable to the Group, which could have a material adverse effect on the Group’s business, financial condition and results of operations. If one or more of the Group's largest customers reduced their purchasing volumes or stopped purchasing their packaging from the Group, the Group's business, financial condition and results of operations could be adversely affected and the Group may be unable to pursue its customer strategy successfully.

2.2.5 ***The Group is subject to operational risks in connection with potential accidents arising from its operations and other unforeseen risks.***

The Group's business involves the operation of machinery, which, if operated improperly, may result in health and safety issues for the Group's employees, such as physical injuries or even fatalities. If work-related accidents resulting in employee injuries or deaths occur, the Group may be liable for medical and other payments to the employees and their families, in addition to possible fines or penalties. No assurance can be made that all risks have been covered adequately by the Group's existing insurance policies. If the Group incurs substantial liabilities that are not covered by the Group's insurance policies it may have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.6 ***Loss of key management and other personnel, or an inability to attract and retain qualified management and other personnel, could impact the business of the Group.***

The Group depends on its senior executive officers and other key personnel to run its business and on technical experts to develop new products and technologies and to service equipment. The loss of any of these officers or other key personnel could materially adversely affect the operations of the Group. Competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees that may be required for the operation and expansion of the Group's business could hinder the ability to conduct research and development activities successfully and develop and support the Group's products and services, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

2.2.7 ***Interruptions or accidents at, or a loss of, any of the Group's key manufacturing facilities could have an adverse effect on the financial condition or results of operations of the Group.***

While the Group manufactures products in a number of diversified facilities and maintains insurance covering these facilities, a loss of the use of all or a portion of any of its key manufacturing facilities may have a material adverse effect on the business and results of operations of the Group. Damages, losses and downtime caused by fire, natural disasters, weather conditions, terrorism, cyber-attacks, forced sales, exercise of a right of retransfer or transfer of property or other interruptions, accidents or disturbance at any of the Group's facilities or within the customer distribution network or supplier supply chain could potentially be severe. For example, a failure of the machines required for production could lead to service interruptions that may in turn cause delivery delays. Further, it may be required to replace certain machinery or components in the Group's production facilities, for example the coater at the Group's facility in Terneuzen, the Netherlands, will most likely need to be replaced in or around 2025 at a cost of approximately EUR 25 million, but replacement may also be required sooner. Repair and replacement of machinery may result in increased overall costs for the Group, repair costs, start-up issues with the machines and facility or downtime of the Group's production. Repeated or extended delivery delays could damage the Group's production activities or reputation and lead to a loss of customers or a loss of business with customers. If any or all of the risks described above were to materialise, they could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.8 *The Group depends on a small number of suppliers for certain key raw materials and any interruption in the supply of raw materials would harm the business and financial performance of the Group.*

Most of the Group's raw material requirements, including boards, plastic resin, aluminium and LDPE, are sourced from third party suppliers. The Group is highly dependent on these suppliers for an uninterrupted supply of key raw materials, and such supply could be disrupted for a wide variety of reasons, many of which are beyond the Group's control. The Group is in particular reliant on two suppliers in Europe and two suppliers in North America for the supply of boards. If the Group's supply agreements terminate, expire or if the suppliers do not meet agreed or generally accepted standards or do not deliver in accordance with their respective agreements, the Group may be forced to obtain deliveries from different suppliers. However, there may be a significant time period before a new supplier can deliver raw materials to the Group, which could delay the Group's delivery of its products to customers. Further, there may be significant costs for the Group related to finding a new supplier, such as higher prices or increased fees payable to the new supplier. As a result, the Group may incur significant losses and reputational damage. Any interruption in the supply of key raw materials to the Group could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.9 *A reduction in or discontinuation of government subsidies and economic incentives may cause a decline in demand for the Group's cartons*.

Production of milk in several of the markets in which the Group operates, such as in Europe, is subsidized. A reduction in or discontinuation of government subsidies and economic incentives for the production of milk could lead to a change in supply with the Group's customers shifting production to other end-products instead of milk, such as cheese. Any such changes in supply may cause a decline in the demand for the Group's cartons, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.10 *If the Group is unable to keep up with technological change in the industry in which it operates and cannot effectively develop and market new and innovative products and solutions to support customer needs, its results of operations could be materially adversely affected.*

Part of the Group's strategy to drive increased customer demand for its solutions is to continue to introduce new and improved products and solutions to the market. The Group's business is subject to frequent and sometimes significant changes in technology, and failure to anticipate or respond adequately to these changes may result in a decline in the Group's profits. Further, the preferences and behaviours of the Group's customers are constantly changing and the Group's ability to offer innovative products and solutions that anticipate and meet the needs of the Group's customers is vital to the continued success of the Group's business. The future financial performance of the Group will therefore depend in part upon its ability to develop and market new products and solutions and to implement and utilize technology successfully to improve its operations and customer offering, and there can be no assurance that the Group will succeed.

The successful introduction of innovative products and solutions on a periodic basis has become increasingly important to the Group's ability to maintain and grow revenue. The effects of future technological changes are difficult to accurately predict and often differ from expectations. The cost of developing or adopting new technologies, products and solutions could be significant and the Group may not ultimately be successful in its attempts to finance these developments and may be materially adversely affected by an inability to obtain the required financing to acquire or develop competitive technologies.

If the Group is unable to innovate effectively, it could have a material adverse effect of the Group's business, financial condition and results of operations. Accordingly, the future degree of market acceptance of any new products or solutions developed by the Group, which may require significant research and development ("**R&D**") investments, as well as the degree of continued acceptance of the Group's current products and solutions, is likely to have a significant impact on the Group's future financial results.

2.2.11 *The Group's insurance coverage may be inadequate, may increase in cost and may not cover certain business and operating risks or unexpected events.*

The Group maintains insurance for some, but not all, of the potential risks and liabilities associated with its business. For some risks, insurance may not be obtained if the cost of available insurance is considered excessive in relation to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance policies are economically unavailable or available only for reduced amounts of coverage. For example, the Group will not be fully insured against all risks associated with pollution and other environmental incidents or impacts. In addition, following a significant insurance claim or a history of claims, insurance premiums may increase or the terms and conditions of insurance coverage may become less favourable. Moreover, the Group may not be able to maintain adequate insurance in the future at rates it considers reasonable or at all, or it may not be able to obtain or renew such insurance. Any significant uninsured liability may cause the Group to incur substantial losses which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.12 *The Group may in the future be involved in a number of legal proceedings that could result in substantial liabilities.*

The Group may in the future become involved in legal proceedings. It is difficult to predict with certainty the cost of defence and the outcome of any such proceedings and their impact on the business of the Group, including remedies or damage awards. The outcomes of any future legal proceedings and other contingencies could require the Group to take or refrain from taking certain actions, which actions or inactions could adversely affect the Group's operations or could require the Group to pay substantial amounts of money. If liabilities or fines resulting from any future proceedings are substantial or exceed expectations it could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.13 *Employee slowdowns, strikes and similar actions could have a material adverse effect on the Group's business and operations.*

A significant proportion of the Group's employees in Austria, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway and Sweden are subject to collective bargaining agreements. In Europe, many of the Group's employees are represented by employee councils. In addition, the transportation and delivery of raw materials to the Group's manufacturing facilities and of the Group's products to its customers by workers that are members of labour unions is critical to the Group's business. In many cases, before the Group may take significant actions with respect to its production facilities, such as workforce reductions or closures, agreement must be reached with labour unions and employee councils. The failure to maintain satisfactory relationships with employees and their representatives, or prolonged labour disputes, slowdowns, strikes or similar actions could have an adverse effect on the Group's business, financial condition and results of operations. For example, in 2018, Elopak experienced a strike by its employees at the Montreal plant, Canada, resulting in a 16 day full production stop, which adversely affected the Group's financial results for that financial year.

2.2.14 *The Group may pursue acquisitions and disposals, which, if not successful, could adversely affect the business.*

As part of the strategy of the Group, the acquisition of other companies, assets and product lines may be considered that may either complement or expand the Group’s existing business. The Group cannot guarantee that it will be able to successfully complete any acquisitions or that any future acquisitions will be completed at acceptable prices and terms. Completing and integrating acquisitions involves a number of risks, including, but not limited to:

- satisfying competition inquiries by regulatory authorities;

- the diversion of management's attention to the integration of the acquired companies and their employees;
- the incorporation of acquired products into the Group's product line;
- demands on operational systems;
- possible adverse effects on reported operating results;
- the inability to retain key employees of the acquired business; and
- a failure to achieve the results anticipated from the acquisition.

The Group may become responsible for unexpected liabilities that were not discovered in the course of performing due diligence in connection with historical acquisitions and any future acquisitions. The Group has typically required the sellers in past acquisitions to indemnify the Group against certain undisclosed liabilities; however, it cannot be guaranteed that the indemnification rights obtained, or that will be obtained in the future, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the potential liabilities associated with the business or property acquired. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group may not be able to successfully integrate future acquisitions without incurring substantial costs, delays or other problems. The costs of such integration could have a material adverse effect on the Group's business, financial condition and results of operations.

From time to time, the Group has also disposed of businesses or assets. The Group is generally required to indemnify the purchasers of businesses that it sells for various liabilities, and these indemnification obligations may be significant. Any such obligations to the purchasers of the businesses the Group sells, and any litigation regarding these obligations, may be costly and have a material adverse effect on the Group's business, financial condition and results of operations.

The risk described above related to acquisitions and disposals, such as completion and integration of acquisitions and indemnifications and other liabilities related to disposals, are particularly prominent in developing markets with higher political and regulatory risks due to the countries in these markets having less mature governance than in the Group's core markets.

2.2.15 ***The Group's Joint Ventures involve numerous risks which could adversely impact financial results.***

The Group has entered into three joint ventures: (i) Lala-Elopak S.A de C.V. ("**Lala-Elopak**") in Mexico, which was entered into in 1996 and in which Elopak holds a 49% stake; (ii) Impresora Del Yaque C. Por A ("**Impresora**") in the Dominican Republic, which was entered into on 2007 and in which Elopak holds a 51% stake; and (iii) Elopak Nampak Africa ("**ENA**") in Kenya, which was entered into on 2020 and in which Elopak holds a 50% stake (together, the "**Joint Ventures**"). The ENA joint venture has not yet commenced commercial operations. The Group does not have a joint venture agreement or shareholder agreement governing the relationship with its joint venture partner in Elopak-Lala, and the relationship is instead governed through by-laws and a stock purchase agreement. The Joint Ventures, their operations and relationships with Elopak's joint venture partner are subject to various risks that could adversely affect the value of the Group's investments and results of operations. These risks include the following:

- the interests of the Group could diverge from those of its joint venture partners or ongoing manufacturing and operational activities, or the amount, timing or nature of further investments in the Joint Ventures may not be able to be agreed;
- the Group may experience difficulties or delays in supplying goods to, or collecting amounts due from, the Joint Ventures and/or joint venture partners due to multinational financial regulations, national or multinational sanctions and/or trade restrictions, or other geopolitical forces beyond the Group's control;
- the Joint Ventures may not act in accordance with Elopak’s code of conduct nor safety standards;
- the Group's joint venture partners may be unable to meet their commitments to the Group or to the Joint Ventures, which may pose credit risks for transactions with them;

- due to differing business models or long-term business goals, the Group and its joint venture partners may not participate to the same extent in funding capital investments in the Joint Ventures;
- the Group's working capital or cash flows may be inadequate to fund increased capital requirements in the Joint Ventures;
- the Group's joint venture partners may become bankrupt, be unable to meet their capital contribution requirements or take actions that are contrary to the Group's instructions or to applicable laws and regulations;
- the Group may be exposed to claims for damages, financial penalties and/or reputational harm as a result of conduct by its joint venture partners;
- in order to prepare consolidated financial statements, the Group needs to have to access to information about the results of operations, financial position and cash flows of the Joint Ventures, and any deficiencies in the Joint Ventures' internal controls may affect the Group's ability to report financial results accurately; and
- shifts in the geopolitical landscape may result in tax, legal or regulatory changes where the Joint Ventures are located, thereby necessitating amendments to the agreements with such joint venture partners and/or the structure of the Joint Ventures.

Any of these risks, or the commercial or financial failure of the Joint Ventures, could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.16 *The Joint Ventures are subject to change of control provisions that may be deemed to be triggered by the Offering*

There is a risk that the change of control provisions in the governing documents and shareholders agreements for the Joint Ventures may be deemed to be triggered as a result of the Offering if Ferd's ownership in the Company falls below 50%. In such a case, the Company's Joint Venture partner would have the right to initiate strategic discussions regarding the relationship with Elopak. The outcome of such discussions, if they were to occur, is uncertain. Outcomes may include a revision of the joint venture agreements on terms that may not be favourable to Elopak, or a change in the ownership of a Joint Venture even if Elopak would prefer no such change. A change in ownership could occur, pursuant to the relevant JV documentation, either by the Joint Venture partner exercising a right to acquire Elopak's share in the Joint Venture, or by Elopak acquiring the Joint Venture Partner's share in a Joint Venture.

In particular, the Lala-Elopak JV is governed by by-laws which, among other things, contain a change of control clause that may be deemed to be triggered in the event of a reduction of Ferd's ownership in the Company below 50% as a result of the Offering. If this were to occur, Grupo Industrial Lala, S.A. DE C.V ("**Lala**") may assert the right to acquire Elopak's shares in Lala-Elopak for a purchase price to be calculated in accordance with the provisions of the by-laws. Such purchase price may not reflect the market value for Lala-Elopak, meaning Elopak could receive less consideration for its stake in Lala-Elopak than it would if it sold such stake to another buyer.

Any of the foregoing events could have a material adverse effect on the Group's business, financial condition and results of operations. The Group's share of the results of operations of the Joint Ventures are reflected as a share of net income from JVs in the Group's Financial Statements included in this Prospectus. In 2018, 2019 and 2020, Elopak’s share of net income from joint ventures amounted to EUR 5,669 thousand, EUR (1,690) thousand and EUR 3,155 thousand, and all or a portion of such net income could be lost to Elopak if one or more of Elopak’s Joint Ventures were to undergo a change in ownership in favour of the Joint Venture partner(s) or another adverse change to the terms of the Joint Venture(s). In addition to the share of net income to Elopak, the Joint Ventures to some extent also supply Elopak's customers in certain geographic markets. For example, Lala-Elopak in Mexico produce a significant share of cartons for the Group's customers in North America. The potential loss of, or damage to, Elopak’s customer relationships in the regions where Elopak’s Joint Ventures are located as a result of the factors described above, could have a material adverse impact on the Group’s business and growth prospects in those regions.

2.2.17 *The COVID-19 pandemic could have a material adverse effect on the Group's supply chain and demand for its products.*

In certain sectors and geographical areas, the Group is at risk of the political, economic and regulatory effects of the COVID-19 pandemic. For example, revenues in the North American business were negatively impacted in 2020 as a result of COVID-19 related lockdowns, due to significant decreases in sales to the school milk market. Further, filling machine sales in both Europe and North America, as well as service and technical support sales generally, have been negatively impacted due to the COVID-19 pandemic, as it has been more challenging to travel to and access customer sites and customers have in general been more reluctant to carry out major investments.

The supply of the Group's products may be subject to significant disruption due to an interruption in the supply of the Group's products from its third-party suppliers as a result of COVID-19 pandemic-related delays to the global supply chain or government measures imposed to address the spread of the virus.

Further, the Group may be subject to changes in consumer preference shifts during the COVID-19 pandemic, which could affect the demand for the Group's products. For example, during the COVID-19 pandemic there has been a shift in consumer preferences with respect to format and size from minor format to family packaging, in particular in the US. There has also been a shift towards use of aseptic packaging with longer shelf life.

The ultimate impact of the current COVID-19 pandemic on the Group depends on the severity and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response, as well as the distribution and inoculation of the general population with COVID-19 vaccines. Each of these factors are uncertain, rapidly changing and difficult to predict. These disruptions have had and could continue to have a material adverse effect on the Group's business, financial condition and results of operations. In addition, these and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risk factors disclosed in this Section 2 "Risk Factors".

2.2.18 *The Group may be unsuccessful in expanding its business into new geographies and categories.*

Part of the Group's strategy is to expand into new geographies and categories, and so future results depend, in part, on the ability of the Group to successfully penetrate such geographies and categories. The Group may expand into countries where it has less experience than competitors with a more established presence in the market. Further, expanding into new countries requires considerable investment and coordination of technical, support, sales, marketing and financial resources. In addition, the Group's current or future products and services may not appeal to potential customers in new geographies. The assumptions underlying entry into a new geography for the Group's products and services may be inaccurate or demand may not develop as anticipated. If the Group is unable to execute upon this element of its business strategy, the Group's revenue may be materially adversely affected.

The Group also intends to further expand its business into the non-food sector, such as screen wash, soap, detergents and other non-food consumer liquids, as well as water. If these emerging categories do not grow as anticipated, the success of the Group may be limited and its revenue may be materially adversely affected.

2.2.19 *The Group is dependent upon its IT systems and licenses.*

The Group's ability to provide high-quality products and services to its customers depends on the efficient and uninterrupted operation of its IT systems. Further, Elopak is dependent on its SAP-licence. Any downtime, or other damage to or failure of such systems could result in interruptions to the business of the Group and its customers, which may lead to customers incurring losses. This could have a material adverse effect on the Company's business, financial position and results of operations.

2.2.20 *Risks related to cyber breaches and cybercrime.*

The Group's software, technology, data, websites or networks, as well as those of third parties, are vulnerable to security breaches, including unauthorised access, computer viruses or other cyber threats that could have a security impact. The Group may not be able to prevent cyber-attacks, such as phishing and hacking, or prevent breaches caused by employee error, in a timely manner or at all. If such events occur, unauthorised persons may access or manipulate confidential and proprietary information of the Group, destroy the Group's data or systems or cause interruptions in the Group's operations and/or the operations of third parties, such as the Group's suppliers. The Group has cyber security measures in place to safeguard its data and operations, but there can be no assurance as to whether such measures are adequate. Further, the Group has a cyber-risk insurance in place covering consequences of cybercrime. If the Group incurs substantial loss or liabilities that are not covered by the Group's insurance policies, it may have a material adverse effect on the Group's reputation, business, financial condition and results of operations may be materially adversely affected.

2.2.21 ***The Group may fail to comply with data protection and privacy laws, which could negatively affect its business.***

The Group processes, collects, stores and handles personal data, including customer data, and its operations are accordingly subject to a number of laws relating to data privacy, including the General Data Protection Regulation (EU) 2016/79 in EEA/EU member states, as well as relevant local data protection and privacy laws in jurisdictions in which the Group operates. In the conduct of its operations the Group will be required to abide by a number of regulations concerning the handling of personal information, and of processing, analysing and protecting such data. There is a risk that the Group may be unaware of certain data processing it carries out, and therefore a risk that the carrying out of such processing could be in contravention of data protection and privacy laws. There is also a risk that the Group's technical and organisational measures are insufficient to comply with the requirements set forth in applicable laws, or that its internal policies and procedures do not fully ensure compliance with applicable laws.

Further, there is a risk that the Group has not established adequate data processing agreements and that data processing agreements are outstanding in relation to certain suppliers or customers. Any of these circumstances could result in material administrative fines or other regulatory action. Furthermore, breach of data privacy legislation could result in the Group being subject to claims from its customers, its customers' employees or its own employees that it has infringed their privacy rights, and the Group could face administrative proceedings (including criminal proceedings) initiated against it by the data protection regulators of the relevant jurisdictions in which the Group operates.

Failing to comply with these obligations could cause the Group to incur substantial costs and could cause negative publicity surrounding any incident that compromises customer or other sensitive data. Lack of compliance with data protection, storage or handling could lead to regulatory issues. Additionally, if third parties that the Group works with (such as suppliers of data or other service providers) violate applicable laws or agreements, such violations may also put the Group's customer information at risk and could in turn have an adverse effect on the Group's business. In addition, any inquiries made, or proceedings initiated by, regulators or any other claims of non-compliance with data protection and privacy laws, whether correct or not, could lead to negative publicity in addition to potential liability for the Group, which could have a material adverse effect on the Group’s business, financial position and results of operations.

2.3 Risk factors related to financial matters

2.3.1 ***Currency exchange rate and/or interest rate fluctuations could adversely affect the Group's results of operations.***

The Group's business is exposed to fluctuations in exchange rates. Although the Group's reporting currency is Euro ("**EUR**"), many of the subsidiaries of the Group operate in different geographical regions, have different functional currencies, tax expenses and transact in a range of currencies in addition to EUR and their respective functional currencies. The Group's reported earnings may therefore be affected by fluctuations between EUR and the non-EUR currencies. Specifically, the Group's North American business is managed as a United States Dollar ("**USD**") business, and therefore the Group is exposed to exchange rate fluctuations between USD and EUR. The functional currencies of the subsidiaries that do not use EUR are mainly USD, Danish Kroner ("**DKK**"), and Russian rubles ("**RUB**"). Further, the Group's Norwegian entities have local costs and tax expenses in Norwegian Kroner ("**NOK**") exposing these Group companies for fluctuations between NOK and EUR.

Where possible, the Group tries to minimize the impact of exchange rate fluctuations by transacting in local currencies to create natural hedges. In appropriate circumstances where it is unable to naturally offset its exposure to these currency risks, the Group enters into derivative transactions to reduce such exposures. Even where the Group implements hedging strategies to mitigate foreign currency exchange risk, these strategies might not eliminate exposure to exchange rate fluctuations and involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications. Nevertheless, exchange rate fluctuations may increase or decrease the Group's reported revenue and expenses. In addition, the Group has certain investments in foreign operations whose net assets are exposed to foreign currency exchange risk.

In addition, the Group primarily funds its businesses in their local currencies to minimise currency translation risk. This exposes the Group to interest rate risks associated with these currencies, the principal ones being the EUR and USD. The Group aims to manage this interest rate risk through interest rate swaps and borrowing at fixed interest rates. However, it is not the Group's policy to hedge all of its interest rate exposure.

Moreover, foreign governments may restrict or impose withholding tax on transfers of cash out of the applicable country and may also control exchange rates. There can be no assurance that the Group will be able to repatriate earnings at exchange rates that are beneficial to the Group, or at all, which could have a material adverse effect on the Group's business and results of operations.

2.3.2 ***The Group's hedging activities may result in significant losses and in period-to-period earnings volatility.***

The Group regularly enters into hedging transactions to limit operational exposure. Such hedges are primarily related to LPDE and aluminium, as well as foreign currencies. If the Group's hedging strategies prove to be ineffective or the Group fails to effectively monitor and manage its hedging activities, the Group may incur significant losses which could materially adversely affect its financial position and results of operations, and cause significant fluctuations in the Group's earnings from period to period. Factors that may affect the impact and effectiveness of the Group's hedging activities include the accuracy of period-to-period operational forecasts of raw material, transactional foreign currency exposures and volatility of the commodities and raw materials pricing markets.

2.3.3 ***Risks related to trade receivable financing programs.***

The Group currently sells a significant portion of its trade receivables through separate securitisation and factoring programs to finance its working capital needs. As of 31 December 2020, approximately 25% of the Group's trade receivables were subject to securitisation or factoring programs. The programs are an important source of liquidity to the Group, even though they are not reflected on its balance sheet.

The Group's access to securitisation and factoring programs depends on the availability of receivable insurance, the Group's credit rating and the credit ratings of the Group's customers and insurers. The Group may be unable to continue to utilise these programs or may only be able to do so on less desirable terms if it is unable to obtain or renew receivable insurance or if its credit rating or the credit ratings of its customers or insurers are negatively impacted. An inability to utilise these programs would slow the Group's conversion of trade receivables to cash and increase its working capital requirements, which could require the Group to use availability under its revolving credit facilities, or cash on hand, or to seek alternative sources of financing, which may not be available or may be more expensive than its existing financing.

2.3.4 ***If the Group's goodwill or intangible assets become impaired, the Group may be required to record a significant charges to earnings.***

Under International Financial Reporting Standards as adopted by the EU (IFRS), the Group will review its goodwill and amortisable intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Non-financial assets including goodwill are reviewed by the Group at each reporting date. If there is any indication of impairment, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss, or a reversal of an impairment loss, is recognised immediately in profit or loss.

Accordingly, the Group may be required to record a significant charge in its financial statements during the period in which any impairment of its goodwill or intangible assets is determined. The Group cannot guarantee that impairment charges will not be necessary on goodwill or other intangible assets on any future balance sheet date particularly in the event of a substantial deterioration of the Group's future prospects or general economic conditions. If impairment charges are incurred, this could have a material adverse effect on the Group's financial condition.

2.3.5 *Risks related to outstanding debt and debt service obligations*

As at 31 March 2021, the Group's interest-bearing loans and borrowings was EUR 242.3 million, of which EUR 229.1 million is non-current liabilities. The debt owed by the Group, and any additional debt incurred in the future, could have material adverse consequences, including the following:

- dedicating a substantial portion of the Group's cash flow from operations to make payments on debt, thereby reducing funds available for operations, future business opportunities and other purposes;
- limit flexibility in planning for, or reacting to, changes in the Group's business and the industry in which it operates;
- make it more difficult to satisfy the Group's debt obligations, and any failure to comply with such obligations, including financial and other restrictive covenants, could result in an event of default under the agreements governing such indebtedness, which could lead to, among other things, an acceleration of Group indebtedness or foreclosure on the assets securing such indebtedness and which could have a material adverse effect on the business or prospects of the Group;
- limit the Group's ability to borrow additional funds, or to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes;
- make it more difficult to pay dividends;
- increase vulnerability to general adverse economic and industry conditions, including changes in interest rates; and
- place the Group at a competitive disadvantage compared to competitors who have less debt.

The Group may not generate sufficient revenues to service and repay its debt and have sufficient funds left over to achieve or sustain profitability in operations, meet working capital and capital expenditure requirements or compete successfully in the markets in which the Group operates.

2.3.6 *The Group may seek additional financing in the future and such financing may not be available on favourable terms, or at all, and may be dilutive to shareholders.*

The business of the Group requires substantial capital expenditures, relating primarily to the production of filling machines and sleeves, and new plants to enable growth in regions into which the Group's customers are expanding. To the extent that sufficient cash from operations is not generated, additional funds may need to be raised through debt or other financing in order to execute the Group's growth strategy and make the capital expenditures required to operate the business successfully. The Group may in the longer term (meaning more than 12 months from the date of this Prospectus), also seek additional financing to take advantage of opportunities that may arise to enhance the Group’s product and service offering and/or its manufacturing capabilities, including by way of strategic opportunities, such as investments, acquisitions and expansions.

In such circumstances, additional financing may not be available on terms favourable to the Group or at all due to a range of factors, including the terms of the Group's existing indebtedness, the Group’s perceived creditworthiness and conditions in the global capital and credit markets. The capital and credit markets have experienced extreme volatility and disruption in recent years. Market conditions could make it more difficult for the Group to borrow or otherwise obtain financing. In addition, there could be a number of follow-on effects from credit crises on the Group’s business, including insolvency of key suppliers resulting in product delays, inability of customers to obtain credit to finance purchases of the Group’s products and services and/or customer insolvencies.

It cannot be guaranteed that the Group will be able to obtain additional financing on favourable terms or at all, and any additional financings could result in additional dilution to the Group’s then existing shareholders or restrict the Group’s operations or adversely affect its ability to operate its business. In addition, the Group’s existing indebtedness contains limitations on incurring debt and issuing preferred and/or disqualified stock. If the Group raises funds through the issuance of equity securities, the Group's existing shareholders may experience dilution in their ownership interest. In addition, if the Group issues equity, debt or other securities to raise additional funds, the new equity, debt or other securities may have rights, preferences and privileges senior to those of existing shareholders.

The terms of available financing may also restrict the Group's financial and operating flexibility. If in the future, adequate funds are not available on acceptable terms, the Group may be unable to execute its growth strategy and make the capital expenditures required to operate the business successfully, take advantage of future opportunities, successfully develop or enhance products, or respond to competitive pressures, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.7 *Credit risk*

Credit risk is the risk that the Group's customers or contractual counterparties will be unable to fulfil financial obligations under the terms of a contract with the Group, when due. The Group's credit risk is dependent on its customer concentration, the geographic and industry segmentation of its credit exposures, the nature of its credit exposures, as well as economic factors that may influence the ability of customers to make scheduled payments, including business failures, corporate debt levels and debt service burdens and demand for the products and services of its customers. In particular, the Group is exposed to credit risk towards dairies in the United States due to their low credit rating. If any of the Group's counterparties are unable to perform or unwilling to honor under the contracts, it could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.8 *The Group has restated prior periods' consolidated financial statements, which may lead to additional risks and uncertainties, including loss of investor confidence and negative impacts on our business, financial condition and results of operations*

During the preparation of the Group's consolidated financial statements for the year ended 31 December 2019, the Group reconsidered the interpretation of facts, circumstances and the applicable accounting treatment of certain transactions and determined that restatement of the consolidated financial statements as of and for the year ended 31 December 2019 (with comparative figures for 2018) was deemed necessary. As a result, Elopak has become subject to a number of additional costs and risks, including accounting fees incurred in connection with the restatement.

Unlike publicly traded companies in the United States, Elopak is not required to evaluate its internal controls over financial reporting in a manner that meets the standards required by the Sarbanes Oxley Act, and it is not required to obtain an attestation report regarding the Group's internal control over financial reporting from its independent auditors. Accordingly, Elopak may not identify and remediate deficiencies in its internal control over financial reporting. If material weaknesses in the internal control over financial reporting occur in the future, the consolidated financial statements may contain material misstatements, Elopak could be required to restate its financial results, and investors could lose confidence in the Group's reported financial information, which could adversely affect its ability to obtain financing and, in turn, have a material adverse effect on its business, financial condition and results of operations. For more details about the restatement, see Note 2 to the restated 2019 Consolidated Financial Statements.

2.3.9 *Financial covenants and interest rate risk*

The Group must comply with the financial covenants under its multicurrency revolving credit facility in the amount of EUR 400,000,000 entered into with Skandinaviska Enskilda Banken AB (publ.) as agent related to: (i) minimum consolidated book value of the Group plus the principal amount of any subordinated loans; and (ii) Net Debt/EBITDA ratio. If the Group does not comply with the financial covenants there is a risk that the Group's financing could be cancelled or declared immediately due and payable, which, if alternative financing cannot be found on favourable terms, may materially and adversely affect the Group's business prospects, results of operations and financial condition.

The Group's agreements relating to net debt granted by third party financing sources (i.e. excluding shareholder loans) are based on floating interest rates. The Group is therefore subject to risks arising from interest rate fluctuations in connection with its third party indebtedness. Although the Group hedges its expose to interest rate risk fluctuations it might not be successful in carrying out its hedging strategy or the Group's policy may not cover all of its interest rate exposure. The Group may also be exposed to market interest rate risk if it cannot hedge its interest rate exposure on commercially favourable terms, or at all, or if it inaccurately or ineffectively hedges such market interest rate exposure. As a result, an increase in interest rates could result in an increase in the cost of the Group's financing, which may materially and adversely affect its business prospects, results of operation and financial condition.

2.4 Risk factors relating to laws, regulations and compliance

2.4.1 *The Group may incur significant expenditures for compliance and remediation requirements under environmental, health and safety laws (including expenditures in relation to climate change and other matters).*

The Group is subject to various environmental, health and safety laws and regulations in each of the jurisdictions in which it operates. These requirements regulate, *inter alia*, the discharge of materials into the water, air and on land, govern the use, management and disposal of hazardous substances and waste, regulate the use of chemicals and other substances in the Group's products and processes and have increasingly begun to address climate change, sustainability and supply chain issues. Under certain environmental, health and safety laws, the Group can also be held strictly liable for contamination of any property it has ever owned, operated or used as a disposal site, or for natural resource damages associated with such contamination.

The Group regularly makes capital and operating expenditures for the purposes of compliance with environmental and health and safety laws. Despite these efforts, environmental, health and safety liabilities are a risk of the Group's business. Changes in, or new interpretations of, existing laws, regulations or enforcement policies, additional information or facts surfacing with respect to existing investigations, the discovery of previously unknown environmental, health and safety liabilities or further investigation of the potential health hazards of certain products or business activities may lead to additional compliance or other costs.

Moreover, as environmental issues, such as those relating to climate change, sustainability and supply chains, have become more prevalent, governments and international bodies have responded, and are expected to continue to respond, with increased legislation, regulations and incentives, such as those related to greenhouse gas emissions. This is particularly the case as governments respond to international agreements linked to the United Nations Framework Convention on Climate Change, such as the Kyoto Protocol and the Paris Agreement. Another example is the political debate in various countries to limit or phase out single-use plastic products, such as plastic straws and cups, resulting in legislation in the European Union, the United Kingdom and other countries. As at May 2018, 127 countries were working on proposals to ban single-use plastics[2]. Further, requirements related to circularity and recycling rates may also consitute a risk if such requirements enter into force on short notice. If the Group cannot adequately respond to these regulatory developments, they could have a material adverse effect on the Group's business, financial condition and results of operations.

2.4.2 *The Group is subject to risks related to competition and other economic and administrative regulations.*

Due to the nature of the business in which the Group operates, it is exposed to risk that competition authorities or courts could restrict or entirely prohibit mergers, acquisitions or disposals. The Group is one of only three large global system providers of aseptic packaging machines. Competition issues could also arise in relation to the supply of cartons, future partnerships or joint ventures.

Examinations by authorities to investigate potential or suspected infringement of competition regulations or other economic and administrative regulations, even unsubstantiated suspicions of such infringement, could have negative effects on the business of the Group. Actual violations of these regulations could lead to significant fines and/or claims for damages by injured parties. Any competition decision rendered against the Group by a competent authority or court, including the prohibition of a cooperative arrangement or a merger or the imposition of penalties, large fines or burdensome conditions and obligations could have material adverse effects on the cash flow, financial condition and results of operation of the Group.

2.4.3 *Future government regulations and judicial decisions affecting the Group’s cartons and packaging materials or the products shipped in the Group's cartons and packaging materials could reduce demand for the Group's carton and packaging materials.*

Government regulations and judicial decisions that affect the Group's cartons and packaging materials or the products shipped in such cartons or packaging materials could reduce demand for the Group's

[2] UN Report, Single Use Plastics – A roadmap for Sustainability, May 2018

products. For example, in Germany, legislation has been passed that requires end-users to pay penalties on products made from particular packaging materials if end-users fail to meet certain recycling rate benchmarks for such products. In particular, if the recycling rate of the Group's products falls below 60%, it is possible that in the future such products may become subject to deposit requirements. In addition, implementation of the European Green Deal, EU Circular Economy Action Plan, EU Packaging and Packaging Waste Directive (as amended), extended producer responsibility schemes, EU Single Use Plastics Directive and the EU based taxes on plastic could affect the demand for the Group's products. Similar regulations are expected to be developed also for other markets outside of the Europe. In addition, future legislation could also limit the use of carton packaging. Such legislation could reduce the demand for many of the Group's products and adversely affect sales.

2.4.4 *The Group's international operations require compliance with trade restrictions, such as economic sanctions and export controls.*

The Group is subject to trade restrictions, including economic sanctions and export controls, imposed by governments around the world with jurisdiction over the Group's operations, and such restrictions may prohibit or restrict transactions in certain countries and with certain designated persons. Failure to comply with applicable laws, could subject the Group to civil or criminal penalties, or other remedial measures and legal expenses, which could adversely affect the Group's business and financial condition. The Group maintains policies and procedures relating to trade with potentially sensitive countries, such as those on the sanctions list of the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury and countries subject to the sanctions imposed by the EU, which include Libya, Russia and Ukraine. In particular, the conflict between Ukraine and Russia, and the imposition by the United States and the European Union of economic sanctions targeting certain Russian individuals and entities, may affect the Group’s operations in Russia. It cannot be guaranteed that the Group's policies will effectively prevent violations in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations.

The nature, scope or effect of future regulatory requirements to which the Group's operations might become subject cannot be predicted, including the manner in which existing laws might be administered or interpreted. Future regulations could limit the countries in which some of the Group's products may be manufactured or sold, or could restrict the Group's access to, or increase the cost of obtaining, products from foreign sources. The occurrence of any of the foregoing could have a material adverse effect on the business, financial condition and results of operations of the Group.

2.4.5 *Changes in tax law, the international scope of the Group's operations and the Group's corporate and financing structure may cause exposure to potentially adverse tax consequences.*

The Group is subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of its operations and its corporate and financing structure. The Group is also subject to intercompany pricing principles, including those relating to the flow of funds between its companies pursuant to, for example, purchase agreements, royalty agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction could have a material adverse effect on the business, financial condition and results of operations of the Group.

In addition, the tax authorities in any applicable jurisdiction may disagree with the positions the Group has taken or intends to take regarding the tax treatment or characterisation of any of its transactions. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of the Group's transactions, it could result in the disallowance of deductions, the imposition of withholding taxes on deemed distributions or other consequences that could have a material adverse effect on the business, financial condition, cash flows and results of operations of the Group.

2.4.6 *Failure to comply with the anti-corruption laws of the United States and various international jurisdictions could negatively impact the Group's reputation and results of operations.*

Doing business on a worldwide basis requires the Group to comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over the Group's operations, which includes the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and the U.K. Bribery Act 2010 (the "**Bribery Act**"), and similar laws in other countries where the Group does business. These laws and regulations apply to companies, individual directors, officers, employees and agents, and may restrict the Group's operations, trade practices, investment decisions and partnering activities. Where they apply, the FCPA and the Bribery Act prohibit the Group and its officers, directors, employees and business partners acting on its behalf, including joint venture partners and agents, from corruptly offering, promising, authorising or providing anything of value to "foreign officials" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favourable treatment. The Bribery Act also prohibits non-governmental "commercial" bribery and accepting bribes.

As part of the normal business of the Group, the Group may deal with governments and state-owned business enterprises, the employees and representatives of which may be considered "foreign officials" for purposes of the FCPA and the Bribery Act. The Group is also subject to the jurisdiction of various governments and regulatory agencies around the world, which may bring the Group's personnel and agents into contact with "foreign officials" responsible for issuing or renewing permits, licenses, or approvals or for enforcing other governmental regulations. In addition, some of the international locations in which the Group operates lack a developed legal system and have elevated levels of corruption. The Group's global operations expose it to the risk of violating, or being accused of violating, anti-corruption laws.

Failure to successfully comply with these laws and regulations may expose the Group to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. The Group maintains policies and procedures designed to assist it in complying with applicable anti-corruption laws. However, there can be no guarantee that such policies and procedures will effectively prevent violations by the employees or representatives of the Group for which the Group may be held responsible, and any such violation could have a material adverse effect the Group's reputation, business, financial condition and results of operations.

2.4.7 *The Group relies on its suppliers to comply with employment, environment and other laws and regulations.*

The Group has put in place policies and procedures, including audits, to ensure that its suppliers are in material compliance with the Group’s business terms, as well as employment, environmental and other relevant laws and regulations generally. The Group seeks to monitor the social and environmental compliance of its key suppliers through such suppliers signing up to comply with the Group's "Supplier Code of Conduct". However, the Group can give no assurance that its suppliers are or will remain in compliance with such terms, laws or regulation. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by the Group’s suppliers could lead to financial penalties, adverse publicity or a decline in demand for the Group’s products, or require the Group to incur expenditures to make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

2.4.8 *Risk related to loss of environmental permits.*

The Group holds several environmental permits related to waste water, manufacturing and materials used in the Group's products. The various environmental permits set out specific conditions with regards to emission of, *inter alia*, noise and air particles. The loss of any of the Group's current permits could have a material adverse effect on the Group’s business, financial condition and results of operations.

2.5 Risk factors relating to the Offering, Listing and Shares

2.5.1 *The Shares are listed on an "if issued/if sold" basis until delivery of the Shares, which could result in all conditional trades being reversed.*

The Shares will be listed on Oslo Børs on an “if issued/if sold” basis. Therefore, the Shares will be tradable on Oslo Børs before the Shares are delivered to each investor. If the Underwriting Agreement is terminated due to certain force majeure events or the default by Managers in certain circumstances, the Shares will not be delivered to the investors. All trades with the Shares will be cancelled and reversed, and any payments made will be returned without interest or other compensation. Such events could adversely affect participants in the Offering and those who trade in the Shares during the period of conditional trading.

2.5.2 *The price of the Shares could fluctuate significantly, which could cause investors to lose a significant part of their investment.*

The market price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including, *inter alia*, the following factors:

- differences between the actual financial and operating results and those expected by investors and analysts;
- perceived prospects for the Company's business and its operations and the industry in which it operates;
- announcements by the Company or competitors of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- publicity about the Company, its products and services or its competitors;
- unforeseen liabilities;
- changes in operating results;
- changes in securities analysts' estimates of financial performance and recommendations;
- changes in market valuation of similar companies;
- lawsuits against the Company;
- changes to the regulatory environment in which the Company operates
- additions or departures of key personnel; and
- changes in general economic conditions.

In recent years, the stock market has experienced large price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

2.5.3 *Ferd may have significant voting power, the ability to influence matters requiring shareholder approval and may block equity transactions that could be in the interest of the Company*

After completion of the Offering, Ferd is expected to own between approximately 58.7% and 64.1% of the Shares in the Company (assuming an Offer Price at the low-end of the Indicative Price Range and including or excluding exercise of the Greenshoe Option, respectively). Hence, Ferd has significant influence of matters subject to approval by the shareholders in the Company, including continued significant influence over the Company's Management and business. These matters also include election of members of the Board of Directors, the payment of dividends, mergers or sales of assets and the issuance of additional shares or other equity related securities, which may dilute the economic and voting rights of the existing shareholders. The interests of Ferd may not be aligned with and may differ significantly from or may compete with the Company's interests or those of the other shareholders. It is possible that Ferd could exercise its influence over the Company in a manner that does not promote the interests of the other shareholders. For example, there could also be a conflict between the interests of Ferd and the interests of the Company or its other shareholders with respect to dividends or other fundamental corporate matters. The concentration of ownership could delay, postpone or prevent a change of control in the Company, and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by other investors. Such conflicts could have a material adverse effect on the Company's business and prospects.

2.5.4 *There is no existing market for the Shares and an active trading market in the Shares may not develop.*

Prior to the Listing, there has been no public market for the Shares, and there can be no assurance that an active trading market for the Shares will develop, be sustained or that the Shares may be resold at or above the Offer Price. The market value of the Shares may be substantially affected by the extent to which a secondary market develops for the Shares following the completion of the Offering. Investors may not be in a position to sell their Shares quickly, or at market price, if there is no active trading in the Shares.

2.5.5 *Future sales, or the possibility of future sales of substantial numbers of Shares could affect the Shares' market price.*

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial number of Shares in the public market following the Offering, or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. Although the Company, the Selling Shareholder, Board Members and Management holding Shares are expected to be subject to agreements with the Joint Global Coordinators that restrict their ability to sell or transfer their Shares (for a period of 180 days in respect of the Company and the Selling Shareholder and 360 days in respect of the Board Members and Management) the Joint Global Coordinators may, in their sole discretion and at any time, waive such restrictions on sales or transfers during this period. Additionally, following the expiration of the relevant lock-up periods, all Shares owned by any of the parties will be eligible for sale or other transfer in the public market, subject to applicable securities laws and restrictions. A sale of the Shares, by the Company, the Selling Shareholder, Board Members and Management, in the future, or a perception that such sale may occur, may receive significant publicity and could adversely affect the market price of the Shares.

2.5.6 *Future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares.*

The Company may in the future decide to issue additional shares or other securities in order to finance new capital-intensive projects, as consideration for acquisitions, in connection with unanticipated liabilities or expenses or for any other purposes. There can be no assurance that the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to subscribe for or purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders may be diluted.

2.5.7 *The Company's ability to pay dividends in accordance with its dividend policy or otherwise is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future regardless of availability of distributable reserves.*

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the General Meeting or by the Board of Directors in accordance with an authorisation from the General Meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. Further, the Board of Directors must take into account the Company's capital requirements, including capital expenditure requirements, its financial conditions, general business conditions and any restrictions pursuant to its borrowing arrangements and other contractual arrangements. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest. As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

2.5.8 *Market interest rates could influence the price of the Shares.*

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on Oslo Børs.

The Board of Directors of Elopak ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

7 June 2021

The Board of Directors of Elopak ASA

Jo Olav Lunder *Chairman*	Trond Solberg *Board member*	Seyed Mehran Johari *Board member*
Anna Belfrage *Board member*	Sanna Suvanto-Harsaae *Board member*	Erlend Sveva *Board member*
Anette Bauer Ellingsen *Board member*		Marius Wiklund *Board member*

4. GENERAL INFORMATION

4.1 Other important investor information

This Prospectus has been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company has furnished the information in this Prospectus. The Joint Global Coordinators make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Joint Global Coordinators disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement.

The Joint Global Coordinators are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. It will not regard any other person (whether or not a recipient of this document) as its clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company, the Selling Shareholder or the Joint Global Coordinators or by any of the affiliates, representatives, advisers or selling agents of any of the foregoing.

Neither the Company, the Selling Shareholder or the Joint Global Coordinators, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implied, to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors".

In connection with the Offering, the Joint Global Coordinators and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to the Joint Global Coordinators or any of their respective affiliates acting in such capacity. In addition, certain of the Joint Global Coordinators or any of their respective affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers or any of their respective affiliates may from time to time acquire, hold or dispose of Shares. The Joint Global Coordinators do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus includes a statement that the terms and conditions of the Offering and any sale and purchase of Offer Shares pursuant to this Prospectus shall be governed and construed in accordance with Norwegian law, and provides that the courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus. This provision applies to legal proceedings by investors in the Offering and may affect the ability of investors in the United States and in other jurisdictions outside Norway to enforce their rights under the laws of other jurisdictions in connection with the Offering and this Prospectus.

4.2 Date of information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time of approval of this Prospectus by the Norwegian FSA and the Offering and Listing, will be included in a supplement to this Prospectus. Except as required by applicable law and stock exchange rules, the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

4.3 Presentation of financial information

4.3.1 Historical financial information

Elopak's audited consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") (jointly referred to as the "**Consolidated Financial Statements**"), included in Appendix C and D to this Prospectus.

The unaudited interim condensed financial statements for the three-month period ended on 31 March 2021 and 2020 have been prepared by the Group in accordance with IAS34 Interim Financial reporting" (the "**Interim Financial Statements**"), included in Appendix B to this Prospectus.

The audited Consolidated Financial Statements for the year ended 31 December 2019 (attached as Appendix C to this Prospectus) were restated from the original audited consolidated financial statements for the year ended 31 December 2019 (which are not included as an attachment to the Prospectus), due to a change in revenue recognition under IFRS 15. In addition, the comparative figures (2018) included in the audited Consolidated Financial Statements for the year ended 31 December 2019 have been restated in connection with the preparation of the audited Consolidated Financial Statements for the year ended 31 December 2019. Elopak's audited Consolidated Financial Statements for the year ended 31 December 2018 have not been restated/re-issued.

The Consolidated Financial Statements and the Interim Financial Statements (together the "**Financial Statements**") are presented in thousand EUR.

4.3.2 Alternative Performance Measures

In this Prospectus, the Group presents certain alternative performance measures ("**APMs**"), including: Adjusted EBITDA, EBITDA, Adjusted net profit, Net debt and Net debt / adjusted EBITDA. The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles, and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of Elopak's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results.

The Company believes that the APMs described herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting measures (particularly when acquisitions have occurred), business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of the Group's operating performance relative to other companies across periods, and of the Group's ability to service its debt. Because companies calculate APMs differently, the APMs presented herein may not be comparable to similarly titled measures used by other companies.

Elopak defines "**EBITDA**" as earnings before interest, taxes, depreciation, amortisation and impairments. Elopak presents EBITDA to provide useful supplemental information for understanding the underlying profit generation in the Group's operating activities and for comparing the Group's operating performance with that of other companies in the industry.

Elopak defines "**Adjusted EBITDA**" as EBITDA adjusted for certain items affecting comparability, and includes Share of net income from joint ventures (continued operations). Elopak presents Adjusted EBITDA because Management considers it to be an important supplemental measure for understanding the underlying profit generation in the Group's operating activities and for comparing the Group's operating performance with that of other companies in the industry.

Elopak defines "**Adjusted Net Profit**" as profit for the year (period) adjusted for certain items affecting comparability net of tax and excluding share of net income from joint ventures (discontinued operations). Elopak presents Adjusted Net Profit because Management considers it to be an important supplemental measure for understanding the Group's underlying profit for the year (period) and comparing its profit for the year (period) with that of other companies in the industry.

Elopak defines "**Adjusted basic and diluted earnings per share**" as Adjusted Net Profit (as defined above) divided by number of shares. Elopak presents Adjusted basic and diluted earnings per share because Management considers it to be an important supplemental measure for understanding the Group's underlying profit for the year (period) on a per share basis and comparing its profit for the year (period) on a per share basis with that of other companies in the industry.

Elopak defines "**Net debt**" as borrowings (including liabilities to financial institutions before amortisation costs, and also including lease liabilities) less cash and cash equivalents for the respective period. Elopak presents Net debt because Management considers it a useful indicator of Elopak's indebtedness, financial flexibility and capital structure as it indicates the level of borrowings after taking into account cash and cash equivalents within Elopak's business that could be utilised to pay down outstanding borrowings. Net debt is also used by Management to monitor Elopak's compliance with its financial covenants.

Elopak defines "**Net debt / Adjusted EBITDA**" as of Net debt divided by Adjusted EBITDA. Elopak presents this leverage ratio because Management considers it a useful indicator of Elopak's ability to meet its financial obligations. This leverage ratio is also used by Management to monitor Elopak's compliance with its financial covenants.

A reconciliation and calculation of the APMs used by the Group are included in Section 10.7 "Alternative Performance Measures".

4.4 Other information

In this Prospectus, all references to "**NOK**" and "**Norwegian kroner**" are to the lawful currency of Norway, all references to "**USD**", "**$**" and "**U.S. dollars**" are to the lawful currency of the United States of America, all references to "**EUR**", "**€**" and "**euros**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency, all references to "DKK" and "Danish kroner" are to the lawful currency of Denmark and all references to "RUB" are to the lawful currency of Russia. The Financial Statements are published in EUR.

4.5 Rounding

Percentages and certain amounts included in this Prospectus have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

4.6 Industry and market data

In this Prospectus, the Company has used industry and market data from independent industry publications and market research. These include IMF data base, Roland Berger and other publicly available information. Roland Berger is an independent international management consultancy firm with 50 offices around the world. In connection with the Listing, the Company has commissioned a market study from Roland Berger, prepared specifically for the Company, and which is not publically available, dated 12 February 2021 (the "**Roland Berger Market Study, February 2021**")[3].

While the information provided in the Roland Berger Market Study February 2021 is believed to be accurate, Roland Berger makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. The information contained in Roland Berger Market Study February 2021 was prepared expressly for use in the Roland Berger Market Study February 2021 and is based on certain assumptions and information available at the time the Roland Berger Market Study February 2021 was prepared. There is no representation, warranty or other assurance that any of the projections or estimates will be realized, and nothing contained within the Roland Berger Market Study February 2021 is or should be relied upon as a promise or representation as to the future. In furnishing the Roland Berger Market Study February 2021, Roland Berger reserves the right to amend or replace the Roland Berger Market Study February 2021 at any time and undertakes no obligation to provide the Company with access to any additional information. Roland Berger has not verified the accuracy of data it has obtained from the Company or any other party.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company has obtained the consent of Roland Berger to use data provided in the Roland Berger Market Study (February 2021) in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.7 Cautionary note regarding forward-looking statements

This Prospectus contains forward-looking statements. All statements contained in this Prospectus other than statements of historical facts, including statements regarding the Group's future results of operations and financial position, its business strategy and plans, and its objectives for future operations, are forward-looking statements. The words "believe", "may", "will", "estimate," "continue", "anticipate", "intend", "expect", and similar expressions are intended to identify forward-looking statements. Forward-looking statements are, amongst others, found in Sections 6 "Industry and Market Overview", Section 7 "Business of the Group" and Section 10 "Operating and Financial Review" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates. The Company has based these forward-looking statements largely on its current expectations and projections about

[3] Roland Berger does not have a "material interest" in the Company as defined by ESMA.

future events and trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs, such as, but not limited to:

- the Group's strategy, outlook and growth prospects;
- the Group's operational and financial objectives, including statements relating to expectations for the financial year 2021 and statements as to the Company's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Group operates and the competitive pressure and competitive environment in general;
- revenues, cash flows, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industries in which the Group operates;
- forecasts; and
- the Company's liquidity, capital resources, capital expenditures and access to funding.

Prospective investors in the Company's Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown, risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- changes and fluctuations in earnings, cash flows and financial results and conditions;
- changes in general and sector-specific economic conditions, including competition, tax and pricing environments;
- competitive pressure and changes to the competitive environment in general;
- inadequate insurance coverage within the Group;
- technical developments;
- logistics and distribution infrastructure changes in general;
- the ability to attract and retain skilled personnel;
- risks associated with use of third-party suppliers;
- risks relating to international trade;
- failure to implement strategy and ability to further expand its business and growth;
- unsuccessful acquisitions;
- failure to protect and enforce intellectual property right and liability from intellectual property claim;
- failure of IT systems;

- fluctuations of exchange and interest rates; and
- changes in laws and regulations in the jurisdictions in which the Group operates or their interpretation or enforcement.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. Except as required by applicable law, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.8 Exchange rates

The following table sets out the actual annual average of monthly rates and the closing rate in the EUR exchange rate against USD and NOK over the three months ended 31 March 2021 and the years ended 31 December 2020, 2019 and 2018. All translations from USD and NOK to EUR in this Prospectus are made at the rates listed below for the relevant period, or at the rate applicable at the date of the transaction which is within the range indicated in the table below.

			Months				**Year ended 31 December**	
	May 2021	**April 2021**	**March 2021**	**Feb 2021**	**Jan 2021**	**2020**	**2019**	**2018**
NOK to EUR (average rate)	0.09821	0.09799	0.09748	0.09688	0.09647	0.09326	0.10151	0.10419
NOK to EUR (closing rate)	0.09786	0.10047	0.10005	0.09614	0.09668	0.09551	0.10138	0.10052
USD to EUR (average rate)	0.82954	0.83113	0.82998	0.82411	0.82164	0.87551	0.89328	0.84677
USD to EUR (closing rate)	0.8196	0.82768	0.85288	0.82501	0.82399	0.81493	0.89015	0.87336

4.9 Certain industry terms

In the overview below certain industry terms are included which are used in the packaging industry and in this Prospectus:

Term	Definition/description
ASEPTIC (SEGMENT)	Cartons sold to the aseptic segment are filled with commercially sterile product and filled under sterile conditions. The beverages have medium to long expiry dates (up to 12 months), and do not require chilled distribution.
BLANK-FED	A filling process whereby one carton sleeve is “fed” separately into the filling machine. The carton sleeve is then sterilized, filled and sealed inside the filling machine. Blank-fed is the filling technique used for Elopak’s Pure-Pak® gable tops.
BLANKS	A unit measure used in Elopak, which reflects one finished carton after converting and sidesealing process and ready for shipment.
CAPS/CLOSURES	Closures are an important piece of the carton packaging solution. The closure provides added functionality to seal the opening of the carton, easy pouring and re-sealing of the opening in order to preserve the product for use at a later time.
COATING	The production process of adding a layer of LDPE, EVOH or aluminium to the board rolls.
CONVERTING/ CONVERTER .	The production process by which Elopak converts coated board (large paper rolls), into unit blanks (e.g. a 1000ml carton or 500ml carton)
FRESH (SEGMENT)	Cartons sold to the fresh segment are used in fresh application/ filling technique, i.e. filling beverages with short to medium expiry dates that are required to be kept chilled during transportation and storage or extended shelf life.
GABLE TOP	Gable top carton has a top fin and head space above the liquid product filled in the carton. The Pure-Pak® cartons are all gable top, while Roll Fed are not gable top but has a flat top.
HIGH-ACID..............................	Products with a pH lower than 4.6, such as juice.
LOW-ACID	Products with a pH higher than 4.6, such as milk.
PRINTING	The production process by which Elopak prints coated board rolls before converting process (Pure-Pak®). For Roll Fed production process the printing step is ahead of coating.
SYSTEM INTEGRATOR	As a “system integrator” Elopak acts as the integrator between Elopak caps/ blanks and third party sourced filling equipment, e.g. Elopak’s offering in the fresh segments with filling equipment from Shikoku or Galdi, in combination with Elopak blanks and caps.
SYSTEM PROVIDER	As a “system provider” Elopak provides a complete offering including cartons, caps, filling machines and aftermarket services, e.g. the E-PS120A with Elopak Pure-Pak® Aseptic blanks and caps.
ROLL FED...............................	A filling process whereby one large reel of printed and coated packaging material is “fed” into the filling machine. The reel of packaging material is sterilized, filled and sealed, within the filling machine.

5. DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act (see Section 5.2 “Legal constraints on the distribution of dividends”), the Company’s capital requirements, including capital expenditure requirements, the Company’s financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Elopak will initially target a dividend pay-out ratio of approximately 50-60% of the Group's Adjusted net profit.

Elopak's next dividend payment is expected to be paid out in the spring 2022 based on the financial year ended 31 December 2021.

The proposal to pay a dividend in any year is, in addition to the legal restrictions as set out in Section 5.2 “Legal constraints on the distribution of dividends”, further subject to any restrictions under the Group’s borrowing arrangements or other contractual arrangements in place at the time. See Section 10.12 "Borrowing requirements and funding structure" for further information concerning the Group's current borrowing arrangements.

There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

The Company has distributed ordinary dividends to its shareholders as follows:

- Ordinary dividend distributed on 30 May 2021 based on the financial year ended 31 December 2020: EUR 10.0 million.

- Ordinary dividend distributed in 2020 based on the financial year ended 31 December 2019: EUR 9.5 million.

- Ordinary dividend distributed in 2019 based on the financial year ended 31 December 2018: EUR 10.4 million.

- An additional extraordinary dividend of NOK 50 million was distributed in 2018.

5.2 Legal constraints on distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may only distribute dividends to the extent that its net assets following the distribution are at least equal to the sum of (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealised gains. In determining the distribution capacity, deductions must be made for (i) the aggregate amount of any receivables held by the Company and dating from before the balance sheet date which are secured by a pledge over Shares in the Company, (ii) any credit and collateral etc. from before the balance sheet date which according to Sections 8-7 to 8-10 of the Norwegian Public Limited Liability Companies Act must not exceed the Company's distributable equity (unless such credit has been repaid or is set-off against the dividend or such collateral has been released prior to the decision to distribute the dividend), (iii) other dispositions carried out after the balance sheet date which pursuant to law must not exceed the Company's distributable equity and (iv) any amount distributed after the balance sheet date through a capital reduction.

- The calculation of the distributable equity shall be made on the basis of the balance sheet in the Company's last approved annual accounts, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall apply. Dividends may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date which does not lie further back in time than six months before the date of the general meeting's resolution.

5.3 Manner of dividend payments

Any dividends on the Shares will be denominated in NOK. Any dividends or other payments on the Shares will be paid through the Company's Share Registrar. Dividends and other payments on the Shares will be paid, on a payment dated determined by the Company, to the bank account registered in connection with the Norwegian VPS account of the registered shareholder as of the record date for the distribution.

Dividends and other payments on the Shares will not be paid to shareholders who have not registered a bank account with their Norwegian VPS account. Shareholders who have not received dividends for this reason will receive payment if they register a bank account with their account operator in the Norwegian VPS and inform the Share Registrar of the details of such bank account.

Shareholders with a registered address outside of Norway may register a bank account in another currency than NOK with their Norwegian VPS account. Shareholders who have done so will receive payment in the currency of such bank account. The exchange rate(s) applied will be the Norwegian VPS Registrar's rate on the date of payment.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. Accordingly, a shareholder's right to receive dividends or other distributions will lapse three years after the payment date if bank account details have not been provided to the Share Registrar within such date. Following the expiry of the limitation period, any remaining dividend amounts will be returned from the Share Registrar to the Company.

There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 "Norwegian taxation".

5.4 Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK.

The Shares will be priced and traded in NOK on the Oslo Børs and any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through DNB Bank ASA, Issuer Services, the Company's VPS registrar (the "**VPS Registrar**"). Shareholders with a registered address outside of Norway who have registered their bank account in a currency other than NOK will receive payment in the currency of such bank account. The exchange rate(s) that is applied when paying any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

6. INDUSTRY AND MARKET OVERVIEW

The statements regarding the outlook and trends within the carton liquid packaging market as referenced in this Section, including markets where the Group is currently operating are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties outside the control of the Group, some of which are described in Section 4.7 "Cautionary note regarding Forward-looking Statements". The information in this Section 6 "Industry and market overview" includes publicly available information as well as industry and market data from a third party market study conducted by Roland Berger in February 2021, which also forms the basis for certain historical estimates referenced in this Section. Where information from the Roland Berger market study is presented, this is indicated by a corresponding reference. For additional information regarding these sources, see Section 4.6 "Industry and market data".

6.1 The addressable market

6.1.1 Introduction

Elopak is a global leading supplier of liquid carton packaging and filling equipment with various end-applications. Historically, Elopak is a leading supplier in the fresh segment[4]. Its addressable solutions includes fresh and aseptic filling machines, gable top blank cartons (the Pure-Pak® cartons), closures and aftermarket services and spare parts for beverage and liquid food carton packaging, which covers applications such as dairy, juice and other applications. Elopak also offers non-system supplies of aseptic Roll Fed cartons. Elopak has a global reach, with sales in more than 70 countries in 2020. Elopak's Pure-Pak® offering is a complete end-to-end offering, please see Section 7.5.1 "Overview" for further information.

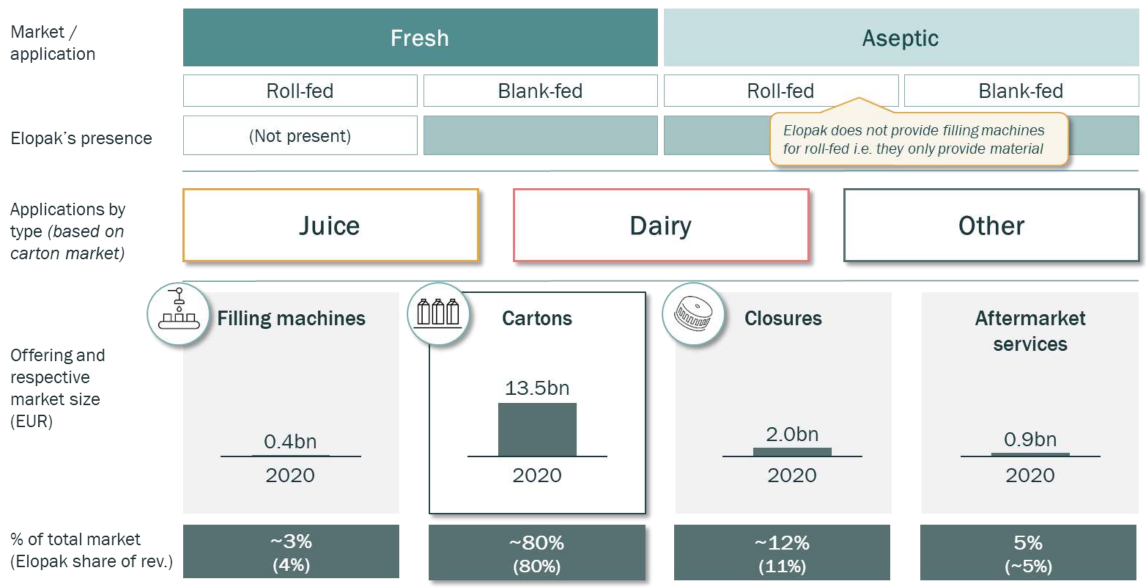
The addressable carton market is comprised of 245 billion units as of 2020, corresponding to a value of EUR 13.5 billion. The expected annual growth volume in the carton market is 3.8% through 2025, which is higher than the expected growth of the underlying total beverage and liquid food packaging market, which has an expected annual growth at 2.4% in the same period.[5]

The following sections summarize the total market for Elopak, and the various end-applications and segments. Cartons, which represent the main addressable market, make up about 80% of the total market value when including filling machines, closures and aftermarket services (including spare parts and service support, such as research and development support, technical training and maintenance support).[6] The split between the solutions in the market is similar to Elopak’s revenue split between the various solutions, which is shown in the figure below.

[4] Source: Roland Berger Market Study, February 2021

[5] Source: Roland Berger Market Study, February 2021

[6] Source: Roland Berger Market Study, February 2021



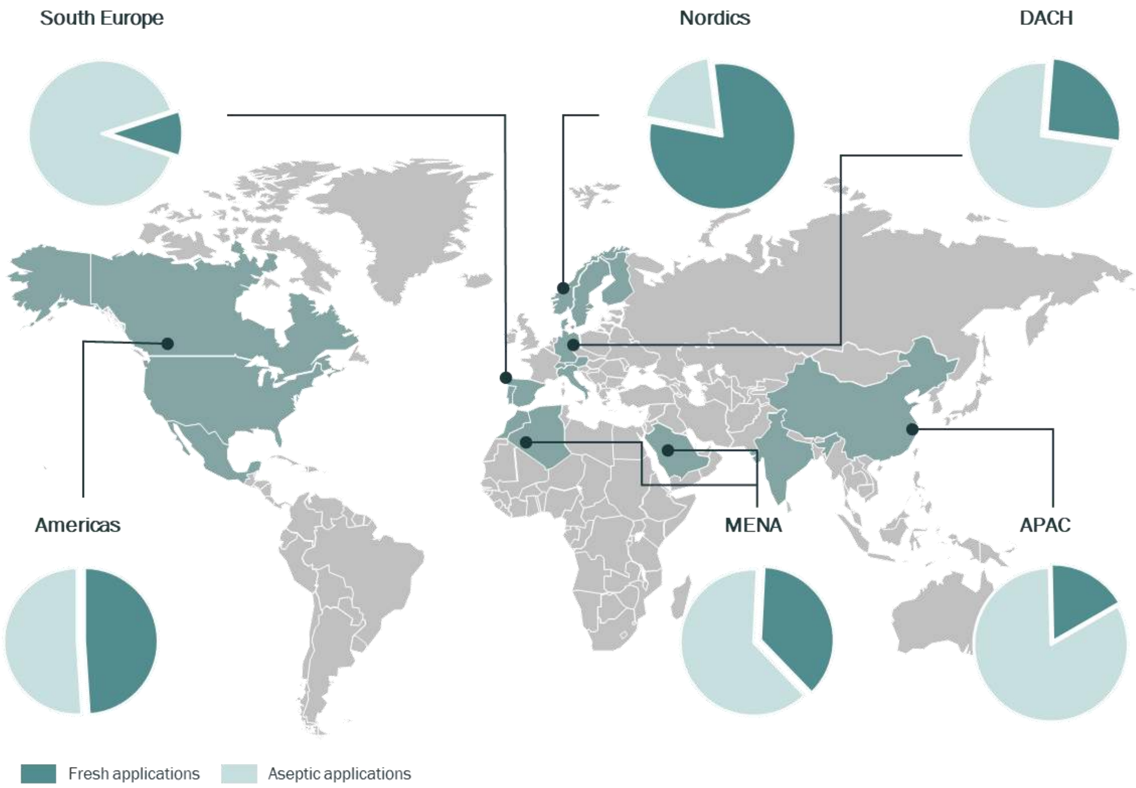
Source: Roland Berger Market Study, February 2021, Elopak figures are Company information

The market can be divided into two segments – fresh and aseptic. The size and use of the two segments varies both across regions and with regard to end-application (i.e. dairy vs. juice, for instance). The offering among carton providers also differs, with carton producers catering to either both segments or only one of them.

Some of the factors affecting the prevalence of parts of the fresh and aseptic across regions comprise the following:

- A well-established chilled distribution network contributes to strong presence of the fresh segment
- Lack of cold chain logistics in e.g. parts of the APAC region prohibit the fresh segment to a large extent
- The Aseptic segment in Southern Europe and the DACH region – the former includes Spain in which ultra-high temperature ("**UHT**") milk products make up the majority of the produced milk

The figure below summaries the relative size distribution between fresh and aseptic segments.



Source: Roland Berger Market Study, February 2021

Several key trends are driving the demand for the different segments and overall carton demand. Key drivers include macro-economic factors, changes in consumer preferences and increasing environmental and sustainability awareness, in which carton holds a strong sustainable advantage compared to certain other package materials. See Section 6.2 "Key trends and drivers in the carton packaging market" for further information on main market trends.

6.1.2 Fresh segment

Fresh cartons are used for beverages and liquids with short expiry dates that are required to be kept chilled during transportation and storage. For this reason, milk and other dairy products (78% globally in 2020)[7] are most commonly fresh products. Gable top is the most common carton format used in such applications, see definition of gable tops in Section 7.5.2 "Pure-Pak® cartons".

The fresh segment is considerably smaller in terms of value compared to aseptic, with fresh representing approximately EUR 2.7 billion of the global total of approximately EUR 13.5 billion in 2020, as indicated in the figures below.[8]

[7] Source: Roland Berger market study, February 2021

[8] Source: Roland Berger market study, February 2021

Source: Roland Berger Market Study, February 2021

Fresh carton packaging is done by first processing the product and then filling the carton with the cold product. Most fresh products have a short shelf life. The paper boards provide stability, and polyethylene layers ensure carton integrity and prevent weight loss due to water vapour transmission. Further, in case of extended shelf life ("**ESL**") application in the fresh segment, the liquids needs to be protected against degradation over time from oxidation reactions. Elopak uses an additional EVOH (Ethylene vinyl alcohol) barrier which acts as a barrier against oxygen and gas, please see further information in Section 7.5.2 "Elopak Product and Solutions overview".

Pasteurized milk, for example, has approximately one week of shelf life, while ESL milk has a shelf life of 30-90 days.[9] The figures below show the fresh cartons for standard short shelf life and ESL, respectively:

Source: Roland Berger Market Study, February 2021

6.1.3 Aseptic segment

Aseptic cartons are used for beverages that are stored in an ambient environment over a longer time period, commonly with a shelf life of 6-12 months. The aseptic segment is considerably larger in terms of value than fresh, representing approximately EUR 10.7 billion in 2020. Also, similar to the fresh segment, dairy makes up the majority of aseptic end-applications – approximately 60% as of 2020, as indicated in the figure below[10].

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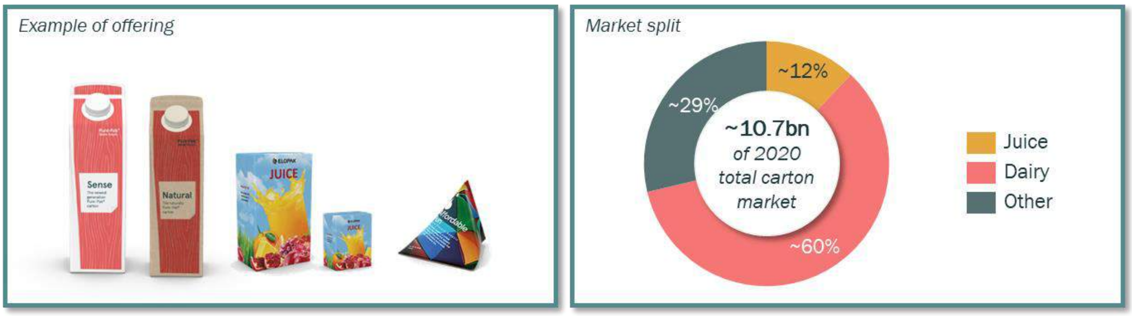
[9] Source: Roland Berger Market Study, February 2021

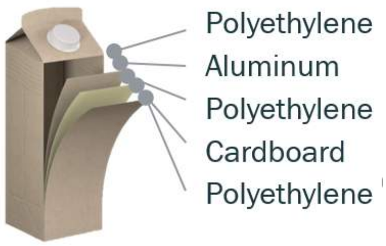
[10] Source: Roland Berger Market Study, February 2021



Source: Roland Berger Market Study, February 2021

Aseptic carton packaging is done by filling sterilized cartons with thermally sterilized liquid products under sterile conditions. Aseptic products' long shelf life requires additional material and layers compared to the short shelf life products of fresh products. These include aluminium which acts as a barrier against light and oxygen and polyethylene which also functions as glue between the boards and the aluminium.

In the aseptic segment there are a wider range of carton formats and a higher share of proprietary packaging compared to the fresh segment. The figure below outlines the key aseptic carton components:



Source: Roland Berger Market Study, February 2021

In terms of comparing fresh vs. aseptic, several dimensions need to be considered. On one hand, there are value-selling elements such as: i) the heritage of the package design, ii) a proprietary format and iii) the total cost of ownership. On the other hand, there are practical aspects like: reach or economics of scale and the degree of complexity resulting from the installed machine base. Both in fresh and aseptic (blank and Roll Fed), there are several sub-markets with significantly different profitability levels.

From a general perspective, contribution margins are higher in aseptic compared to fresh. This is because the aseptic segment has commonly applied a system sale approach due to the higher technical complexity. The value of a system approach has been clearer in aseptic than in fresh. The aseptic segment has developed with very few system suppliers, while in fresh, there are significantly more competitors with non-system offerings.

6.1.4 Market size and forecast

<u>The total carton market</u>

The total carton market was estimated at 245 billion units globally in 2020. The market is estimated to grow 3.8 % per year through 2025. In terms of value the market is expected to reach EUR 15.6 billion in value by 2025, up from EUR 13.5 billion in 2020.[11] The figures below show the historic growth and forecasts for the total carton market in terms of absolute volumes and value.

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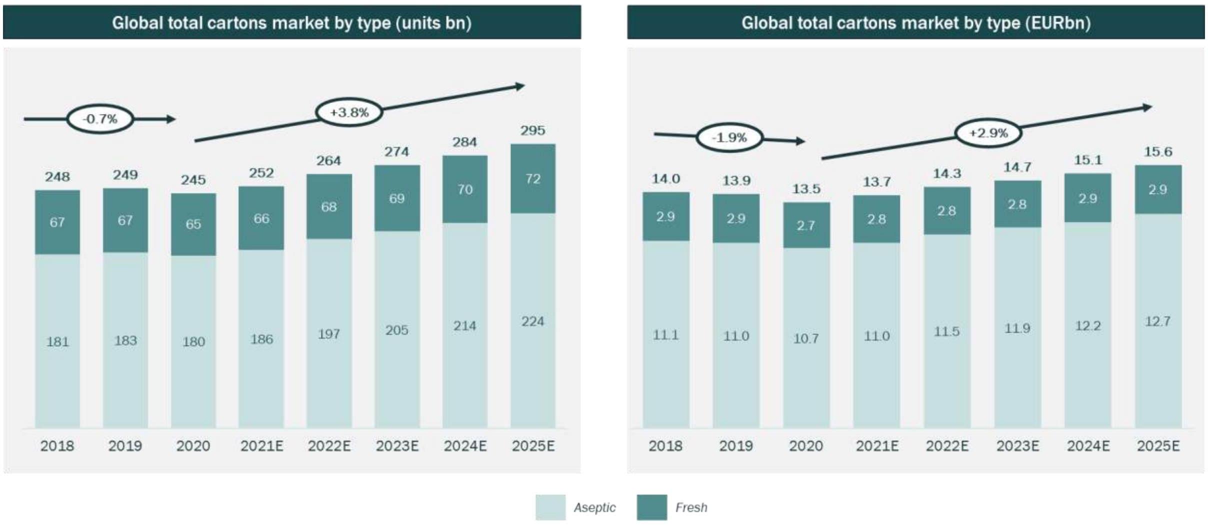
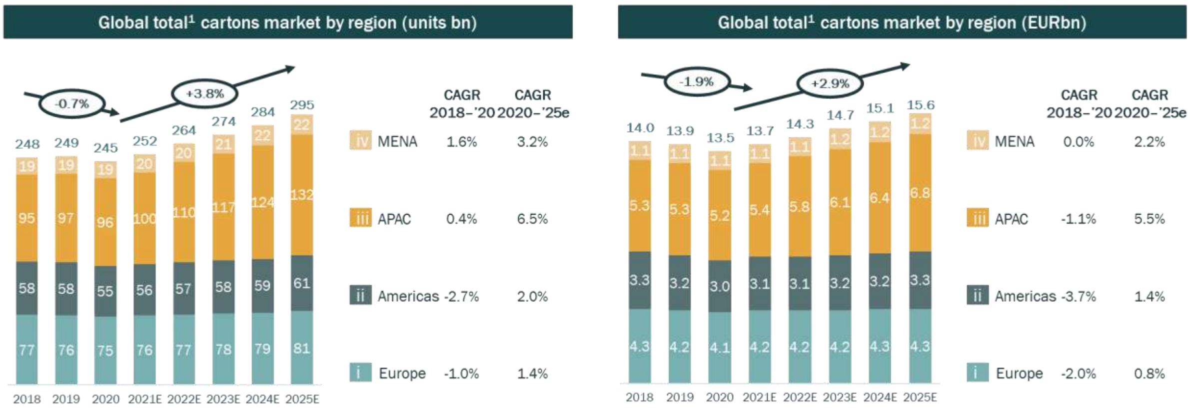
[11] Roland Berger Market Study, February 2021 – figures based on carton packaging market model, interviews with market participants



Source: Roland Berger Market Study, February 2021

Both aseptic and fresh volumes are expected to develop favourably. Aseptic is expected to grow above fresh (with 4.4% in aseptic and 2.0% in fresh in the period 2020-2025 (Compound annual growth rate ("**CAGR**"))[12] due to some shifts away from fresh within selected regions and applications.[13] The trend towards extended life products is a key driver behind increased growth in the aseptic segment.

The total cartons market in terms of value is expected to grow at a slower rate in the same period due to expected price decreases, particularly in the Middle East and North Africa ("**MENA**") and Asia-pacific ("**APAC**") regions. However, all regions are expected to develop at a faster rate going forward compared to the historic period. All markets are expected to exhibit a healthy volume growth in the period 2021-2025 following a slight contraction in the last two years.[14]



Source: Roland Berger Market Study, February 2021

As shown in the figure above, the growth is expected to be the largest in APAC and MENA, with increased economic development in selected regions representing key growth drivers. APAC is estimated to be both the largest and fastest growing region at 6.5 % growth per year in volume and approximately 5.5 % growth per year in value for cartons in the period 2020-2025. Europe and North America are forecasted to grow between 1-2% per year in terms of volume in the period 2020-2025, while MENA is expected to grow at 3.2 % per year in the period 2020-2025.[15]

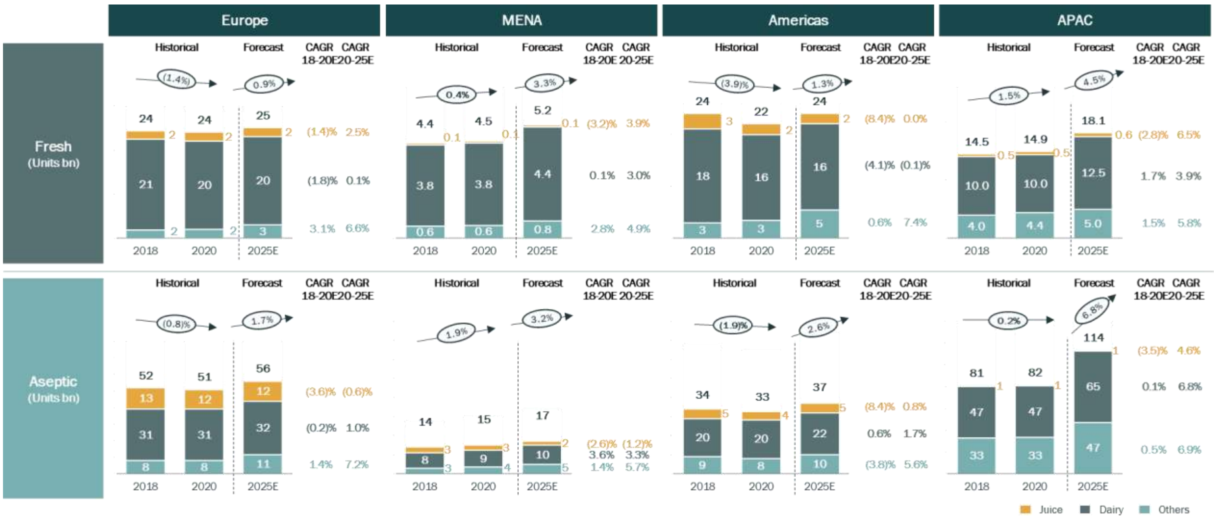
[12] Source: Roland Berger Market Study, February 2021

[13] Roland Berger Market Study, February 2021 – figures based on carton packaging market model, interviews with market participants

[14] Source: Roland Berger Market Study, February 2021

[15] Source: Roland Berger Market Study, February 2021

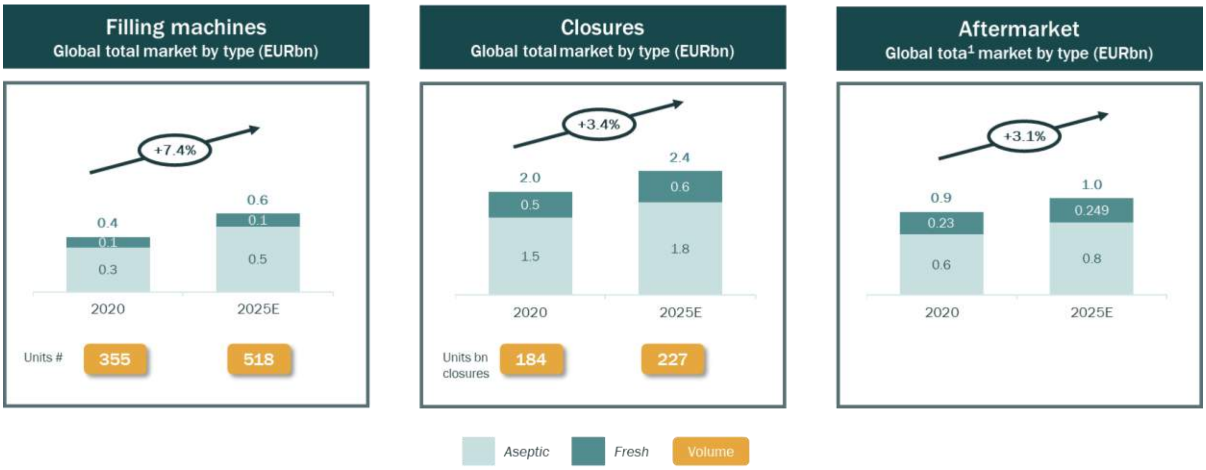
In terms of segments, the table below provides an overview of the historical and estimated market growth. The fresh dairy market in 2020-2025 is expected to grow 0.1% in Europe, 3.0% in MENA, and -0.1% in Americas by units.



Source: Roland Berger Market Study, February 2021

Adjacent segments

Adjacent segments, such as filling machines, closures and aftermarket are expected to grow in line with the overall cartons market. Filling machines are forecasted to grow faster due to increased carton penetration in markets which earlier has used other packaging materials. The figure below summarizes the growth profiles for the various adjacent segments.



Source: Roland Berger Market Study, February 2021

- **Filling machines:** The market is valued at EUR 0.4 billion as of 2020.[16] The aseptic filling machines market makes up the largest share and is also forecasted to grow the fastest, driven by the forecasted growth in the APAC and MENA regions. The aseptic filling machines market in Europe and North America is expected to be mostly driven by replacements.

[16] Source: Roland Berger Market Study, February 2021

- **Closures:** The market is valued at EUR 2.0 billion as of 2020.[17] Closure volumes are forecasted to grow at a similar speed as the global carton volumes. Slightly higher growth of closures in terms of value is expected due to the expected increase in penetration for selected regions and applications.

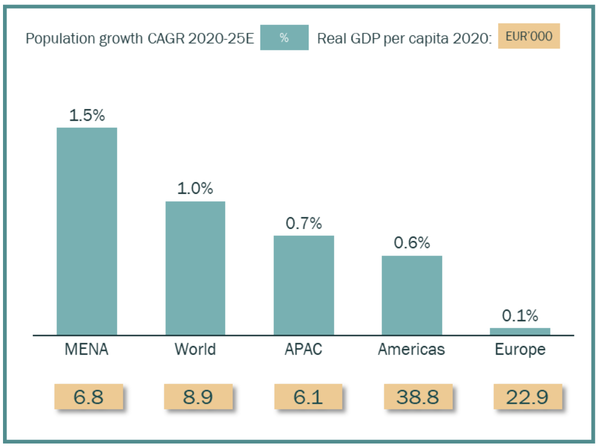
- **Aftermarket services:** The market is valued at EUR 0.9 billion as of 2020.[18] Aftermarket services is forecasted to grow roughly in line with the overall carton market, as the installed base increases at similar rate.

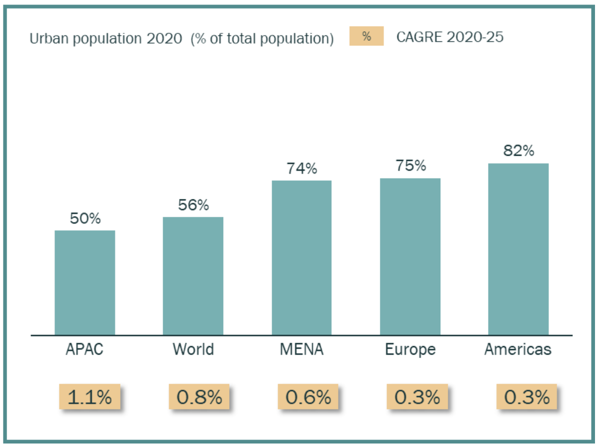
6.2 Key trends and drivers in the carton packaging market

6.2.1 Macro economics

Overall economic development impacts the consumption of liquid packaging material. Increased population and better living standards results in better access to food and higher demand for packaging. Additional growth factors such as hygiene requirements, a growing upper middle class and other development indicators also drive overall demand.

MENA and APAC are key regions expected to see the highest population growth the next several years, with 1.5% and 0.7% in the period 2020-2025 CAGR, respectively[19]. As exhibited below, they are also the regions with the relative lowest real GDP per capita as of 2020.[20]





Source: Roland Berger Market Study, *February 2021. IMF database for the population growth figures*[21]

Urbanization drives higher demand for packaged goods, especially portion packs. Carton packages allow for more efficient distribution compared to alternatives. A stable increase of people living in urban areas is expected for most regions, and is forecasted to accelerate the coming years.

6.2.2 Consumer preferences and customer demand

Health, consumption and sustainable awareness are driving consumer preferences.

i) Sustainable consumption and awareness are driving the demand for long shelf time products to avoid spoilage of food and drinks. This shift is also driven by supply chain disruption concerns, especially apparent during the Covid-19 pandemic, with companies increasingly investigating ways to build resilience into their supply chain and shifting towards longer-lasting products to minimize risk. Growth in long shelf time products is also driving demand for aseptic packaging.[22]

[17] Source: Roland Berger Market Study, February 2021

[18] Source: Roland Berger Market Study, February 2021

[19] Source: IMF database for the population growth figures (Americas comprise of Canada, United States and Mexico and MENA comprise of Algeria, Morocco and Saudi Arabia) (https://www.imf.org/external/datamapper/LP@WEO/OEMDC/ADVEC/WEOWORLD)

[20] Source: Roland Berger Market Study, February 2021

[21] https://www.imf.org/external/datamapper/LP@WEO/OEMDC/ADVEC/WEOWORLD

[22] Source: Roland Berger Market Study, February 2021

ii) Consumer preferences are shifting towards more convenient and smaller packages for food and beverage products due to an increased demand for on-the-go snacking. Packaging customers seek ways to differentiate themselves through different types of packaging, which leads to a demand for different shapes, designs and features.[23]

iii) Consumers are shifting toward healthier options. A general increase in health awareness among customers leads to demand for dairy alternatives and less sugar consumption. One can observe an increasing popularity of smaller packaging sizes due to the perception that smaller portions are more healthy. Customers perceive a strong link between the naturalness of carton packages and healthy beverages, such as plant-based alternatives, which also drives the demand for natural and smaller sized cartons.[24]

Following and during the Covid-19 pandemic there has also been an increasing hygiene and health focus which also includes food safety requirements. As a result, the integrity of food and drink packaging is increasing in importance. Furthermore, the pandemic has caused a drastic shift away from restaurant meals, resulting in people consuming more products at home, mainly causing shifts in packaging format, i.e. less on-the-go portion packs and more family size packs.[25]

6.2.3 Sustainability

Sustainability represents a main driver of growth, a fact illustrated by the ongoing shift from plastic to carton and supported by environmental awareness being high up on the agenda for both consumers and producers. Climate change and packaging waste issues have driven the increase in environmental awareness worldwide. Specifically, there is an increased public awareness of plastic leakage into the environment, which is fuelling anti-plastic lobbying worldwide.

This awareness, fuelled by the Paris Agreement, has led to various legislation imposed to regulate packaging waste and prevent plastic littering, however with different levels of progress across the regions. The figure below provides an overview of legislation for package waste worldwide. As one can observe from the figure, Europe and Canada represent the regions with the highest "performance", meaning most advanced legislation currently in place.

Source: Roland Berger Market Study, February 2021

A number of countries and regions have ratified the Paris Agreement, which sets specific targets to reduce CO2 emissions. The EU has the strictest targets, aiming to reduce CO2 emissions by 55% by 2030 (in 1990 levels). The figure below gives an overview of targets imposed by EU and selected other countries.

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[23] Source: Roland Berger Market Study, February 2021

[24] Source: Roland Berger Market Study, February 2021

[25] Source: Roland Berger Market Study, February 2021

	EU	United States	Canada	Mexico	India	China	Saudi Arabia	Morocco
Paris agreement	>55% CO2 reduction by 2030 (on 1990 levels)	26-28% below 2005 by 2030	30% below 2005 by 2030	1.3 GtCO2 by 2025	33-35% below 2005 emission intensity 2030	60-65% reduction in carbon intensity (on 2005 levels)	Reduction of up to 130 Mt Co2-e 2030	17% reduction in 2030
Long term goals	Climate neutral by 2050	80% below 2005 levels by 2050	80% below 2005 levels by 2050	Decarbonisation of economy by end century	Pr cap. emissions not to exceed the dev. world	Carbon neutrality by 2060	Non-disclosed	Non-disclosed

Source: Roland Berger Market Study, February 2021

Globally, sustainability trends include initiatives of retailers and fast-moving consumer goods companies ("**FMCG companies**") which is driving the demand for "cleaner" package materials such as cartons. Examples include (i) Nestlé's Smarties announcement that it will switch to recyclable paper packaging for its confectionery products worldwide and (ii) McDonalds' switch from plastic lid to carton for its McFlurry brand.[26]

Examples of "clean" initiatives, where Elopak has been the carton supplier include i) Orkla's soap brand Klar, which launched carton brown-board packaging for its refill products and ii) Bjørkes Kjemi, which was the first to introduce paper carton packaging for its windshield washer fluid (see images below).

Source: Elopak, Bjørkes Kjemi

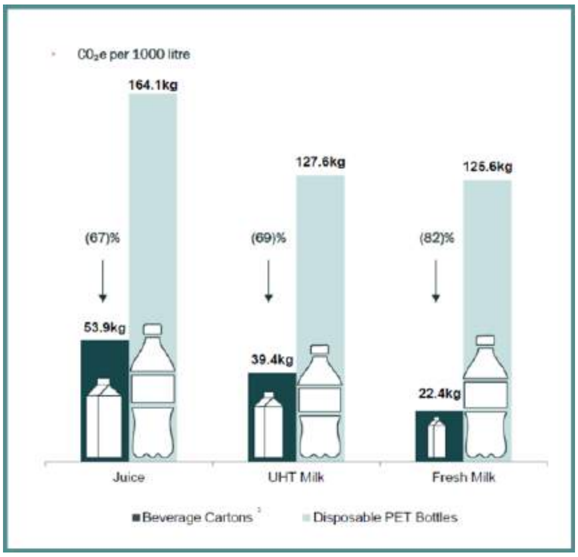
Furthermore, several FMCG companies and retail companies are setting targets to reduce CO2 emissions and reduce unnecessary plastic, exemplified by Arla (an Elopak customer) which has a goal of reducing total CO2 emissions by 30% (from 2015) and to be carbon net zero by 2050, as well as to have their packaging being fully circular by 2030.[27]

Cartons are viewed as a sustainable option to various other package materials. There are strong environmental economics supporting the trend of moving from PET to carton packages. Compared to PET, beverage cartons have low carbon footprint when considering their entire life cycle, as exemplified by the CO2 comparison below[28].

[26] Sources: Nestlé press release 26 Jan 2021 and McDonalds press release 21 Jun 2019, respectively

[27] https://www.arla.com/sustainability

28 Represent normal avg. carton in the market



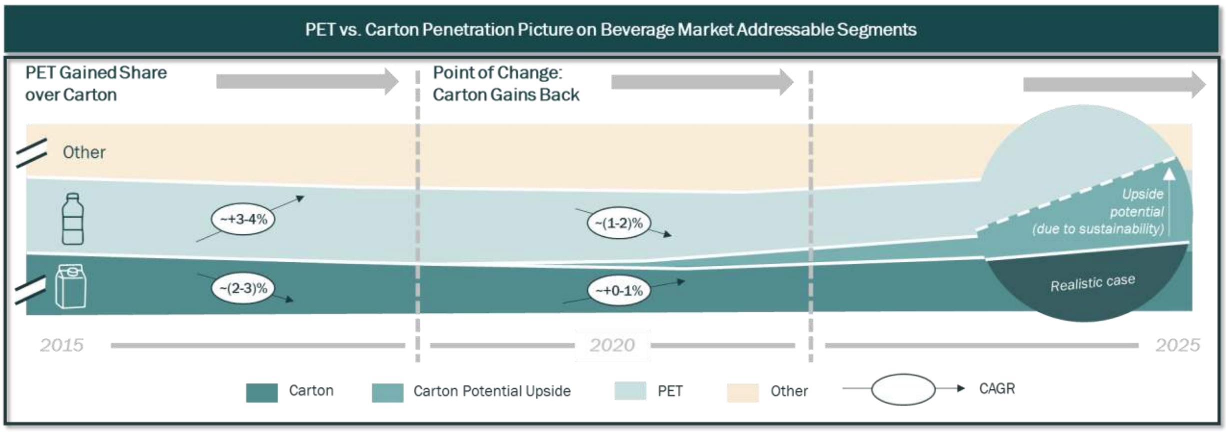
Source: Roland Berger Market Study, February 2021

Raw material: Beverage cartons are made from approximately 75% liquid packaging board coming from wood, a bio-based and renewable resource[29]

Production: Beverage cartons have low packaging weight, entailing efficiency in transport (less fuel to haul the weight and less space to store the products)

Recycling: A series of ongoing initiatives to facilitate the recycling of carton packages driven by various industry associations and cross-value chain alliances

As exhibited below, PET bottles have historically gained market share vs. carton due to i) more competitive pricing, ii) transparent packaging preference and iii) better production throughput rate and further development of aseptic filling equipment. However, with increased sustainability concerns and stricter regulation favouring cartons, as evident in several countries imposing regulations which target plastics and CO2 emissions reductions, for example the EU's Single Use Plastic Directive, carton is expected to gain back share.



Source: Roland Berger Market Study, February 2021

Other evidence of the ongoing shift from plastic to carton includes:[30]

- The relatively sharper decline in PET equipment suppliers' revenue in Western and Central Europe (e.g. PET filling machine sales for key players) over the last several years, compared to carton equipment suppliers' revenues in the same period.
- The increased penetration of cartons, particularly in the aseptic segment, representing approximately 25% of expected carton growth from 2020 to 2025.
- Growth expectations in juice consumption, where cartons account for approximately 45% of the market, compared to 32% for PET.

[29] Tetra Pak, SIG Combibloc and Elopak carry FSC certification

[30] Source: Roland Berger Market Study, February 2021

- The introduction of new, healthier beverage and food alternatives. These products are heavily oriented around sustainability and the perception of health. Therefore, these products promote the notion that sustainability is important across all parts of the value chain, including packaging.

6.3 Competitive landscape

There are several providers of liquid carton packaging, however they vary in terms of their offering, both with regards to type of segment (fresh vs. aseptic) and on whether they offer a complete system or source certain parts or filling machines separately. Few players are large global corporations, whereas the majority have a more limited geographic reach and presence.

Market studies have revealed certain factors which are deemed important for customers. The list below summarizes the most important findings, with i) and ii) being the most important.

i) **Product and equipment quality**: High requirements for the equipment and material quality in terms of hygiene, speed and efficiency.

ii) **Track record/references:** Packaging equipment and material must work without any downtime or quality loss, as the financial and reputation risk is high.

iii) **Production capacity:** Important to have production capacity and scale to deliver sufficient volumes to customers.

iv) **Geographical reach:** International customers require suppliers to have a global footprint. This is especially important with regards to aftermarket service.

v) **Technological and innovation capabilities:** Suppliers need to offer a broad product portfolio and a high degree of technological innovation.

vi) **Sustainability credentials:** Requirements for the packaging products and the production process to be sustainable.

The overview below shown the key players in Elopak's addressable market. Elopak is among the few providers offering both filling machines and cartons across both the Fresh and Aseptic segments.

Source: Management estimate based on Roland Berger Market Study, February 2021

Overview of key selected players[1]

Company	HQ	Rev 2020 (EURbn)[1]	FTEs	# Plants	# Presence	Fresh – Filling machines	Fresh – Cartons – Roll-fed	Fresh – Cartons – Blank-fed	Aseptic – Filling machines	Aseptic – Cartons – Roll-fed	Aseptic – Cartons – Blank-fed	Aftermarket
ELOPAK	Norway	0.9	2.6k	9[3]	+70 countries	Strong coverage	Limited or no coverage	Strong coverage	Strong coverage	Strong coverage	Strong coverage	Strong coverage
Tetra Pak	Switzerland	10.8	25.5k	53	+160 countries	Strong coverage	Strong coverage	Strong coverage	Strong coverage	Strong coverage	Limited or no coverage	Strong coverage
SIG	Switzerland	1.8	5.5k	9	+70 countries	Limited or no coverage	Limited or no coverage	Limited or no coverage	Strong coverage	Limited or no coverage	Strong coverage	Strong coverage
evergreen packaging	USA	1.2[2]	N.a.	N.a.	N.a.	Strong coverage	Limited or no coverage	Strong coverage	Limited or no coverage	Limited or no coverage	Limited or no coverage	Strong coverage

Filling and primary packaging: Fresh, Aseptic; Aftermarket. Legend: Strong coverage; Moderate coverage; Limited or no coverage

Source: Roland Berger Market Study, February 2021. 1) Company filings 2020 2) Evergreen revenues represent segment: Beverage Merchandising, applied EUR/USD= 0.9. 3) Includes JVs

Key players vary across regions and segments, with Elopak representing a leading fresh player in Europe and a top 3 player in Europe overall[31]. There is a trend of a few very large players in Elopak's core markets, and a more fragmented space in less developed regions such as APAC, especially within the fresh segment.

Overview of Elopak's competitive position per region

Source: Roland Berger Market Study, February 2021. Rank based on interviews with market participants assessing market perception of key players.

[31] Source: Roland Berger Market Study, February 2021. Rank based on interviews with market participants assessing market perception of key players.

7. BUSINESS OF THE GROUP

7.1 Introduction

Elopak is a leading global supplier of liquid carton packaging and filling equipment, catering to both the fresh and aseptic segments. The fresh segment constitutes Elopak's largest market, where it had a leading position in its core regions of Europe, CEE (Central and Eastern Europe) and CIS (Commonwealth of Independent States) and Central America in 2020[32]. Elopak also has a strong and growing market position within the aseptic segment, where its carton packaging and filling equipment for beverages and liquid food, have given it a no. 3 market position in the same core regions. Elopak has a product suite of more than 400 gable top blanks stock-keeping units ("**SKUs**")[33], and in 2020 Elopak produced 14 billion cartons[34] across 9 manufacturing sites. Elopak sells to more than 70 markets with 2,600 employees. Elopak was established and has been owned by Ferd since 1957.

In 2020, Elopak had EUR 909 million in revenue and EUR 122.3 million in Adjusted EBITDA. Europe accounted for 79% of Elopak's revenue, while the Americas accounted for 21%. The level of total income by geographical area is in part affected by structural differences in production in different geographies. For example, the Group focuses on converting in Americas while the Group's European operations cover both coating and converting. Further, Roll Fed for Americas is produced in Europe which drives a margin split between the two geographies. Research and development are allocated to the Group's European geographies further impacting margins. Finally, EBITDA for the Americas includes share of net profit from JVs. Elopak expects there to continue to be differences in margins across geographical areas going forward.

The fresh segment accounted for 78% of Elopak's Pure-Pak® carton revenue in 2020, while the aseptic segment accounted for 18%, and the remaining 5% attributable to Other. Fresh segment accounted for approximately 52% of Elopak's total revenue in 2020, while the aseptic segment and other segments accounted for approximately 26% and 3% of Elopak's total revenue in 2020, respectively.

Elopak's vision is to be chosen by people, packaged by nature. As a worldwide maker of carton-based packaging, Elopak is committed to remain its customers' partner and the consumers' favourite, through relentlessly developing new solutions for an expanding range of content. Applying market-leading technology, skills and natural materials sourcing, Elopak always aims to provide the highest quality products that leave the world unharmed. Elopak has been a carbon neutral company since 2016 and all Pure-Pak® cartons are currently fully recyclable. Pure-Pak® cartons are made with wood fibre from sustainable forestry and the cartons keep products fresh using less plastic. Among several sustainability targets, Elopak is targeting to provide 100% renewable materials in all of its liquid cartons by 2030. Select sustainability track record includes:

- 20% reduction in the carbon footprint of cartons with closures based on 2017 company data;
- Approximately 70% reduction in Elopak's greenhouse emissions per carton from 2008 to 2019;
- All of Elopak's paperboard are from legal and acceptable sources in accordance with the standards of the Forest Stewardship Council (FSC);
- Elopak believes it is the first manufacturer to deliver over one billion 100% renewable cartons;
- 99% of Elopak's internal paperboard and carton waste is recycled; and
- Elopak is one of the first verified companies globally committed to the UN's Business Ambition of 1.5°C.

Elopak has developed a full service offering to its customers with frequent touch points:

- Elopak offers state-of-the-art filling machines across both Fresh and Aseptic. Elopak has an installed base of approximately 600 machines globally, with an exclusive agreement to sell

[32] Source: Roland Berger market study, February 2021. Rank based on interviews with market participants assessing market perception of key players.

[33] A stock keeping unit a number that companies assign to its products to keep track of stock levels internally.

[34] Included 100% volumes from joint ventures.

state-of-the-art Shikoku machines, for use in Fresh, in Elopak's key geographies. Elopak offers full system integration capabilities from specifications to installations. Elopak has also developed a proprietary gable top high-acid and low-acid aseptic system solution, designed and manufactured 100% in-house.

- Elopak's packaging solutions are known for quality and innovation. Elopak has established itself as a leading global supplier in fresh liquid carton packaging[35] with its iconic Pure-Pak® brand, with over 400 SKUs across Fresh and Aseptic covering primarily dairy and juice end-markets. Elopak has approximately 70 qualified FTEs dedicated to technical development and innovation. In addition to blanks, Elopak provides Roll Fed packaging material for use on TetraPak filling machines. Elopak's packaging solutions are complemented by caps and closures sourced from third parties that form part of Elopak's complete product portfolio.
- Elopak's after-market services provide value add and aftermarket support. Through Elopak's dedicated team of engineers / field support of over 200 employees, Elopak has developed a network of spare part supply located close to end-markets. Elopak also provides operators and technical training for its customers and offers in-house food and material lab off-taste testing, and benchmarking services analysing entire flow through the milk processing and filling lines.

Elopak sells its packaging solutions to a diversified customer base, including leading international blue-chip companies[36] and established national and regional food and beverage companies. Elopak's products are integrated into its customers' value chains and enable them to preserve, protect and market their products while fulfilling the production requirements of their high-volume operations. The use of Elopak's cartons supports customers in meeting their sustainability targets. Elopak has a long, well-established track record, coupled with deep system knowledge supported by a long history of packaging innovation*, as well as* collaboration with its customers and partners. Elopak believes these qualities have positioned it as a strong industry partner for its global customer base.

Elopak has a global footprint with customers, employees and manufacturing sites and offices worldwide. Elopak has nine manufacturing sites, including eight converting plants for carton manufacturing with two plants located in the Netherlands (coating and converting Pure-Pak®) and one plant located in each of Denmark (coating and converting Pure-Pak® and Roll Fed), Ukraine (coating and converting Roll Fed), Russia (converting Pure-Pak®), Canada (converting Pure-Pak®), Mexico (coating and converting Pure-Pak®, operated by joint venture)[37] and the Dominican Republic (converting Pure-Pak®, operated by joint venture)[38] and one site for filling machine assembly located in Germany. In addition, Elopak has two corporate locations with its headquarters located in Oslo, Norway and corporate offices with a technology centre in Spikkestad, Norway.

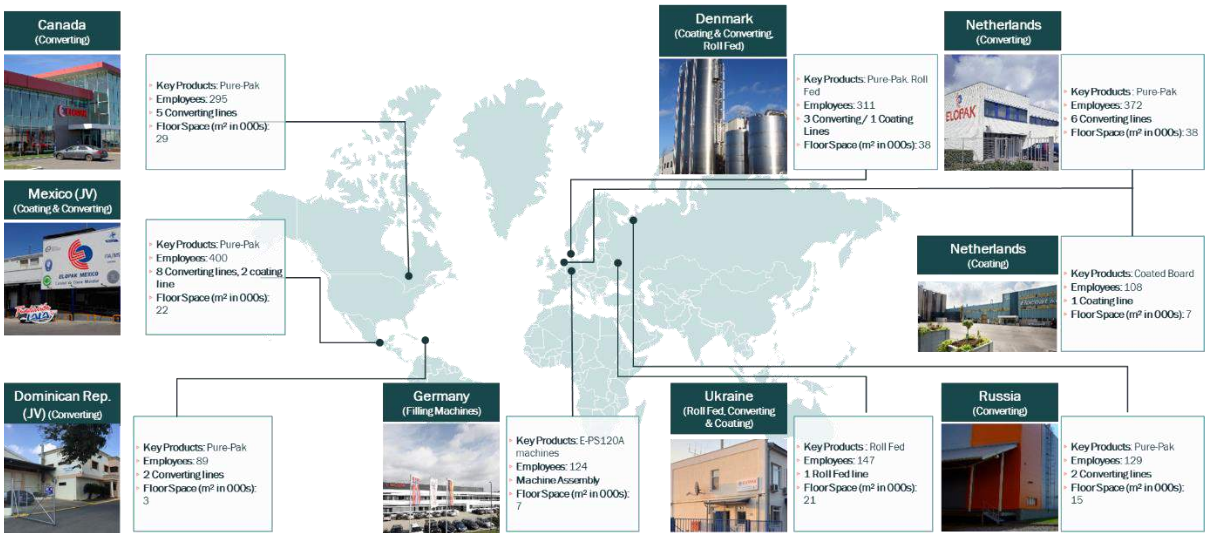
A figure showing Elopak's global presence is included below.

[35] Source: Roland Berger market study, February 2021. Rank based on interviews with market participants assessing market perception of key players.

[36] A nationally recognized, well-established, and financially sound company. Blue chips generally sell high-quality, widely accepted products and services.

[37] Plant owned by JV Envases in Mexico (Elopak shareholding of 49%)

[38] Plant owned by JV Impresora in Dominican Republic (Elopak shareholding of 51%)

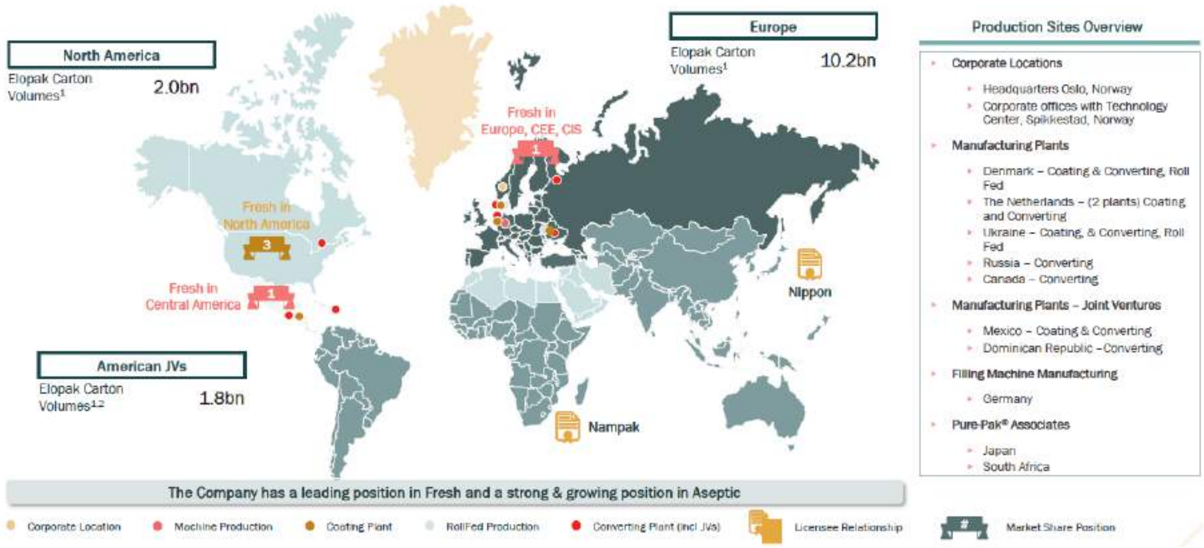


7.2 Key strengths

7.2.1 Leadership

Elopak is a leading global player in fresh liquid carton packaging

Elopak has a leading position in Fresh with a strong and growing position in Aseptic. According to Roland Berger, Elopak holds the number 1 position in Fresh in Europe, CEE and CIS, as well as in Central America. According to surveys conducted by Roland Berger, Elopak also holds the number 3 position in Fresh in North America[39]. Having launched Aseptic Pure-Pak® in 2014, Elopak has been winning customers through both non-system Roll Fed and Pure-Pak® aseptic system sales. In the aseptic segment, Elopak holds the number 3 position in Aseptic in Northern Europe, North America and Central America (according to Roland Berger) [40].



Furthermore, Elopak operates in the attractive and growing carton markets. The global addressable liquid carton packaging market is expected to grow by a 3.8% CAGR from 2020E to 2025E, of which

[39] Source: Roland Berger Market Study, February 2021

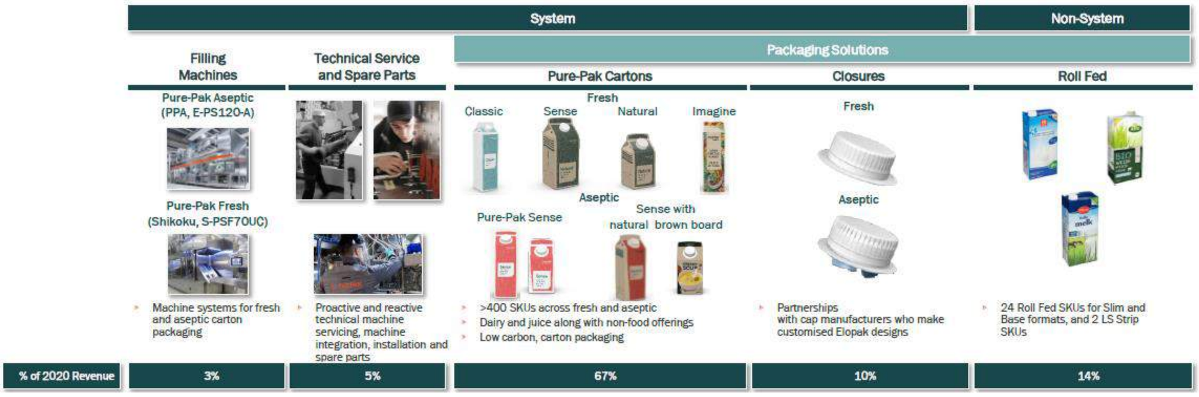
[40] Source: Roland Berger Market Study, February 2021

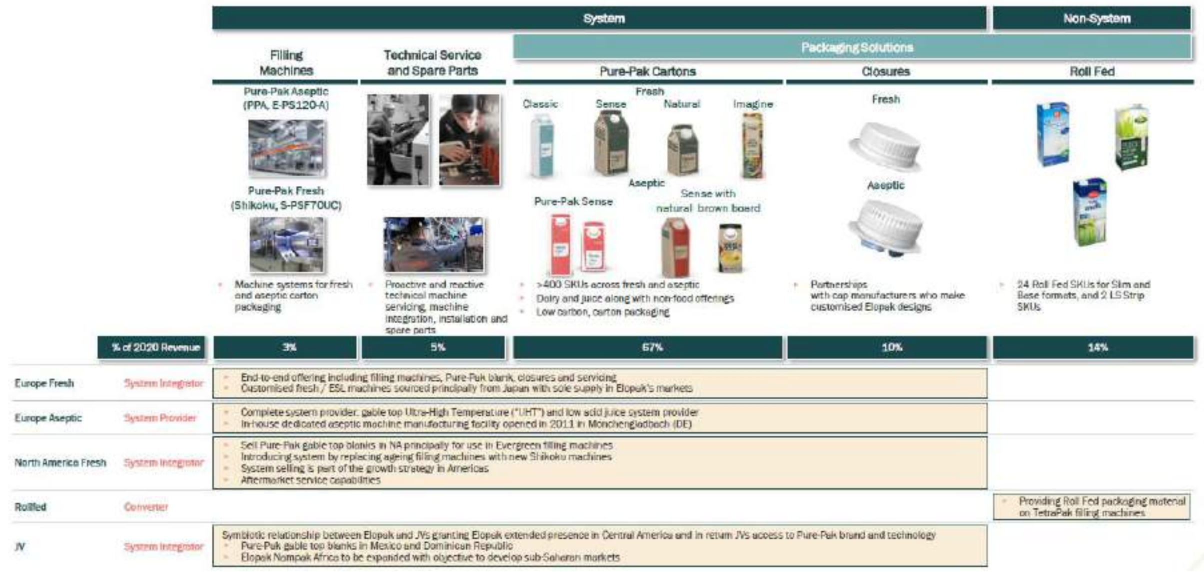
Fresh volume growth is expected to be 2.0% and Aseptic volume growth is expected to be 4.4%[41]. This market growth is supported by sustainability trends which favour carton products over alternatives and fundamental drivers including macroeconomic conditions and projected customer demand.

Complete end-to-end high quality product suite

Elopak provides not only packaging materials, but also filling machines, services and spare parts associated with packaging materials to its customers. Elopak's complete end-to-end offering includes a high quality, innovative full-service platform for Elopak's customers. The end-to-end offering enables Elopak to support customers across the customer journey, and positions Elopak as a one-stop shop for customers. Elopak's offering covers filling machines for both fresh and aseptic segments, technical service & spare parts, Pure-Pak® cartons, closures and Roll Fed. Elopak is a system integrator in Europe Fresh, North America Fresh and through its JV operations. Elopak is a system provider in Europe Aseptic and a converter in Roll Fed. For more information, refer to Section 7.5 ".

The following figure gives an overview of high quality complete end-to-end solutions





Elopak believes that the distinctive characteristics of its cartons offer a more appealing product presentation at point of service as well as an enhanced brand experience through Elopak's flexible, functional gable top cartons. Given its high quality product suite, Elopak is not only able to successfully retain customers on its system, but also able to attract new customers through non-systems sales which it then seeks to convert to system users.

[41] Source: Roland Berger Market Study, February 2021

Deep customer relationships

Elopak has deep customer relationships with high customer loyalty. This is reflected through its high levels of customer continuity, with the same top 10 carton customers representing annual sales of 4-4.5 billion units over the last 3 years and customer relationships averaging 15 years. These customer relationships are served by approximately 65 sales professionals, with an average experience of more than 11 years. Customers are serviced holistically through Elopak's centralized key account management professionals while customers' local needs are addressed through Elopak's regional representatives.

7.2.2 Sustainability and innovation

At the forefront of sustainable packaging

Consumers are increasingly looking for sustainable packaging from environmentally responsible companies, Consequently FMCG companies as well as retailers have committed themselves to reduce their climate impact through cutting CO2 emissions. Packaging by Nature is what Elopak stands for and Pure-Pak® is the natural solution. Elopak believes it is one of the first manufactures to deliver over one billion 100% renewable cartons and is one of the first verified companies globally committed to the UN's Business Ambition of max 1.5°C temperature increase. Elopak has successfully and continuously improved its product portfolio, with innovative products reducing its carbon footprint and becoming more sustainable over time. This has led to a 70% reduction in Elopak's greenhouse gas emissions per carton since 2008 and a 20% reduction in the carbon footprint of cartons with closures since 2014.

Elopak's sustainability characteristics are augmented by Elopak's innovative products, including the Pure-Pak® Sense which was launched in 2013/14 and is designed with easy fold lines for easier recycling and reducing food waste and Pure-Pak® Natural launched in 2018, a fully renewable carton which has a lower carbon footprint than cartons made with standard board. Elopak's latest product roll-out, Pure-Pak® Imagine, is Elopak's most sustainable carton to date. The carton does not have a plastic screw cap and is 100% forest-based with Natural Brown Board. Overall, the carton has 90% less plastic than a PET bottle, 46% less plastic than a carton with a cap and is 100% wood based and renewable. Elopak aims to have 70% of all beverage cartons be recycled in the EU and Canada by 2025. According to Roland Berger, current recycling rates are 51% and 58% for carton and PET, respectively. Approximately 7% of Elopak's total global sales and approximately 20% of fresh milk sales in Europe are with renewable polymers.

Strong and robust innovation pipeline

Elopak has a strong track record of innovating its product portfolio to improve efficiency and customer satisfaction. Elopak has a strong pipeline, supported by its proprietary filling machine and exclusive Shikoku contracts. In Fresh, the Pure-TwistFlip is an offering that will provide customers with tethered twist and flip caps, and its Pure-Pak® Zero series will be a carbon neutral offering, offering a circular closure solution that requires less plastic. In Aseptic, the Pure-Pak® "Non-Foil" offering will replace the use of aluminium foil in aseptic cartons, using a barrier technique similar to that used in Fresh cartons. Pure-Pak® Sense "No Cap" will use less plastic and is more sustainable with a smart opening, targeting the mid-to-high tier aseptic segment. The Elopak Machine Platform ("**EMP**") is a newly developed proprietary modular based machine, expected to be launched in Q3 2021, which provides enhanced functionality and flexibility in production with new packaging formats and sizes.

Unique offering of low acid gable top aseptic cartons

Elopak has developed unique low acid gable top aseptic cartons, which are enabled through its proprietary and in-house manufactured filling machine (E-PS120A). The cartons have a premium appearance and convenience and are available in three different carton sizes (500ml, 750ml and 1000ml) with two difference cap sizes for each. The proprietary and differentiated technology (E-PS120A machine) is a key enabler of Elopak's aseptic cartons. Machine highlights include:

- High machine output: 12,000 cartons / hour
- High flexibility: Carton design changes in a few minutes with no parts change
- Integrated data recording capability
- Minimal manpower required: Semi-automatic blanks feeding, automatic blanks feeding optional
- Low utility consumption and operating costs

- Fully automatic cleaning and sterilisation system

7.2.3 Profitable growth

Resilient financial profile with strong profitable growth momentum

The Group achieved resilient financial performance in 2020 despite COVID-19, with strong growth in its EBITDA and margins. Adjusted EBITDA margins have increased 2.3% from 2019 to 2020, with 2020 improvement mainly driven by operational labour efficiencies in Europe, waste reduction in North America, positive segment / mix effects and pricing impact from the continued focus on commercial excellence initiatives.

Highly experienced management team

Elopak has a highly experienced management team with previous experience from other packaging companies, customers and raw materials suppliers. The management team has successfully combined their skills and experience to achieve profitable growth. Following the arrival of its new CEO and CFO in 2018 and 2019, respectively, Elopak has achieved a 21% EBITDA CAGR and EBITDA margins have expanded from 9.1% in 2018 (on a pre-IFRS 16 basis) to 11.2% in 2019 (on a post-IFRS16 basis) and to 13.5% in 2020 (on a post-IFRS 16 basis)[42].

Clear growth roadmap

Elopak has a clearly defined sustainability driven profitable growth strategy. Further explanation is included in the strategy section.

7.3 Strategy

The Group's strategy is to continue its sustainability driven profitable growth strategy. The Group will seek to achieve this through a combination of i) expanding its fresh offering in North America, ii) rolling out the aseptic growth roadmap, iii) broadening its geographic footprint starting with MENA, iv) supporting plastic to carton conversion and v) continuing its commercial excellence improvements.

Fresh Opportunity in North America

Elopak's Americas strategy will help drive regional growth, and the focus on fresh innovative products, end-to-end solutions and juice roll out allows Elopak to benefit from the forecasted market growth as well as market share growth. Based on company analysis, approximately 340 filling machines out of approximately 1,000 installed base in the Americas region are in their replacement cycle, and this provides an opportunity for Elopak to grow in the region.

66% of filling machines in the region are older than 15 years, 32% are between 16-25 years old, 24% are between 26-35 years old and 10% are between 36-43 years old. The age of the installed base is particularly evident when comparing against Europe, where the average age is ~15 years. In general, filling machines that are older than 25 years in age are due to be replaced, and based on the current US market breakdown 34% will likely need to be replaced. Of the existing machines, a single competitor has installed 90% of the installed base. Elopak believes this market backdrop provides a significant opening for Elopak, as producers will be increasingly required to replace filling machines and are also looking for both new technologies and alternatives to existing machine and packaging suppliers.

Elopak has the right product offering to address the region's needs. Elopak's juice board offering is now available in North America, allowing Elopak to grow in the juice segment in North America and providing it with a significant opportunity to increase fresh juice carton sales volumes, totalling 30 million in 2020. Elopak is due to launch a brown board gable top tailored to North America in 2021. Elopak believes this launch will provide it with a competitive advantage relative to peers. Elopak will become the only provider of a brown board gable top, which is in strong demand by customers and end consumers. Through system selling and using caps as door openers, Elopak plans to continue generating organic growth through new customer wins, including Danone, M&B products and Florida Natural. Installing machines

[42] The Group applied IFRS-16 in 1-Jan-2019, therefore 2018 EBITDA is on a pre-IFRS-16 basis, while 2019 and 2020 figures reflect the application of IFRS-16. The implementation of IFRS-16 had a positive impact on reported EBITDA of EUR 16m in 2019.

leads to carton sales, and caps are a clear opportunity for Elopak to open doors as many competitors are failing to supply caps to their customers. Elopak believes its relationships with closure providers creates selling channels for cartons and filling machines. In order to drive the growth, Elopak has expanded the Americas sales force and developed sales tools including market intelligence, developing strategic branded sales presentations and direct marketing. The strategy has proven effective through recent client wins, and the Company is currently in discussions with new potential clients.

The introduction of juice cartons and natural brown board cartons in the Americas will be crucial for Elopak's further growth in the United States and Canada. In particular, the growth in the juice market will be challenging as Elopak will then challenge its biggest competitor Evergreen in a market where Evergreen historically had good profitability. The aftermarket services are also strengthened and are expected to be a key factor for a successful introduction of Elopak's new products that Elopak expects to contribute to growth in the Americas.

Roadmap to Deliver Growth in the Aseptic Segment

Elopak has a clearly defined Aseptic Strategy and the roadmap is divided into two phases, with further potential upsides. In the near term the Company plans to focus on profitable segments within the existing platform, focus on mid to high tier juice, plant based and other products and also replace the use of aluminium foil, improving sustainability features and providing a high quality, cost competitive solution. In the medium term, the Company will look to increase its profitability and its addressable markets through the development of Pure-Pak® Sense "no cap***",*** the new EMP and through the development of new, more affordable formats to target the mid-tier segments. Elopak has also identified several additional upsides that will require additional investments that are not built-in in the base case, including further E-PS120A machine rollout, a portion pack product and the potential from new, not previously targeted geographies.

Currently, Elopak has approximately 40 E-PS120A aseptic filling machines already installed as of 2020 and future installations of both EMP and E-PS120A aseptic filling machines will support the aseptic growth. For reference, EMP is based on a proprietary modular concept, providing enhanced functionality with new packaging formats and sizes and scalable throughput levels. As a result, several machine configurations are possible with a shortened time to market. Given the reduction in customer total cost of ownership (TCO) that EMP represents, the machine offering is expected to support the aseptic roll out strategy.

Elopak's strategy for growth in the aseptic segment presupposes a successful introduction of EMP, with good quality and subsequent acceptance by customers in the aseptic market (proof of concept).

Strengthen Presence in the MENA Region

The MENA region presents attractive growth opportunities driven by mega trends, and Elopak is well positioned to strengthen its presence in the region. The MENA region has a total population of 235 million which is expected to grow at more than 1.6% annually to 2025, accompanied by regional macro and social drivers, MENA is one of the fastest growing regions for carton sales according to Roland Berger. Carton volumes are expected to grow by a CAGR of 3.2% from 2020 to 2025.

Importantly, Elopak is well positioned and ready to capture further growth. Elopak is already present in the region and is familiar with the market dynamics. Elopak's strategy to grow in the region includes adapting its offerings to local market demand, including shelf life, size and formats, and expanding access to new countries with scale and growth and efficient supply chains.

Plastic to Carton Conversion Creates an Opportunity for Dairy and Fresh, as well as a Non-Food Opportunity

There is increasing consumer concern over plastics, also indicated by a decline in PET filling machines in mature markets, leading to a shift in market patterns. The initial switch has been evident on standard applications that already use both cartons and PET bottles, including dairies and juices, with carton taking market share from PET. Looking forward, there is potential to increase carton penetration due to more ambitious sustainability targets / regulations including government measures to reduce plastics and accelerate decarbonisation.

FMCG companies are driving demand for "cleaner" package materials such as cartons. Examples include (i) Nestlé's Smarties announcement that it will switch to recyclable paper packaging for its confectionery products worldwide and (ii) McDonalds' switch from plastic lid and spoon to carton for its McFlurry brand.[43] Cartons are viewed as a sustainable alternative to various other package materials and there are strong environmental economics supporting the trend of moving from PET and glass bottles to cartons as elaborated on in section 6.2.3 Sustainability.

A recently launched product is BraTee, the Iced tea brand of Germany's best-selling rapper Capital Bra. Pure-Pak® monthly sales volumes for BraTee has shown a spectacular growth since its launch, with 12m cartons sold in April 2021 from 1m in December 2020. Within only 2 months of the launch of BraTee, it outperformed latest product launches from leading market players in PET. Management believe this marks the transition of the German ice tea market from PET to carton.

Elopak is using its capabilities in Fresh to drive the move from PET to cartons and growing in new categories such as non-food. The enhanced environmental performance of Elopak's cartons makes them suitable replacements to plastic packaging.

For example, Elopak has partnered with Orkla / Klar and provided carton packaging. Carton packaging has a strong brand fit with the Klar brand and fits well with Orkla's sustainability strategy. Consumer feedback surveys showed a very positive feedback for Klar branded detergents and soap packed in gable top cartons branded as D-PAK™. Orkla completed the first filling of the soft launch volume which is available to purchase on the Klar website. The first machine will have a capacity of 14 million cartons and will be installed by Q3 2021.

Commercial Excellence Levers

Elopak's commercial excellence levers have helped drive its margin improvement since 2018. In 2019, Elopak committed to a price increase which was broadly accepted by customers. This price improvement, coupled with a decrease in raw material costs, supported Elopak's margin improvement. Elopak managed to increase its Adjusted EBITDA margin by ~2.3% in one year, from 11.2% in 2019 to 13.5% in 2020. Elopak's commercial excellence initiative is underpinned by multiple levers with further upside potential. Three key levers include i) margin optimisation, ii) purchase and value engineering and iii) operational improvement.

Margin optimisation is driven by a pricing excellence programme developed by Elopak. Elopak has strengthened pricing governance through increasing internal price transparency, improvements in price steering, price setting and control processes. The programme is underpinned by the identification of where Elopak can add more value to customers and help them with their businesses. Furthermore, upgrades to the Elopak SAP tool provide further structure to the process.

Purchasing and value engineering drive further margin improvement. Value engineering enhances improvement through light-weighting and introduction of new board structures. Continuous upgrades of products post launch and researching alternative polymers as part of environmental agenda further delivers margin improvements.

Operational improvement: Elopak's flagship "Elovation" programme focuses on TQM and Lean continuous improvement. Elovation focuses on waste reduction from production processes and transforming plant footprint strategy from "local production" set-up to "logistic/capability driven" to reduce total costs. Elopak executed on plant footprint optimisation in 2020 through the closing of the Speyer facility. Elopak has also increased digitalisation as a tool to achieve lower cost & improved customer experience.

During the COVID-19 pandemic, it has proved more challenging to sell new filling machines to customers, and also to establish new customer relationships. The longer the COVID-19 pandemic lasts, the longer it may take before Elopak will be able to return to normal sales routines towards its customers. This poses a timing risk given Elopak's business plan and plans for further growth, if the COVID-19

[43] Sources: Nestlé press release 26 Jan 2021 and McDonalds press release 21 Jun 2019, respectively

pandemic proves to last longer than 2021.Further, Elopak's cost base is affected by price developments in global markets for both pulp and paper, LDPE and aluminium. In the short-term, Elopak is hedged against fluctuations through long-term contracts for paper boards, but the long-term development in the pulp market may have an impact on Elopak's costs. Elopak also carries out financial hedging of both LDPE and aluminium prices on a 6-18 month basis, but will be exposed to long-term developments in these prices.

7.4 History and important events

Elopak was founded on 11 February 1957 in Norway. The Company acquired the rights to import, install and service filling machines, plus the license for the production of Pure-Pak® blanks, from the United States in the 1950s. The Pure-Pak® cartons date back to 1915 with the US patent office granting the first patent for a “paper bottle”, the first gable top carton called Pure-Pak®. The first Elopak plant was in Spikkestad, Norway and was completed in November 1957.

Elopak gradually became an international player within liquid packaging through expanding beyond the Nordic region, entering the Netherlands, France, Germany, Italy and Switzerland at the end of the 1960s, followed by Spain and the United Kingdom in the early 1980s. In 1987, Elopak acquired the filling machine manufacturer Ex-Cell-O’s entire packaging division and became the owner of the Pure-Pak® brand worldwide. Elopak then started to develop its own filling machines at its plant in New Hudson, Michigan and developed the first aseptic filler for juice in collaboration with the Japanese manufacturer Shikoku Kakoki Co., Ltd. ("**Shikoku**"), which was launched in 1992. Elopak continued its international expansion in the 1990s when it entered the markets of Russia, Ukraine, Finland and Canada, as well as forming a joint venture in Mexico. Further, in 2007, Elopak also acquired a joint venture interest in the Dominican Republic which led to Elopak entering the Caribbean market.

In 2000/2001, Elopak entered into the aseptic juice market, and in 2011, Elopak established its filling machine manufacturing plant for its aseptic portfolio in Mönchengladbach, Germany. In 2013, Elopak proceeded with its expansion in the aseptic segment when it started production of Roll Fed aseptic packaging materials in 2013.

Elopak's long-standing focus on the environment and innovative development has led to a number of initiatives both for Elopak's plants and products. In 2010, Elopak became Forest Stewardship Council (FSC) certified. In 2015, Elopak committed to sourcing of 100% renewable energy through the RE100 campaign. A number of sustainable products have been launched from 2014 to date, including Pure-Pak® Sense, the first 100% renewable Pure-Pak® carton, which was launched in 2014. The first Pure-Pak® aseptic cartons for the low acid product category were introduced in 2016. Carbon Neutral packaging was introduced in 2016 and in 2017, and Elopak then launched its first cartons made with natural brown board, Pure-Pak® Natural, in the fresh segment in 2017. Elopak introduced natural brown board cartons to the aseptic segment in 2018.

From the year 2010 to and including the year 2014, the Group's annual revenues were relatively stable with EUR 778 million in 2010, EUR 780 million in 2011, EUR 781 million in 2012, EUR 769 million in 2013 and EUR 776 million in 2014. 2015 marked the first full year of Roll Fed revenues and the launch of Aseptic Pure-Pak®, which was a contributor to the increase in the Group's annual revenues to EUR 856 million in 2015. From the year 2015 to 2020, Elopak grew stronger than the underlying market with PET gaining share compared to carton in 2015-2020 and the carton market contracting approximately 2-3% annually[44], which contributed to annual revenues of EUR 872 million in 2016, EUR 910 million in 2018, EUR 906 million in 2019 and EUR 909 million in 2020.

[44] Roland Berger Market Study February 2021

The table below shows a summary of key historical events of the Group:

Year	Event
1915	US patent office grants first patent for a "paper bottle", the first gable top carton called Pure-Pak®
1957	Elopak (European Licensee of Pure-Pak) founded
1957	Building of the first converting plant in Norway
1958	First carton deliveries to customers
1967	Begins to expand outside the Nordics, including the Netherlands
1987	Becomes owner of the Pure-Pak® license worldwide
1992	First aseptic filler for juice launched
1992	Market entry in Russia
1997/1998.	Joint venture interest acquired in Mexico
2001/2002.	Entry into aseptic juice market
2007	Joint venture interest acquired in Dominican Republic to serve the Caribbean market
2011	Opening of new plant in St. Petersburg, Russia
2011	New filling machine manufacturing plant opened in Germany for development of aseptic filling machines
2013	Production of Roll Fed aseptic packaging material begins
2013	First E-PS120A filling line was released to the German market
2014	Introduction of Pure-Pak® Sense and 100% renewable carton
2016	Introduction of carbon neutral packaging
2017	First cartons made with natural brown board which are fully renewable and recyclable
2018	Elopak becomes first manufacturer to deliver over 1 billion 100% renewable cartons
2020	Sale of joint venture in Saudi Arabia
2021	Establishment of joint venture in Sub-Saharan Africa

7.5 The Group's business activities

7.5.1 Overview

Elopak operates in the liquid carton packaging market catering to both the fresh and aseptic segments (please see Section 6.1 "The addressable market" for a description of these two segments) where it offers three different concepts to its customers as part of its end-to-end offering.

The first concept is Elopak as a "system integrator", offering a complete end-to-end offering. Elopak's system integrator offering is mainly the fresh segment in Europe and North America and through Elopak's joint ventures in Mexico and the Dominican Republic. Elopak's system integrator offering consist of (i) fresh filling machines which Elopak either sources from third-parties, such as Shikoku or Galdi, which Elopak onsells to its customers, (ii) Pure-Pak® cartons, (iii) carton packaging closures, which Elopak sources from third parties, and (iv) technical services and spare parts.

Elopak as a "system provider" is mainly the aseptic segment in Europe. Elopak's system provider offering consist of (i) aseptic filling machines manufactured by Elopak at its manufacturing facility in Germany, (ii) Pure-Pak® cartons, (iii) carton packaging closures, which are sourced from third parties, and (iv) technical services and spare parts. The main difference between Elopak acting as a system integrator and a system provider relates to whether the filling machine systems are developed and manufactured by Elopak itself or Elopak sourced from third-parties. As a system provider Elopak's filling machines are required in order to use the Pure-Pak® cartons, while in the system integrator concept, it is technically possible to use other materials than Pure-Pak® cartons on Elopak's delivered fresh filling machines. However, given the value of having a total solution Elopak experiences that there are few customers which does not choose the end-to-end offering. This applies primarily to the European region as the Pure-Pak® cartons supplied by Elopak in the Americas are used with Evergreen machines.

As a "converter", Elopak's offering consists of providing its customers with non-systems sales of Roll Fed packaging materials. Elopak's Roll Fed packaging materials are sold to customers on a reel that is fed into a filling machine for further finalising. The Roll Fed offering is primarily focused on Europe.

Elopak derives its revenue from its customers from the offerings within each of the three concepts. With respect to Elopak acting as a system integrator and system provider Elopak generates revenue by entering into commercial contracts for sale or rental of the filling machine, which leads to contracting of blanks, closures and often after-market services and spare parts. These contracts typically have a duration of 5-7 years.

Elopak's end-to end offering provides a high quality, innovative full-service platform to Elopak's customers. According to Roland Berger, Elopak has a leading market position in its core regions, and is especially strong in fresh dairy in Europe. Please see Section 7.2.1 "Leadership" for further information on Elopak's market position.

An overview of Elopak's end-to-end offering is included below:

Europe Fresh	System Integrator	• End-to-end offering including filling machines, Pure-Pak blank, closures and servicing • Customised fresh / ESL machines sourced principally from Japan with sole supply in Elopak's markets
Europe Aseptic	System Provider	• Complete system provider: gable top Ultra-High Temperature ("UHT") and low acid juice system provider • In-house dedicated aseptic machine manufacturing facility opened in 2011 in Monchengladbach (DE)
North America Fresh	System Integrator	• Sell Pure-Pak gable top blanks in NA principally for use in Evergreen filling machines • Introducing system by replacing ageing filling machines with new Shikoku machines • System selling is part of the growth strategy in Americas • Aftermarket service capabilities
Rollfed	Converter	• Providing Roll Fed packaging material on TetraPak filling machines
JV	System Integrator	Symbiotic relationship between Elopak and JVs granting Elopak extended presence in Central America and in return JVs access to Pure-Pak brand and technology • Pure-Pak gable top blanks in Mexico and Dominican Republic • Elopak Nampak Africa to be expanded with objective to develop sub-Saharan markets

Elopak's Pure-Pak® cartons are the Group's largest offering and accounted for 67% of Elopak's revenue in 2020[45], while Roll Fed, closures, aftermarket services and spare parts, and filling machines accounted for 14%, 10%, 5% and 3%, respectively, of Elopak's revenue in 2020[46][47].

7.5.2 Elopak Product and Solutions overview

Pure-Pak® cartons

The Pure-Pak® cartons are the core of Elopak's end-to-end offering, and accounted for 67% of Elopak's revenue in 2020[48]. Elopak provides Pure-Pak® cartons in all markets in which it operates, including Europe and North America, and for both the Fresh and aseptic segments.

Elopak's Fresh carton offering accounted for EUR 612 million in revenue for Elopak in 2020 and the Fresh carton volumes amounted to 7.9 billion. The dairy product segment is the largest segment in Elopak's Fresh carton offering and accounted for 85% of the fresh carton volumes in Elopak's Fresh carton offering in 2020. In 2020, the Aseptic carton volumes amounted to 1.4 billion. The juice product segment is the largest segment in Elopak's Aseptic carton offering and accounted for 66% of the aseptic carton volumes in Elopak's Aseptic carton offering in 2020.

Elopak has over 400 SKUs across the Fresh and aseptic segments covering primarily dairy and juice end-markets, including the well-known Pure-Pak® carton brands; Pure-Pak® Classic, Pure-Pak® Sense, Naturally Pure-Pak® and Pure-Pak® Imagine. In the European fresh segment Elopak offers Pure-Pak® cartons to be used across various filling machines and products, while in the North American fresh segment the Pure-Pak® cartons are principally used in Evergreen's filling machines (Evergreen is a packaging company which provides fresh/ ESL filling machines to the North American market). In the European aseptic segment, Elopak offers Pure-Pak® cartons for UHT products, juice and plant-based products.

Pure-Pak® cartons provide competitive advantages to Elopak's customers compared to other cartons. The Pure-Pak® cartons keep products fresh using significantly less plastic than alternative containers[49], and Elopak is constantly working on reducing the plastic content of its cartons to remain the preferred choice of environmentally responsible businesses. Further, the board used to produce Pure-Pak® cartons originates from wood fibre from sustainable forestry, and are fully recyclable. The flattened Pure-

[45] Excludes proportional sales from joint ventures

[46] Excludes proportional sales from joint ventures

[47] Remaining 1% relates to other revenues

[48] Excludes proportional sales from joint ventures

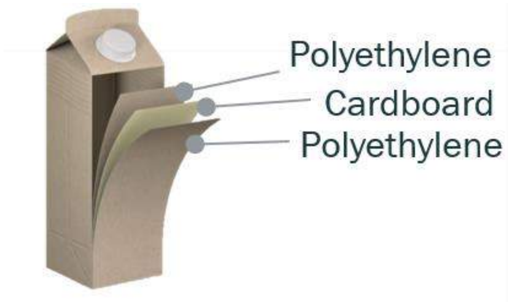
[49] Source: Roland Berger market study, February 2021

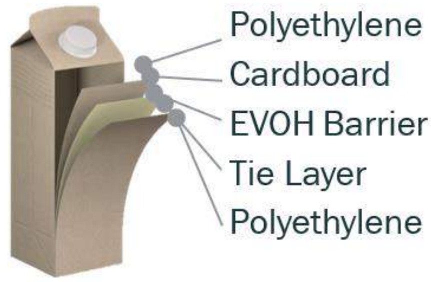
Pak® blanks enables Elopak's team to ensure a more efficient distribution before filling, further minimising environmental impact by reduced food waste. The Pure-Pak® cartons consist of on average 75% paperboard, which is naturally made from wood fibre, and Elopak's renewable packaging has a lower carbon foot-print than fossil-based alternatives and safeguards resources for generations to come. Of Elopak's total raw materials used in 2020, 87% were from renewable sources.

The Fresh Pure-Pak® cartons are used for beverages and liquid food with short expiry dates that are to be kept chilled during transportation and storage, for example pasteurized milk which has approximately up to 14 days of shelf life, which is considered as standard short shelf life or ESL milk which has a shelf life of 30-90 days.

With respect to fresh products with a short shelf life the paperboard provides stability and polyethylene prevents weight loss through water evaporation and protects the product itself. Further, with respect to ESL products in chilled distribution**,** Fresh Pure-Pak® cartons have an additional Ethylene vinyl alcohol ("**EVOH**") barrier which acts as a barrier against oxygen and gas. Fresh Pure-Pak® cartons are filled with the customer's product using the customer's fresh filling machines via a process whereby a carton is filled with processed product.

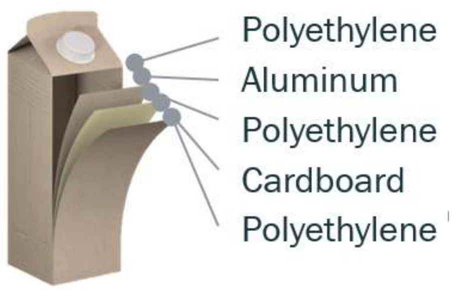
The figures below show the Fresh Pure-Pak® cartons for standard short shelf life and ESL, respectively:





The Aseptic Pure-Pak® cartons are used for beverages and liquid foods that are stored in an ambient environment over a longer time period with a shelf life of 6-12 months. The long shelf life of aseptic products require additional material and layers compared to the short shelf life products, such as aluminium which acts as a barrier against light and oxygen and polyethylene which also functions as a glue between the boards and the aluminium. The customers' products are filled into the Aseptic Pure-Pak® cartons using the customer's aseptic filling machine by thermally sterilized liquid products being packaged into sterilized cartons under sterile conditions.

The figure below shows the Aseptic Pure-Pak® cartons:



In 2013/2014, Pure-Pak® Sense, was launched. It offered improved appearance and functionality with easy fold lines for easier emptying, folding and disposal, contributing to less food waste and easier recycling. The first Pure-Pak® aseptic cartons for the low acid product category, which includes Pure-Pak® Sense, were introduced in 2015. Elopak introduced Carbon Neutral packaging in 2016 and in 2017.

For Elopak's customers who want to offer environmentally friendly packaging solutions to end-consumers, Elopak offers its cartons made with natural brown board having a lower carbon footprint than cartons made with standard board. All cartons are fully recyclable and can be made fully from renewable sources, i.e. made from wood fibres, reducing the already low carbon footprint of cartons even further. By using renewable, recyclable and sustainably sourced materials, these innovative packaging solutions offer a natural and convenient alternative to plastic bottles to meet the needs of a low carbon circular economy. The first cartons made with natural brown board, Pure-Pak® Natural, were launched in the fresh segment in 2018. In 2018, Elopak also introduced the natural brown cartons to the aseptic segment. The natural brown board is available in the Pure-Pak® Sense carton and the Pure-Pak® Imagine carton, which is Elopak's most sustainable carton to date. Elopak launched the Pure-Pak® Imagine cartons in 2020.

The Pure-Pak® Imagine carton is a modern version of Elopak's original Pure-Pak® carton, and is designed with an easy open feature. This carton uses wood-based renewable plastics. The Pure-Pak® Imagine carton does not use a plastic screw cap and thus uses 46% less plastic compared to a carton with a closure, and 10 times less plastic than the average PET bottle[50]. Further, the Pure-Pak® Imagine carton is made with natural brown board, which is 100% forest based and is FSC and CarbonNeutral certified. The uniquely shaped top fin guides consumers that are less familiar with cap-free cartons on how to open these. Elopak hence supports its customers introducing these environmentally packaging solutions.

The figure shows an overview of Elopak's Pure-Pak® carton portfolio in the fresh segment:

Pure-Pak® Classic

Pure-Pak® Sense

Naturally Pure-Pak®

Pure-Pak® Imagine

[50] Management estimate.

The figure shows an overview of Elopak's Pure-Pak® carton portfolio in the aseptic segment:

Pure-Pak® Sense Aseptic

Pure-Pak® Sense Aseptic with Linear Corner Panel

Pure-Pak® Sense Aseptic - Natural Brown Board

Elopak has a strong innovation pipeline with new Fresh and Aseptic cartons going forward consisting of the following cartons:

Fresh

Pure-TwistFlip providing customer with tethered twist and flip caps, a complete and optimized packaging system while addressing another global challenge, i.e. reducing marine litter.

Pure-Pak® Original Series, a complete and optimized packaging system with circular closure solutions making considerable amounts of plastic being reused and kept away from nature.

Pure-Pak® Zero Series, the carbon neutral version of the Pure-Pak® Original Series, driving zero carbon circular packaging solutions.

The Pure-Pak® Original and the Pure-Pak® Zero Series constitutes a new, complete and optimized packaging systems developed with sustainability in mind.

Pure-Pak® Original Series

Pure-TwistFlip

Pure-Pak® Zero Series

Aseptic

Pure-Pak® cartons "Non-foil" which replaces use of aluminium foil in aseptic cartons and uses a barrier technique which is similar to the fresh cartons.

Pure-Pak® Sense "No Cap" which is a gable top solution with smart opening, reducing use of plastics.

Pure-Pak® cartons "Non-foil"

Pure-Pak® Sense "No Cap"

Roll Fed

Elopak launched its Roll Fed offering in 2014, and it now represents the second largest revenue source in the Group's offering and accounted for 14% of Elopak's revenue in 2020.[51]

Elopak's Roll Fed offering consists of offering of packaging materials in the form of a reel to its customers within the aseptic segment. In addition, Elopak offers technical support and food science expertise to its Roll Fed customers from Elopak’s technology centre in Norway as well as customer support from Elopak's specialist customer support engineers based across Europe, Russia and in North America. Elopak's Roll Red packaging materials are used in common Roll Fed Aseptic carton filling machines which are designed for filling the customer's end-product into the packages. Elopak does not offer filling machines to its customers within Roll Fed for this filling process.

The continued development of Elopak's Roll Fed offering since its introduction has enabled Elopak to currently provide Roll Fed packaging materials for 24 SKUs for Slim and Base formats and 2 Longitudinal Sealing (LS) Strip SKUs. Elopak's Roll Fed's are available in 1 litre and 200 ml within the slim and base formats and in 1 litre within the Slim PLH format. In 2020, the 1 litre format accounted for 63% of Elopak's Roll Fed package volumes. Elopak has had a strong ramp-up of its Roll Fed offering, increasing its Roll Fed volumes based on litre equivalents ("**LEQ**") from 0.1 billion in 2014 to 2.2 billion in 2020. Elopak has been able to achieve growth in its Roll Fed offering through its existing customer base already using Pure-Pak® cartons.

The Roll Fed filling machine is fed with packaging material in the form of reels. The reels form a continuous stream with sterilization, filling, cutting, sealing and folding carried out along the process.

The figure below shows the Roll Fed filling process:

[51] Excludes proportional sales from joint ventures

The figure below shows examples of Roll Fed cartons after completion of the filling process:

Closures

Closures have become an important part of carton packaging as market demand has increased for products with resealable closures (herein referred to as closures). The first Pure-Pak® carton with a resealable closure was introduced in 1991, in an early phase of the resealable closure trend. Closures accounted for EUR 87 million in revenue for Elopak in 2020, which constituted 10% of Elopak's revenue in 2020. In 2020, Elopak's closure volumes amounted to 6 billion. The fresh segment accounted for 76% of Elopak's closure volumes in 2020, while the aseptic segment account for the remaining 24% of Elopak's closure volumes in 2020. Around 8% of the materials comprising closures are made from renewable materials.

Elopak offers a wide range of closures, including the Elo-Caps and the Pure Twist closures. Elopak does not produce the caps itself, but has entered into partnership with cap manufacturers, including Bericap and United Caps, which manufacture customised caps for Elopak based on Elopak designs. Elopak provides project management, expertise on closure development and system integration with respect to the closures.

The Elo-Caps range of closures is suitable for fresh products with short and ESL such as pasteurized milk, dairy products, fresh juice and certain hot-filled beverages. All caps include a tamper evident band to indicate if the pack has been opened or tampered with. Elo-Caps are designed in a way to provide a leak-tight re-closure. Elo-Caps are applied from the inside of the carton through a punched hole after the carton is bottom-sealed, but prior to filling and top sealing. All closures are available in a selection of different colours.

The different types of Elo-Caps are shown in the figures below:

Elo-Cap Universal

Elo-Cap Optima

Elo-Cap Xtra

The Pure Twist closures are suitable for long-life products and aseptic fillings, such as juice and UHT milk. The Pure Twist Closures are applied either ultrasonically within the filling machine (E-SP120A) or with separate cap applicator downstream from the filling machine (US80). Pure-Twist closures include a tamper evident band to indicate when the pack has been opened. A half-cut maintains the barrier properties of the carton until it is opened. On twisting the cap, the pusher of the closure pierces the last layer of the carton and the half-cut opens, breaking the seal of the carton. The Pure Twist closures are easy to open and tamper evident, in addition to being resealable. The Pure-Twist closures come in various sizes and colours.

The Pure Twist closure is shown in the figure below:

Filling machines

Elopak offers a wide range of filling machines to its customers. Such machines include its own aseptic filling machines developed and manufactured by Elopak using its proprietary filling machine technology coupled with equipment such as conveyor belts, packers and cap feeding systems, and fresh filling machines purchased from third parties, including from Shikoku and Galdi, which Elopak onsells to its customers with an add-on. Elopak's filling machine offering provide customers with an end-to-end offering including a complete filling line rather than having to contract with multiple suppliers who provide different components of the filling line. Elopak has an installed base of approximately 600 filling machines globally. Elopak's filling machine offering accounted for revenue of EUR 30.2 million, or 3% of Elopak's total revenue, in 2020.[52] Elopak prefers to sell filling machines, as opposed to providing rentals. This affects the financial metric comparisons to peers. When a machine is rented, the rental income is recognised as revenue and operating profit in the income statement, while the machine stays on Elopak's balance sheet. Sales, however, are sold at prices close to the cost level, hence having limited effect on operating profit but a higher impact on revenues compared to rentals. On the other side the machine is not on the Company's balance sheet.

Elopak offers state-of-the-art aseptic filling machines in terms of reliability, efficiency, safety, flexibility and space to allow customers to achieve more efficient production. In 2011, Elopak established a filling machine manufacturing plant in Mönchengladbach, Germany for the production of Pure-Pak® aseptic filling machines. The plant has a production capacity of up to 20 filling machines per year, and employs approximately 130 persons. Elopak has as of the date hereof installed approximately 40 aseptic filling machines at its customers' sites. Elopak's own produced aseptic filling machine offering consists of its E-PS120A aseptic filling machine. Elopak is in the process of developing a new Aseptic filling machine, Elopak Machine Platform (EMP), for enhanced functionality and with a shortened time to market.

Elopak's fresh filling machines are customised and sourced from Shikoku Kakoki in Japan and from Galdi in Italy. Shikoku, which is Elopak's primary supplier of fresh filling machines exclusively supplies Elopak with fresh filling machines within Elopak's key geographies. Elopak has as of date installed approximately 275 Shikoku fresh filling machines and 280 Galdi fresh filling machines at its customers, sites.

Elopak's filling machines have a space-saving, compact design and enable customers to fill up to 12,000 cartons per hour for the aseptic filling machines and up to 14,000 and up to 20,000 for 1 litre cartons and for mini cartons per hour, respectively, for the fresh filling machines. The construction of the machines provides transparency in operation and easy access for maintenance. With a minimal required manpower the filling machines result in low utility consumption and operating costs for customers. The filling machines also have advanced flexibility with the machines being able to run up to six Pure-Pak® carton sizes, up to three different carton shapes and configurations, as well as offering flexible change in design with a short (up to two minutes) automatic changeover between products, carton design and sizes. Every part of the filling machines is designed to meet high standards of hygiene requirements for maximum product quality.

Elopak offers filling machine systems in Europe within both the fresh and aseptic segments and in Mexico and the Dominican Republic through its joint ventures. Elopak also offers filling machines in North America, and provides customers with filling machines is a part of Elopak's growth strategy in

[52] Excludes proportional sales from joint ventures

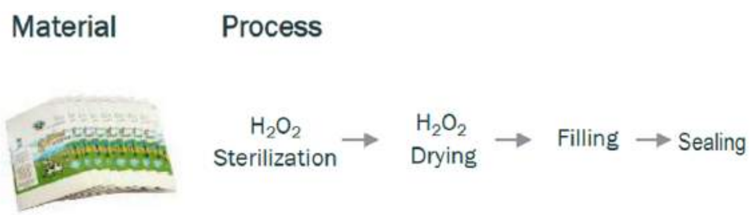
North America, which it plans to accelerate by introducing a system for replacing ageing filling machines with new Shikoku fresh filling machines. Two new machines were contracted in North America in 2019.

Two examples of filling machines within the aseptic and fresh segments, respectively, are pictured in the figure below:

Pure-Pak® Aseptic filling machine (E-PS120A)

Pure-Pak® Fresh filling machine (Shikoku, S-PSF70UC)

Elopak's Fresh and Aseptic filling machines use blank-fed technology. Elopak is the only supplier offering blank-fed systems for low-acid aseptic gable top cartons. The filling machine is fed with individual sheets of the packaging material, already cut and sidesealed. Each individual sheet then goes through a step-wise process including folding, sterilization, filling and sealing. The filling technology gives a high level of flexibility and strong sealing integrity with low waste compared to other carton packaging alternatives. The figure below shows the blank-fed filling process in the Fresh filling machine:



Elopak's filling machines are installed at customers' sites and are typically deployed under a sale or lease contract directly with the customer or, in the past, through a sale contract with a third-party financing company, which then leases the machines to the customer. Installations of the filling machines at the customers' sites are quick, and with an average of 92% and 95% mechanical efficiency for aseptic and fresh filling machines, respectively, when operating. The aseptic filling machines can be equipped with an Elopak Blanks Loading System to reduce the TCO further. It allows depalletizing and opening of the blanks boxes and enables feeding the filling machine with blanks fully automatically.

In addition to deploying new filling machines at its customers' sites, Elopak also refurbishes and reconditions used filling machines on demand for placement with new customers at a lower cost. Installing filling machines with customers positions Elopak to generate recurring revenue streams through the sale of blanks and closures as well as ongoing customer relationships through Elopak's after-market service offerings throughout the life of the machines.

Aftermarket services and spare parts

Elopak's aftermarket services and spare parts accounted for revenue of EUR 42.6 million, or 5% of Elopak's total revenue, in 2020. Spare parts accounted for 60% of Elopak's revenue within the aftermarket service and spare parts offering in 2020, while Elopak's services accounted for the remaining 40%.

Elopak offers service support for all its filling lines, which includes research and development support (Shikoku and Elopak machines), comprehensive aftermarket services and technical training and maintenance support. Building a modern filling operation is a complex task, involving the installation of filling and materials handling equipment, plus a network of product pipeline, process equipment and software. Elopak has extensive experience within such operations, including filling line installation, logistic analysis of packaging product flow and system check and commissioning of lines to ensure the system performs in the right manner (in particular in ESL and aseptic), with approximately over 850 on-site filling machines serviced across over 50 different machine types. Elopak services these machines as part of a preventive maintenance program and on an ad-hoc basis when repairs are required. Based on this portfolio of experience, Elopak may provide recommendations related to filling equipment, distribution and internal plant layout to its customers tailored for the customers' strategic and on-site requirements.

Elopak believes that its broad offering of services enables it to improve customer operations, strengthen customer relationships and unlock new revenue opportunities. The aftermarket support consists of a dedicated team of engineers and field support of over 200 employees located in 23 countries who are all highly skilled service professionals trained in servicing and repairing the filling machine models offered by Elopak, including 150 skilled service engineers who service Elopak machines, as well as Shikoku and Galdi machines.

Elopak's technical support offerings consist of on-site production services, service and sale of spare parts, proactive and preventative maintenance, production support, planned and unplanned stops support, training of customers and calibration. The network of spare part supply is located close to end-markets which enables the Elopak team to offer its services quickly and efficiently. Further, Elopak offers in-house food and material lab which provide Elopak's customers off-taste testing and other relevant microbiological tests to ensure their products are safe and hygienic. In addition, Elopak offers services that analyses the customer's entire flow through the milk processing and filling lines, enabling customers to optimize the filling process and improve their operations. Elopak also provides benchmarking services analysing the entire production flow through the processing and filling lines, including end of line equipment.

Customers can select from a range of service of options to meet their needs. Elopak offers these services as time and material contracts or full-service contracts (preventive maintenance programs (PMP)). Elopak is continuously looking to expand its service portfolio, for example, offering Augmented Reality Goggles for swift on-site support on customer sites.

7.5.3 Customers

Elopak's customers consist of leading international blue-chip and established national and regional consumer food and beverage companies. Elopak has a diversified customer base with the top 5 and 10 global customers accounting for approximately 26% and 34% of the aggregated carton volumes for Elopak in 2020, respectively[53].

Elopak believes one of its core strengths is its strong partnerships with its customers – the average customer tenure for Elopak's customers is around 15 years with contract terms varying from two to ten years' of initial terms. Over the last three years Elopak's top 10 customers based on carton volumes have represented 4-4.5 billion unit sales[54]. Elopak believes its strong customer relationships are mainly attributable to Elopak's customer-focused orientation and its ability to meet its customers' operating needs.

Most customer agreements are individually negotiated and agreed on a case by case basis. The majority of the Group's customer agreements relate to the supply of Pure-Pak® blanks, Roll Fed packaging materials and closures, and include supply of both blanks and closures. To cater for individual customer preferences, Elopak employs a variety of contract structures including framework agreements, volume driven discounts and filling equipment / technical services. With respect to the volume driven discounts some of the discounts are fixed amounts triggered when an agreed amount of products is purchased, while others are calculated as a percentage of the invoiced amount if payment is made prior to the due date on the invoice. Further, Elopak has a dedicated sales team focusing on servicing Elopak's customers.

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[53] Excluding sales made by joint ventures.

[54] Source: Roland Berger market study, February 2021.

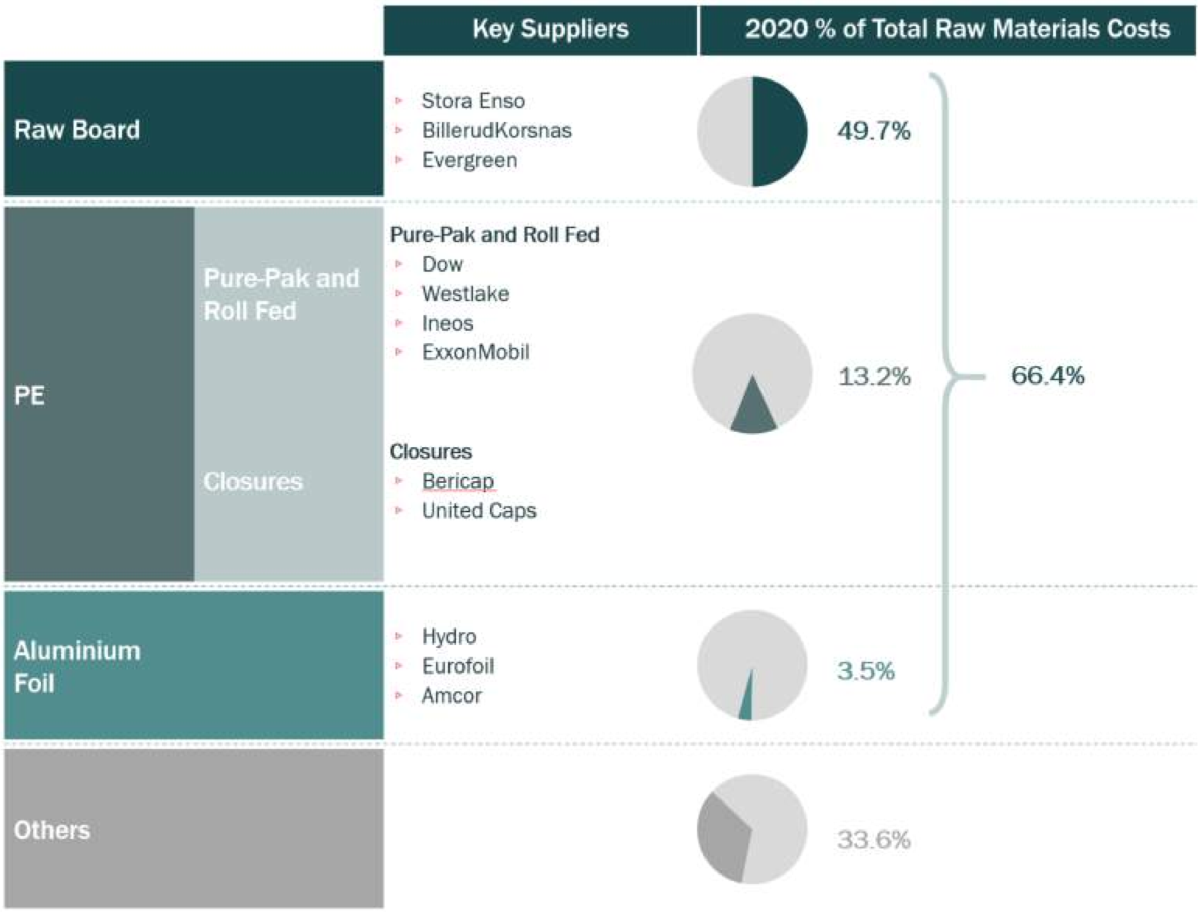
The Group's material customer agreements are mainly entered into by Elopak GmbH (for European customers), and Elopak Inc. (for American customers), and JSC Elopak (for Russia). The respective Group Companies usually enter into customer agreements on behalf of themselves and either the entire Group or specific Group Companies.

7.5.4 Marketing and sales

Elopak has established a strong salesforce structure with 65 sales professionals with significant experience. Elopak's sales teams are organised by region with each regional sales team reporting to its respective head of region. The order handling is generally centralised with a single point of contact. Certain customers may place orders directly with Elopak electronically through an EDI solution that is connected to Elopak. Elopak has a strong focus on existing customers' account management, with a material part of the sales teams dedicated to serving existing customers, in addition to having a business development focus to drive growth. Historically Elopak's sales team has a low turnover rate, which Elopak believes leads to stronger relationships between the sales team and long-term customers.

7.5.5 Raw materials and suppliers

Elopak's main raw materials for its carton production includes paper board, plastic resins and aluminium foil. Other materials which are also used in the carton production include ink, printing plates, secondary packaging and utilities as well as purchasing related to closures, filling machines and spare parts. Elopak has a global network of suppliers, and its main suppliers are primarily located in Europe and America. The relationships with many of Elopak's large suppliers are long term and Elopak's supplier contracts often include rebates after achieving threshold volumes. Raw board, PE and aluminium foil have historically represented a significant portion of Elopak's total raw material costs, and accounted for 66.4% Elopak's total raw material costs in 2020. The material supply agreements are mainly concluded by the Company on behalf of the Group as a whole or on behalf of specific Group Companies.



Boards accounted for 49.7% of Elopak's spending on raw materials in 2020. Elopak sources the boards globally, with the suppliers being located regionally. Elopak sources its boards both by geography and segment (Fresh, Aseptic and Roll Fed). The contracts with Elopak's board suppliers are normally long term contracts ranging from three to five years.

PE, including resins for the Pure-Pak® and Roll Fed carton production and closure purchase, accounted for 13.2% of Elopak's spending on raw material in 2020. Elopak has outsourced the manufacturing of closures to third parties, including Bericap and United Caps. For more information on closures, please see Section "*Closures*" above. Elopak sources plastic resins globally. The contracts with Elopak's plastic resins suppliers are normally multiyear contracts typically with two or three year duration with an option for Elopak to extend. If possible Elopak co-sources plastic resins with partners in order to reduce costs.

Aluminium foil accounted for 3.5% of Elopak's spending on raw material in 2020. Elopak sources aluminium foil globally, and in 2019, Elopak started to source it from China. The contracts with Elopak's aluminium foil suppliers are normally multiyear contracts typically with two or three year duration with an option for Elopak to extend the contract period. If possible Elopak co-sources aluminium foil with partners in order to reduce costs.

The prices of Elopak's raw materials may fluctuate in conjunction with changes in the prices for paper board, PE and aluminium. Elopak's supply contracts provide that the specific raw materials being sourced are priced at spot market prices and Elopak uses derivatives to hedge its exposure in relation to the cost of PE and aluminium.

Certain agreements and mechanisms are in place to ensure that costs are passed through to a certain degree, including, among others:

- Long term, fixed price contracts for raw board with four different suppliers protects Elopak from price increases in the near term;
- Customer contracts in Americas are linked to similar indexes as the raw material contracts giving a natural hedge and pass through effect of raw material costs; and
- Elopak hedges parts of its raw material supply (i.e. polymers and aluminium). PE Hedging has provided stability in light of recent increases in PE prices.

Further, Elopak does not manufacture its fresh filling machines, which are purchased from Shikoku Kakoki or Galdi, as described in Section "*Filling Machines*" above. Parts for the aseptic filling machines are mainly sourced from various external suppliers.

7.6 Research and development

7.6.1 Overview

Elopak's history is characterised by an emphasis on innovation and research and development efforts ("**R&D**"). Elopak's Innovation & Engineering department currently operates two R&D facilities with approximately 100 employees dedicated to R&D activities in 2020. The R&D teams work cross-functionally in close collaboration with the other business areas, such as Marketing, Sales and Elopak's production units. The key drivers for development of new products and packaging solutions are product quality and integrity, sustainability and environmental matters, convenience, cost and margin expectations, and differentiation.

Elopak's R&D spend has increased in recent years, as it is a key enabler for Elopak's strategy to provide more sustainable packaging solutions to Elopak customers.

Elopak's R&D strategy includes both developing proprietary packaging solutions, such as our Pure-Pak® Aseptic offering, and also developing solutions in close collaboration with our suppliers and partners, such as our Natural Brown Board offering developed with our board supplier. Proprietary IP is normally protected via appropriate measures in relevant markets.

7.6.2 R&D products / collaborations

Innovation centres

Elopak has two innovation centres, one in Spikkestad (Norway) and one in Mönchengladbach (Germany).

Elopak's technology center at Spikkestad in Norway was started in 1995 for the purposes of strengthening the focus on sensory analyses of packaging materials and filled products. It is also the location for Elopak's sensory lab, material lab, chemical lab, packaging lab and test centre. Packaging materials are qualified for use through a strict regime of testing in this facility. In addition to the sensory lab, the technology center also includes a number of other lab facilities as well as filling machine development and testing. The main R&D activities carried out at Spikkestad range from system validation to package development to testing.

Elopak’s site in Mönchengladbach was opened in September 2011 and is Elopak’s assembly and test site for the E-PS120A filling machine. The plant is a cornerstone in Elopak’s aseptic innovations and ensures the continued development of aseptic Pure-Pak® packaging solutions. Since the start in 2011, Elopak has assembled and shipped over 40 E-PS120A filling machines from this site. The key innovation project for the team in Mönchengladbach is the new Elopak Machine Platform filling machine (EMP). The EMP is expected to be rolled out in Q3 2021, and is instrumental in delivering Elopak’s aseptic roadmap and future growth.

7.6.3 R&D costs for each year covered by the historical financial information

The table below sets out an overview of Elopak's annual R&D costs for the years ended 31 December 2020, 2019 and 2018:

	Year ended 31 December		
In EUR 1,000	**2020**	**2019**	**2018**
R&D Expenses	13,902	14,106	11,268
Capitalized R&D	2,213	2,231	2,008
Total R&D spending	**16,115**	**16,337**	**13,276**

7.7 Intellectual property

Elopak's intellectual property portfolio includes pending patent applications, granted patents, design registrations, trademark registrations, trade secrets, know-how and domain names. As of April 2021 Elopak has in total 62 patent families, 24 trademark families, 90 design families and 170 active domain registrations.

Elopak aims for IPR protection of its innovations in accordance with the Elopak's business strategy for the Pure-Pak® packaging material, opening devices and Elopak's aseptic filling machines within the relevant geographic areas, dependent on the specific technology.

Elopak has developed an IPR strategy which is deployed by:

- Compliance with the present business strategy;
- Filing of relevant IPR protection;
- Monitoring of the IPR landscape in view of relevant competitors within the specific field;
- Ensuring of Freedom-To-Operate, FTO, within the relevant technical fields (i.e. not infringing third party IPR) when launching a new product or a new technology;
- Maintaining of IPR portfolio aligned with Elopak's business strategy;
- Ensuring relevant licensing of IPR; and
- Enforcing of legal rights.

7.8 Material contracts outside the ordinary course of business

Elopak is party to a selected number of material contracts. With respect to the joint venture and partnership agreements described below, Elopak is dependent on these material contracts in the sense that Lala-Elopak and Impresora are joint ventures that the Group is dependent on in the relevant territories. Further, Elopak is dependent on the Shikoku agreement for supply of filling machines for fresh applications to the Group's customers. Elopak also considers these agreements to be strategically important for its business going forward.

7.8.1 Agreement with Shikoku Kakoki Co., Ltd. regarding filling machines

The Company has, on behalf of itself, its subsidiaries and any legal entity in which the Company holds an interest of 25% or more, entered into a distribution agreement with Shikoku as principal, and CBC Co., Ltd. ("**CBC**") as agent, dated 29 October 1999 and amended on 26 June 2008 and on 11 June 2020. Pursuant to this agreement, the Company is appointed as an exclusive distributor of certain series and models of filling machines manufactured by Shikoku.

The distribution right encompasses the distribution, sale, lease, installation and servicing of the machines as well as any replacement parts thereof. Elopak is an exclusive distributor of the types of filling machines that Elopak supplies in the territories covered by the agreement (including Elopak's core markets). However, Shikoku is entitled to supply other types of filling machines to Elopak's competitors in the same territory.

Elopak has agreed to certain purchasing obligations relating to Shikoku filling machines and restrictions relating to certain machines in certain territories. If such purchase obligations are not fulfilled, Elopak's distribution rights will be made non-exclusive.

The agreement had an initial term of six years, after which it automatically renews for consecutive periods of three years unless terminated by either party upon written notice no later than twelve months prior to expiry of the current term. The agreement may be terminated by any party if, among other things, a party is subject to "loss of independent company management" due to acquisition, merger or consolidation. Further, if a party is subject to any change in ownership or control by way of purchase by, or merger with, a third party, such party shall promptly notify the other of such change.

7.8.2 Licenses agreements with Nippon and Nampak

The Company has concluded distribution agreements with Nippon Paper Industries Co. Ltd. ("**Nippon**") and Nampak Products Limited ("**Nampak**"), effective from 1 March 2016 and 1 November 2017, respectively. Said distribution agreements give Nippon and Nampak non-exclusive license to manufacture and sell certain Pure-Pak® products in a specified territory; Japan under the agreement with Nippon and several countries in Africa, including Angola, Burkina Faso, Ghana, Ivory Coast, Kenya, Namibia, Somalia, South Africa, Sudan and Zimbabwe under the agreement with Nampak.

Pursuant to the licence agreements Nippon and Nampak shall pay the Company a royalty fee of the net selling price (i.e. invoiced amount excluding discounts, rebates and taxes). Further license agreements provide that Nippon and Nampak shall pay the Company a minimum annual royalty fee.

The agreements with Nippon and Nampak have initial terms of three and five years, respectively, and are thereafter automatically renewed for periods of one year unless terminated upon notice of six or twelve months, respectively.

7.8.3 Joint Ventures

The Group is currently party to three joint ventures, where two are long-standing located in Mexico and the Dominican Republic, and the third is a new joint venture based in Kenya. The joint ventures in Mexico and the Dominican Republic are production and sales units for Pure-Pak® blanks, while the joint venture in Kenya is only a sales and marketing unit. None of the joint ventures produce or sell Roll Fed material.

Elopak Nampak Africa JV (Kenya)

In 2020, Elopak entered into an agreement with Nampak Southern Africa Holdings Limited ("**Nampak Africa**") to establish the joint venture ENA in Kenya. The ENA JV is owned by the two parties on a 50/50 basis. Nampak Africa is a player in the packaging industry in parts of Africa and is the Pure-Pak® Licensee in several African countries. The purpose of the ENA JV is the sale and marketing of Aseptic packaging products and Fresh packaging products in Kenya, and if the JV is successful, it might expand to other parts of Sub-Saharan Africa. The JV has received approval from Kenyan authorities to commence operations and aims to start its commercial operations in June 2021.

The ENA JV is governed by a shareholders' agreement dated 21 October 2020, which contains provisions*, inter alia,* on funding and other undertakings by the Company and Nampak Africa, including ancillary agreements to support Nampak Africa's operations, governance, pre-emptive rights, put-options by the parties if the ancillary agreements relating to license, loan, supply, etc. are terminated. The ENA shareholders' agreement also provides for a put and call option on the ENA JV shares in the event of a change of control. In the event of a change of control in Elopak, Nampak Africa will only be entitled to exercise the put and call option for the shares if the new controlling shareholder of Elopak trades in direct competition with Nampak Africa or the ENA JV, in which case Nampak Africa will have an option to sell or to purchase Elopak's shares in the ENA JV.

Lala-Elopak S.A. de C.V (Mexico)

The legal name of the Lala-Elopak JV is Lala-Elopak S.A de C.V., a company incorporated under the laws of Mexico. The Lala-Elopak JV is 49% owned by the Company and 51% by Mexico's leading milk producer, Lala. Lala-Elopak produces and sells blanks in North America, through its two wholly-owned companies Envases Elopak, S.A. de C.V. ("**Envases Elopak**") and Distribuidora de Envases Elopak, S.A. de C.V. ("**Distribuidora**"). Both Envases Elopak and Distribuidora are incorporated in Mexico.

The relationship between Lala and the Company in relation to Lala-Elopak is governed by Lala-Elopak's by-laws. The by-laws are governed by Mexican law, they have an indefinite term and contain provisions, *inter alia,* on management of Lala-Elopak, transfers of shares in Lala-Elopak JV, board representation, voting requirements and dead-lock mechanisms. Further, the by-laws provide for a change of control clause that is triggered by a transfer of direct or indirect control of either Lala or Elopak to a third party, but the by-laws make certain exceptions to the change of control concept for listed shares. In the event of a change of control in either Lala or Elopak as defined in the by-laws, the other shareholder will be entitled to purchase all the shares in Lala-Elopak held by Lala or Elopak (as the case may be). According to the by-laws, the price for the Lala-Elopak shares shall be the market value, to be calculated as the average of the prior three years' EBITDA multiplied by five.

Further, in the event of a change of control, Lala or Elopak (as the case may be) must notify the other shareholder of the change, or possible change, of control within three calendar days following the date on which it gained knowledge of the triggering event. Following receipt of such notice, the receiving party will have 30 calendar days to send notice of exercise of the option to purchase the shares, which shall then take place within 30 days).

Impresora Del Yaque, C. por A. (Dominican Republic)

The legal name of the Impresora JV is Impresora Del Yaque, C. por A., a company incorporated under the laws of the Dominican Republic. Approximately 51% of the shares in Impresora are owned by the Group (through Elopak Canada Inc.) and approximately 49% of the shares are owned by Tenedora Del Yaque C. Por A ("**Tenedora**"). Impresora owns and operates a plant located in the Dominican Republic, and is also engaged in the supply of machinery and the sale of blanks on the Caribbean islands and in certain other jurisdictions in the Americas.

The Impresora JV is governed by the shareholders agreement dated 29 August 2007, which contains provisions*, inter alia,* on management of Impresora, transfer of change in ownership, a reciprocal put option for its shares on the other Joint Venture partner, as well as affirmative voting requirements in respect of certain material changes to the business, distributions, capex commitments above certain thresholds (the "**Impresora Shareholders' Agreement**"). The Impresora Shareholders' Agreement also provide for a change of control clause that is triggered by a transfer or change in ownership of a majority of the beneficial ownership of the Joint Venture partner itself, or in such partners' shareholders. According to the shareholders' agreement, the Joint Venture partners have the right to, within 180 days, provide a notice of a call of the shares, and the purchase price shall be calculated as EBITDA multiplied by three for the most recent financial year, by two for the immediately prior financial year and by one for the second prior financial year. The shareholders agreement continues until terminated either by mutual consent between Elopak and Tenedora, or in the event one of them reaches an ownership of 90% or more.

JVs benefit from certain centralised Elopak functions (e.g. R&D and stage gate system) and business relationship with Elopak's suppliers, including suppliers of raw materials.

Except for the above, and the Group's financing arrangements in Section 10.12 "Borrowing requirements and funding structure", there are no other contracts entered into outside the ordinary course of business that are considered material for the Group's existing business or profitability nor are there any other contracts entered into outside the ordinary course of business, which contain any provisions under which any company within the Group has an obligation or entitlement which is material to the Group as at the date of this Prospectus.

7.9 Regulatory

The Group is subject to a broad regulatory environment in which it operates, including the following:

7.9.1 The Single-Use Plastics Directive

On 5 June 2019, EU passed the Single-Use Plastics Directive (Directive EU 2019/904) on the reduction of the impact of certain plastic products on the environment. Such Directive is implemented into the EEA agreement and thus applicable to all EEA states. The impacts for the liquid food packaging industry are higher collection and recycling requirements, EPR (Extended Producer Responsibility) requirements and changes in design requirements for beverage containers.

The Single Use Plastic Directive defines the beverage carton as a plastic package. The use of plastic straws and of closures not physically attached to cartons will therefore be prohibited within a few years, which requires product development and redesign of closures. Higher recycling targets combined with the principles of EPR means that the costs for the carton industry related to collection and recycling of waste will increase and more efficient recycling processes are currently being promoted by the new carton industry association in Frankfurt, Folding Carton Industry Association (FFI).

The Member States have until 3 July 2021 to enact laws, regulations and administrative provisions necessary to comply with most of the provisions of Directive 2019/904, although longer deadlines apply to certain provisions. For instance, the Member States have until 3 July 2024 to apply measures to ensure that plastic closures are attached (tethered) to the carton.

The Group is responding to the Single-Use Plastics Directive as well as Packaging and Packaging Waste Directive and Waste Framework Directive as set out below through a sustainability program in order to meet the requirements. The Group has dedicated resources to thoroughly assess alternatives to closures not physically attached to the cartons. These resources are assessing alternatives involving both development of new closures which are tethered to the cartons and development of new cartons without closures. The Group has further initiated a structured process of analysing the impact and opportunities of tethered caps on filling machines. The cost estimates for the various alternatives being assessed vary significantly and will have to be worked out in more detail before any final decisions can be made. The development is closely monitored and reported at board level of the Company.

7.9.2 Packaging and Packaging Waste Directive

The EU Packaging and Packaging Waste Directive (Directive 94/62/EC, as amended by Directive (EU) 2018/852, the "**PPWD**") sets out EU's rules on managing packaging and packaging waste. The amendment directive has been in force since 4 July 2018, and the Member States had until 5 July 2020 to implement the directive locally. The PPWD aims to prevent and reduce the impact of packaging and packaging waste on the environment. The amendment contains updated measures designed to prevent the production of packaging waste, and promote the reuse, recycling and other forms of recycling of packaging waste. The Directive is implemented into the EEA agreement and thus applicable to all EEA states.

The PPWD requires the EU countries to take measures to prevent the generation of packaging waste and to minimise the environmental impact of packaging, *inter alia*, through national programs, incentives to extend producer responsibility schemes and other economic instruments.

EU member countries must ensure that packaging placed on the European market meets certain essential requirements, including, *inter alia*, to (i) limit the weight and volume of packaging to a minimum in order to meet the required level of safety, hygiene and acceptability for customers, (ii) reduce the content of hazardous substances and materials in the packaging material and its components, and (iii) design reusable or recoverable packaging.

By 2025, producer responsibility schemes must be established by the EU countries, which shall provide for the return and/or collection of used packaging and/or packaging waste. The schemes aim to help incentivise packaging that is designed, produced and commercialised in a way that allows its reuse or recovery and that has minimal impact on the environment. Eco-modulation of EPR fees becomes mandatory, and these should reflect durability, reparability, re-usability and recyclability of the products.

7.9.3 Waste Framework Directive

The Waste Framework Directive, Directive 2008/98/EC, was last revised in 2018 by Directive 2018/851/EC. The 2008 Directive has been incorporated into the EEA agreement and is thus EEA relevant. However, the 2018 amendment has not yet been incorporated into the EEA agreement by the EEA member states. The EEA/EFTA member states are currently reviewing and discussing the amendment. The directive establishes a framework for the management of waste across the EU. The directive sets out the basic concepts and definitions related to waste management and lays down waste management principles such as the "polluter pays principle" and the "waste hierarchy". In addition, the directive requires the Member States to prepare waste prevention programs, and the directive set targets for reuse and recycling.

The Waste Framework Directive introduces its own EPR principal, which gives the Member States a tool to implement producer responsibility schemes to encourage businesses and manufacturers to prepare for more environmentally friendly re-use, recycling, and disposal. The instrument is intended to encourage businesses and manufacturers to support designs meant to improve end-customers' waste handling. The strategy behind the EPR principal is to adjust the market price of a product to include the product's environmental costs.

7.9.4 Plastic tax

The imposing of a plastic tax is likely to have an effect on packaging costs. The currently proposed tax is based on non-recycled plastic waste and was introduced and applied as of 1 January 2021. The tax is based on a share of revenues from a national contribution calculated on the weight of non-recycled plastic packaging waste with a call rate of EUR 0.80 per kilogram. The tax should be calculated by deducting the weight of recycled plastic packaging from the weight of all plastic packaging placed on the market, which needs to be reported by EU member countries as set forth by the Packaging and Packaging Waste Directive and Waste Framework Directive.

As taxes are not an EU competence, it is up to each individual member state to decide how to finance the levy to the EU. They can decide to change the scope of the tax, set a tax on waste for industry or consumers, or simply send their contribution to Brussels without imposing a national tax.

Elopak is following up on these developments, with the aim of eventually promoting cross-collaboration within all relevant industry associations. Further, Elopak is pro-actively anticipating and including possible developments in its product roadmaps & product positioning.

7.10 Certificates, permits and approvals

Elopak holds several certificates, licenses, permits and approvals in the various jurisdiction in which it operates, including environmental certifications in Norway (such as NEPCon Assurance certifications for Chain of Custody and Controlled Wood System, ISO 14001:2015 certification, and ISCC Plus International Sustainability and Carbon certifications), Denmark (such as ISCC PLUS Certificate (International Sustainability and Carbon Certification) and the Netherlands (such as ISO 14001:2015 certificate, ISO 9001:2015 and OHSAS 18001:2007 certificate), water permits in Germany, license for operation of production facilities subject to fire and explosion hazards in Russia and business licence and certificate of fact in the US.

7.11 Health and safety matters

Safety is a fundamental license to operate in Elopak. Elopak's operations and productions involves handling of powerful machinery, raw materials (paperboard, polymers, aluminium foil and printing inks) and manufacturing equipment and processes, such as extrusion coating whereby polymers and foils are applied to paperboard; converting and printing whereby flat blanks and coated reels are produced; and sealing whereby flat blanks are converted into sleeves.

Substantial resources are therefore used to understand and control risks that may cause injury or illness to Elopak's employees. Elopak has a zero-harm philosophy regarding health and safety and gives prevention of injury and illness first-priority in its operations. The prevention principles are based on understanding potential hazards and being proactive in implementing necessary measures to reduce risk before it can cause harm. This involves both comprehensive risk-assessment, behavioural work and a high degree of reporting of any unsafe conditions, incidents and injuries so they can be investigated and mitigated.

Much of the work focuses on behaviour and on each employees' individual and collective responsibility for safety at work. All Elopak employees receive general Health and Safety training, specific job-related Health and Safety training and participate in awareness activities in connection with the Health and Safety management system.

All Elopak sites have comprehensive safety management programs which are consistent with the principles of OHSAS18001 / ISO45001 and which ensure compliance with all relevant local and national legislation. These include the reporting and investigation of accidents as well as safety observations, safety communication and best practice across the Elopak manufacturing sites and implementation of corrective actions. There is top management commitment to work towards a zero-accident ambition which has resulted in the frequency of serious accidents being reduced by over 50 % over the past 5 years. At present the serious accident frequency is equivalent to that in similar industries. Exposure to hazardous chemicals is mitigated through the proper use of personal protective equipment combined with their low toxicity profile identified above. The majority of injuries are due to minor cuts, trips, slips and falls, on which there is focus across the group through a behavioural approach to safety management.

7.12 Insurance

Elopak holds insurance policies for several businesses, including general liability and product insurance, property and business interruption insurance, directors and officers insurance, cyber and data protection insurance, marine cargo insurance and crime insurance. Elopak has engaged Willis Towers Watson as an insurance broker. The business insurances are provided by various insurance providers, including AIG Europe Limited, HDI, IF Skadeforsikring NUF, Tryg and AXA XL.

There are currently no material claims outstanding under Elopak's insurance policies.

Elopak believes that it has adequate insurance coverage for damages and liability that may occur, in line with what is customary for a group of its size, business and operations.

7.13 Property and plant

7.13.1 Property and manufacturing plants

The Group owns a total of three production facilities located in the Netherlands and Ukraine, respectively, and holds permanent use title to a land plot also located in Ukraine. Further, the Group leases several different premises located in Norway, Denmark, Canada, USA, United Kingdom, Russia and Germany for manufacturing plants (please see further below), office premises (including the Group's headquarter in Oslo, Norway and corporate offices with a technology centre at Spikkestad, Norway) and warehouses.

The Group has manufacturing plants in eight different jurisdictions. The table below sets out certain key information about the Group's manufacturing plants:

Country	Use	Owned/ leased	M^2	Production lines
The Netherlands..	Coating	Owned	7,000	1 coating line
The Netherlands..	Converting	Owned	38,000	6 converting lines
Denmark.............	Coating and converting and Roll Fed	Leased	38,000	3 converting and 1 coating line
Ukraine...............	Coating, converting and Roll Fed	Owned	21,000	1 Roll Fed line
Russia	Converting	Leased	15,000	2 converting lines
Canada...............	Converting	Leased	29,000	5 converting lines
Mexico[1]...............	Coating and converting	Leased	22,000	8 converting lines and 2 coating lines
The Dominican Republic[1]............	Converting	Leased	3,000	2 converting lines
Germany.............	Filling machine assembly	Leased	7,000	-

[1)] Operated by JV

7.14 Environmental issues

Elopak has a clear focus on the environment, by way of continuously seeking ways to reduce its energy consumption, improve efficiency and source renewable electricity. Elopak has recorded and reported on its environmental impact for more than ten years, and in 2016 Elopak became a certified carbon neutral company. Elopak has set greenhouse gas emission reduction targets in line with keeping global average temperature increase below 1.5 degrees. These targets have been approved by the Science Based Targets initiative (an external joint initiative by CDP, UN Global Compact, World Wildlife Fund (WWF), and Word Resources Institute (WRI) that enables businesses to take swift climate action by setting ambitious emissions reduction targets), and Elopak intends to reduce its own emissions by 55% from 2017 to 2030. Elopak reports environmental data annually in accordance with the Greenhouse Gas Protocol (GHG), which provides requirements and guidance for companies and organizations preparing corporate-level GHG emissions inventory[55].

Elopak's main environmental risks associated with its manufacturing sites are fires and chemical contamination, due to the raw materials and the manufacturing equipment and processes on-site. The risk of fire is mitigated by, amongst other things, installation of fire detector-, sprinkler- and security systems in all manufacturing sites, which are approved by local authorities and regularly inspected in connection with insurance risk assessments. As a result of such systems, Elopak's manufacturing sites

[55] The standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).

are regularly found by insurance risk assessors to have improved year on year and to be of lower risk than the industry average.

Elopak considers the risk of chemical contamination at its manufacturing sites to be low, due to the fact that the toxicity levels of the chemicals used must be fit for food packaging. This low toxicity profile combined with the low volumes employed and containment measures in place mitigate the risk of significant environmental contamination.

Further, in recent years Elopak manufacturing sites have moved from solvent based to water based inks, reducing the risk of fire as well as environmental exposure.

Elopak's sites also have safety management programs, which comply with applicable laws and are consistent with the principles of OHSAS18001 and ISO45001. These include the reporting and investigation of accidents as well as safety observations, safety communication and best practice across Elopak's manufacturing sites and implementation of corrective actions. In addition to the safety standards, both the Company and several of the material subsidiaries in the Group have obtained other certifications, such as ISO 9001:2015, ISO 14001:2015 for management and FSC and ISCC for products.

Due to the nature of the materials used in Elopak's products, the manufacturing processes and the management systems which are in place, Elopak believes that the associated environmental and health risks at its manufacturing sites are low. Elopak is committed to continuous improvement programs with the aim of further reduction of such risk.

7.15 Legal proceedings

From time to time, the Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of its business. The Group is not currently, nor has it been during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company’s or the Group’s financial position or profitability, and the Company is not aware of any such proceedings that are pending or threatened.

8. CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 9 "Selected financial and other information" and Section 10 "Operating and financial review" and the Financial Statements, including the notes related thereto, included as Appendix B, Appendix C and Appendix D, respectively, to this Prospectus.

This Section provides information about the Company's unaudited capitalisation and net financial indebtedness on an actual basis as of 31 March 2021, and, in the "As adjusted as of the date of the Prospectus" columns, the Company's unaudited capitalisation and net financial indebtedness as of the date of the Prospectus adjusted for the following transactions that happened between 31 March 2020 and the date of this Prospectus and that are not subject to the Offering and the Listing, and on an adjusted basis, as adjusted to show the estimated effects of the following transactions, subject to the Offering and the Listing as if they had happened as of the date of the Prospectus:

Adjustments for significant transactions between 31 March 2021 and the date of this Prospectus, not subject to the Offering and Listing:

- Proceeds from the share capital increase registered on 2 June 2021 from the long-term incentive scheme to the Management and as described in Section 12.3 "Share capital and share capital history" by way of issuance of 8,959 new Shares at a subscription price of EUR 131.96 (NOK 1,319.18) per new Share, each with nominal value of EUR 6.98 (NOK 69.76) resulting in an increase in share capital of EUR 63 thousand (NOK 625 thousand), an increase in share premium of EUR 1,120 thousand (NOK 11,194 thousand), or EUR 1,117 thousand (NOK 11,164 thousand) net of transaction costs of EUR 3 thousand (NOK 30 thousand) and an increase in cash of EUR 1,179 thousand (11,789 thousand).

- Distribution of ordinary dividend on 30 May 2021 based on the financial year ended 31 December 2020 amounting to EUR 9,988 thousand.

- Increase in share capital through transfer from funds on 2 June 2021 as described in Section 12.3 "Share capital and share capital history" (Bonus Issue) where the nominal value per share in the Company was increased to EUR 7 (NOK 70). The share capital increased by EUR 123 thousand (NOK 1,226 thousand) and the share premium decreased by EUR 124 thousand (NOK 1,236 thousand) including transaction costs of EUR 1 thousand (NOK 10 thousand).

- The share split (1:50) as described in Section 12.3 "Share capital and share capital history" increased the number of issued shares with 246,061,634 shares and resulted in a nominal value per Share of NOK 1.40. This event did not have a monetary amount effect.

- A reduction in the RCF of EUR 15,402 thousand.

Adjustments for estimated effects of the following transactions subject to the Offering and the Listing:

- Subject to the completion of the Offering and the Listing, the Company will raise approximately EUR 50 million (NOK 507.8 million) in gross proceeds through the issuance of new Shares, assuming the issuance of 21,158,333 new Shares which is the maximum number new Shares at an Offer Price of approximately EUR 2.36 (NOK 24) per new Share which is based on the lowest point of the Indicative Price Range of EUR 2.36 to EUR 2.95 (NOK 24 to NOK 30) and receive net proceeds in the amount of approximately EUR 45.6 million (NOK 463 million) after deduction of related issuance costs estimated to be EUR 4.4 million (NOK 45 million) assumed to be paid through utilization of the RCF.[56]

[56] EUR amounts based on a convenience exchange rate from Norges Bank of EUR/NOK 10.1560 per 4 June 2021.

- Subject to the completion of the Offering and the Listing, the Company will issue a one-time transaction bonus to management of an estimated EUR 2 million of which EUR 1 million will be paid back through utilisation of the RCF. See Section 11.4.3 "Bonus programs for Group Management" and Section 16 "Reasons for the Offering and the Listing" for details.

- Subject to the completion of the Offering and Listing, the Company will pay down EUR 50,000 thousand on the RCF.

As a result of the transactions above, and based on an Offer Price per New Share of NOK 24 (which is based on the lowest point of the Indicative Price Range of NOK 24 to NOK 30), the Company's share capital will be NOK 381,138,286.20 (EUR 50,585 thousand) consisting of 272,241,633 Shares, each with a nominal value of NOK 1.40.

Other than as set forth above, there has been no material change to the Group's capitalisation and net financial indebtedness since 31 March 2021.

8.2 Capitalisation

In EUR 1,000	As at 31 March 2021[(a)]	Adjustments not subject to the Offering and the Listing[(b)]	Adjustments subject to the Offering and the Listing[(c)]	As adjusted as of the date of the Prospectus
Indebtedness				
Total current debt:				
Guaranteed				
Secured..	18,791[(1)]	-	-	18,791
Unguaranteed/Unsecured	222,615[(2)]	-	-	222,615
Total non-current debt:				
Guaranteed	-	-	-	-
Secured..	66,858[(3)]	-	-	66,858
Unguaranteed/Unsecured	249,518[(4)]	(15,402)[(7)]	(44,600)[(10)]	189,516
Total indebtedness.....................	**557,782**	**(15,402)**	**(44,600)**	**497,780**
Shareholders' equity				
Share capital	47,483[(5)]	185[(8)]	2,917[(11)]	50,585
Legal reserves..............................				
Other reserves..............................	156,984[(6)]	(8,995)[(9)]	40,683[(12)]	188,673
Total shareholders' equity..........	**204,467**	**(8,809)**	**43,600**	**239,257**
Total capitalisation.....................	**762,249**	**(24,211)**	**(1,000)**	**737,037**

a) The data set forth in this column is derived from the Group's Interim Financial Statements for the three months period ended 31 March 2021

(1) Current secured debt of EUR 18,791 thousand consist wholly of the financial statement line item current lease liabilities which are secured in the underlying leased assets.

(2) Unguaranteed and unsecured current debt of EUR 222,615 thousand consists of the financial statement line items liabilities to financial institutions of EUR 13,148 thousand, trade payables of EUR 101,047 thousand, taxes payable of EUR 9,576 thousand, public duties payable of EUR 18,469 thousand and other current liabilities of EUR 80,375 thousand.

(3) Non-current Secured debt of EUR 66,858 thousand consists wholly of the financial statement line item non-current lease liabilities which are secured in the underlying leased assets.

(4) Unguaranteed and unsecured non-current debt of EUR 249,518 thousand consists of the financial statement line items liabilities to financial institutions of EUR 229,142 thousand, pension liabilities of EUR 2,907 thousand, deferred taxes of EUR 12,103 thousand and other non-current liabilities of EUR 5,366 thousand

(5) Share capital of EUR 47,483 thousand consists wholly of the financial statement line item share capital.

(6) Other reserves of EUR 156,984 thousand are comprised of the financial statement line items other paid in capital of EUR 15,332 thousand, currency translation reserves of EUR (38,642) thousand, cash flow hedge reserves of EUR 4,810 thousand and retained earnings of EUR 175,484 thousand.

b) Adjustments not subject to the Offering and the Listing

(7) The unguaranteed and unsecured non-current debt decrease of EUR 15,402 thousand was due to a reduction in the RCF.

(8) The share capital increase of EUR 185 thousand was due to the issuance of new shares under the long-term incentive scheme to the management of NOK 63 thousand and the bonus issue of EUR 123 thousand.

(9) The decrease in Other reserves of EUR 8,995 thousand was due to the ordinary dividend pay-out of EUR 9,988 thousand (reducing other reserves) and the bonus issue (decreasing other reserves by EUR 124 thousand including transaction costs of EUR 1 thousand), offset by the issuance of new shares under the long-term incentive scheme to the Management (increasing other reserves by EUR 1,117 thousand net of transaction costs of EUR 3 thousand).

c) Adjustments subject to the Offering and the Listing

(10) Subject to the Offering and the Listing, unguaranteed and unsecured non-current debt decreased by EUR 44,600 thousand due to partial repayment of the RCF of EUR 50,000 thousand which was offset by draw down on the RCF of EUR 4,400 thousand to cover the transaction costs related to the issuance of the New Shares and draw down on the RCF of EUR 1,000 thousand in connection with the one-time transaction bonus to management.

(11) Subject to the Offering and the Listing, of the EUR 50,000 thousand in gross proceeds raised by the Company through the issuance of 21,158,333 New Shares with a nominal value of EUR 0.14 (NOK 1.40), share capital increased by EUR 2,917 thousand. The resulting share capital on an as adjusted basis as of the date of the Prospectus is EUR 50,585 thousand (or NOK 381,138,286.20 consisting of 272,241,633 Shares each with a nominal value of NOK 1.4).

(12) Subject to the Offering and the Listing, other reserves increased by EUR 40,683 thousand, whereas: of the EUR 50,000 thousand in gross proceeds raised by the issuance of 21,158,333 New Shares based on an Offer Price per New Share of EUR 2.4 (NOK 24.0) which is the lowest point of the Indicative Price Range of EUR 2.4 to EUR 3.0 (or NOK 24 to NOK 30), other reserves increased by EUR 42,683 thousand net of estimated transaction costs of EUR 4,400 thousand while the remaining amount increased share capital by EUR 2,917 thousand. Additionally, other reserves decreased by EUR 2,000 thousand as a result of the one-time transaction bonus to management. The resulting other reserves on an as adjusted basis as of the date of the Prospectus is EUR 188,673 thousand.

8.3 Net financial indebtedness

	In EUR 1,000	**As at 31 March 2021[a]**	**Adjustments not subject to the Offering and the Listing(b)**	**Adjustments subject to the Offering and the Listing[c]**	**As adjusted as of the date of the Prospectus**
(A)	Cash..	10,536[1]	(8,809)[6]	(1,000)[8]	726
(B)	Cash equivalents......................				
(C)	Other current financial assets				
(D)	**Liquidity (A)+(B)+(C) ....**	**10,536**	**(8,809)**	**(1,000)**	**726**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)...........................	13,148[2]	-	-	13,148
(F)	Current portion of non-current financial debt	18,791[3]	-	-	18,791
(G)	**Current financial debt (E)+(F).**	**31,939**	**-**	**-**	**31,939**
(H)	**Current financial indebtedness (G)-(D)..............**	**21,403**	**8,809**	**1,000**	**31,213**
(I)	Non-current financial debt (excluding current portion and debt instruments)	229,142[4]	(15,402)[7]	(44,600)[9]	169,140
(J)	Debt instruments	-	-	-	-
(K)	Non-current trade and other payables...................................	66,858[5]	-	-	66,858
(L)	**Non-current financial indebtedness (I)+(J)+(K) ....**	**296,000**	**(15,402)**	**44,600**	**235,998**
(M)	**Total financial indebtedness (H)+(L) ....**	**317,403**	**(6,593)**	**43,600**	**267,211**

a) The data set forth in this column is derived from the Group's Interim Financial Statements for the three-months period ended 31 March 2021

(1) Cash of EUR 10,536 thousand consists wholly of the financial statement line item cash and cash equivalents

(2) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) of EUR 13,148 thousand consist wholly of the financial statement line item liabilities to financial institutions

(3) Current portion of non-current financial debt of EUR 18,791 thousand consist wholly of the financial statement line item short term lease liabilities

(4) Non-current financial debt (excluding current portion and debt instruments) of EUR 229,142 thousand consist wholly of the financial statement line item liabilities to financial institutions

(5) Non-current trade and other payables of EUR 66,858 thousand consist wholly of the financial statement line item long term lease liabilities

b) Adjustments not subject to the Offering and the Listing

(6) The cash decrease of EUR 8,809 thousand was due to the dividend paid of EUR 9,988 thousand and EUR 1 thousand in transaction costs in connection to the bonus issue which was offset by the proceeds from the capital increase under the long-term incentive scheme to the Management of EUR 1,179 thousand.

(7) The non-current financial debt (excluding current portion and debt instruments) decrease of EUR 15,402 thousand was due to a reduction in the RCF.

c) Adjustments subject to the Offering and the Listing

(8) Subject to the Offering and the Listing, cash decreased by EUR 1,000 thousand. The Company received EUR 50,000 thousand in connection with the gross proceeds received through the issuance of the New Shares which was offset with EUR (50,000) thousand to partially repay the RCF and EUR (1,000) thousand in connection with the one-time transaction bonus to management.

(9) Subject to the Offering and the Listing, non-current financial debt (excluding current portion and debt instruments) decreased by EUR 44,600 thousand due to partial repayment of the RCF of EUR 50,000 thousand which was partially offset by draw down on the RCF of EUR 4,400 thousand to cover the transaction costs related to the issuance of the New Shares and draw down on the RCF of EUR 1,000 thousand in connection with the one-time bonus to management.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

8.5 Contingent and indirect indebtedness

In addition to the Group's ongoing investments and future investments as described in Section 10.11 "Investments", the Group's contingent and indirect indebtedness not presented in Section 8.3 "Net financial indebtedness" are as follows:

- Commitments for the acquisition of property, plant and equipment: Approximately EUR 5 million
- Commitments for the acquisition of goods: Approximately EUR 9 million
- Guarantees issued in relation to operational activities: Approximately EUR 4 million

Other than as described above, the Group does not have any material contingent or indirect indebtedness.

9. SELECTED FINANCIAL AND OTHER INFORMATION

The Consolidated Financial Statements as of and for the years ended 31 December 2020, 2019 and 2018 have been prepared in accordance with IFRS as adopted by the EU. The Interim Financial Statements as of and of the for the three-month period ended on 31 March 2021 and 2020 have been prepared in accordance with IAS 34 ("Interim Financial reporting"). The Consolidated Financial Statements for the years ended 31 December 2020 and 2019 have been audited by PwC, as set forth in their auditor's report included herein. The Consolidated Financial Statements for the year ended 31 December 2018 have been audited by Ernst & Young AS, as set forth in their auditor's report included herein. The financial statements for the three-month period ended on 31 March 2021 have been subject to limited review by PwC as set forth in their review report included herein.

9.1 Introduction

Unless otherwise stated, the selected financial information set forth in this Section 9 has been extracted from the Group's audited consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018 (the Consolidated Financial Statements) as well as the Group's unaudited condensed interim consolidated financial statements for the three months ended 31 March 2021 and 2020 (the Interim Financial Statements). The selected consolidated financial information included in this Section 9 should be read in connection with, and is qualified in its entirety by reference to the Financial Statements, attached as Appendix B, Appendix C and Appendix D to this Prospectus.

Restatements

Figures for the financial year 2018 labelled as "restated" included in this Section 9 have been derived from the unaudited comparative 2018 figures in the 2019 Consolidated Financial Statements. The restatements are due to a revised assessment of IFRS 15 Revenue Recognition for customer contracts related to sale of the cartons. For further information see Section 10.2.2 "Restated IFRS 15 revenue recognition in 2019 Consolidated Financial Statements".

9.2 Summary of accounting policies

For information regarding accounting policies and the use of estimates and judgments, please refer to Note 2 and 3 of the Group's audited consolidated financial statements as of, and for the year ended 31 December 2020, included as Appendix C to this Prospectus, and Note 2 of the Group's unaudited condensed interim consolidated financial statements as of, and for the three months period ended 31 March 2021, included as Appendix B to this Prospectus.

9.3 Consolidated statement of income

The table below sets out selected data from the Group's consolidated statement of income for the three months' periods ended 31 March 2021 and 2020 and for the years ended 31 December 2020, 2019 and 2018:

In EUR 1,000	Three months ended 31 March 2021	Three months ended 31 March 2020	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2018 (restated)	Year ended 31 December 2018 (audited)
Revenues	222,793	233,047	908,773	906,424[57]	909,247	904,435
Other operating income	2	2	5,221	106[58]	-	-
Total income	**222,795**	**233,049**	**913,994**	**906,530**	**909,247**	**904,435**
Raw material expenses and change in inventory	-138,567	-151,283	-576,637	-587,630	-608,016	-603,577
Payroll expenses	-41,523	-42,380	-168,573	-177,908	-171,002	-171,002
Depreciation, amortization and impairment	-13,496	-13,379	-52,209	-52,305	-36,980	-36,980
Other operating expenses	-12,051	-12,217	-45,918	-52,687	-54,962	-54,962
Total operating expenses	**-205,637**	**-219,259**	**-843,338**	**-870,529**	**-870,960**	**-866,521**
Operating profit	**17,158**	**13,790**	**70,656**	**36,001**	**38,287**	**37,914**
Financial Income and expenses						
Share of net income from joint ventures	882	1,618	3,155	-1,690	5,669	5,669
Financial income	1,524	3,523	1,588	2,523	1,343	1,343
Financial expenses	-3,849	-4,386	-15,190	-19,936	-12,908	-12,908
Profit before taxes	**15,715**	**14,544**	**60,209**	**16,897**	**32,391**	**32,018**
Income tax expenses	-4,765	1,244	-12,381	-7,031	-4,421	-4,332
Profit	**10,951**	**15,788**	**47,828**	**9,866**	**27,970**	**27,687**
Profit attributable to the owners of the parent company	10,951	15,788	47,828	9,866	27,970	27,687
Basic and diluted earnings per share (in EUR)	2.18	3.15	9.54	1.97	5.58	-
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Net value gains/losses (-) on actuarial benefit plans, net of tax	-30	61	-71	247	141	141
Items reclassified subsequently to net income upon derecognition						
Exchange differences on translation foreign operations	3,289	-6,804	-10,998	4,431	-1,469	-1,469
Net value gains/losses (-) on cash flow hedges, net of tax	4,813	-7,644	2,136	1,334	-3,175	-3,175
Joint ventures	-	-	-	270	-	-
Other comprehensive income, net tax	8,072	-14,387	-8,934	6,282	-4,503	-4,503
Total comprehensive income	**19,023**	**1,401**	**38,894**	**16,148**	**23,467**	**23,184**
Total comprehensive income attributable to the owners of the parent company	19,023	1,401	38,894	16,148	23,467	23,184

9.4 Consolidated statement of financial position

The table below sets out selected data from the Group's consolidated statement of financial position as of 31 March 2021 and for the years ended 31 December 2020, 2019 and 2018.

In EUR 1,000	Three months ended 31 March 2021	Year ended 31 December 2020	2019	2018 (restated)	2018 (audited)
ASSETS					
Non-current assets					
Development cost and other intangible assets	60,150	61,211	61,101	61,201	61,201
Deferred tax assets	22,415	23,544	32,600	29,323	31,182
Goodwill...	51,887	52,291	51,361	51,751	51,751
Property, plant and equipment	184,219	188,429	185,131	168,492	168,492
Right of use assets	66,372	69,270	80,450	-	-
Investment in joint ventures	28,686	26,956	27,710	32,547	32,547
Other non-current assets	14,757	14,517	24,126	13,787	13,787
Total non-current assets..............	**428,487**	**436,217**	**462,479**	**357,101**	**358,960**
Current assets					
Inventory...	137,542	135,523	127,387	132,082	165,677
Trade receivables	123,448	113,050	113,828	117,807	76,467
Other current assets	62,237	57,889	56,339	51,453	51,453
Cash and cash equivalents	10,536	6,443	15,507	14,374	14,374
Total current assets	**333,763**	**312,906**	**313,061**	**315,716**	**307,971**
TOTAL ASSETS	**762,249**	**749,123**	**775,540**	**672,818**	**666,931**

In EUR 1,000	Three months ended 31 March 2021	Year ended 31 December 2020	2019	2018 (restated)	2018 (audited)
EQUITY AND LIABILITIES					
Equity					
Share capital	47,483	47,482	47,482	47,482	47,482
Other paid-in capital	15,332	15,332	13,188	15,621	15,621
Currency translation reserve	-38,642	-41,930	-30,932	-35,363	-35,363
Cash flow hedge reserve	4,810	-3	-2,139	-3,473	-3,473
Retained earnings	175,484	164,564	126,290	127,333	121,447
Attributable to owners of the company...	204,467	185,444	153,889	151,600	145,714
Total equity	**204,467**	**185,444**	**153,889**	**151,600**	**145,714**
Liabilities					
Non-current liabilities					
Pension liabilities............................	2,907	2,554	2,958	3,447	3,447
Deferred taxes................................	12,103	11,994	21,147	16,456	16,456
Liabilities to financial institutions	229,142	213,135	249,048	275,121	275,121
Non-current lease liabilities	66,858	69,090	78,423	74	-
Other non-current liabilities	5,366	5,982	5,264	2,967	3,042
Total non-current liabilities	**316,375**	**302,755**	**356,840**	**298,065**	**298,066**
Current liabilities					
Liabilities to financial institutions......	13,148	15,552	24,341	14,329	14,329
Trade payables...............................	101,047	114,273	117,630	114,052	114,052

In EUR 1,000	**Three months ended 31 March 2021**	**Year ended 31 December 2020**	**2019**	**2018 (restated)**	**2018 (audited)**
Taxes payable	9,576	8,978	5,352	3,610	3,610
Public duties payable......................	18,469	20,125	15,494	15,060	15,060
Current lease liabilities	18,791	19,085	19,587	149	-
Other current liabilities....................	80,375	82,911	82,408	75,952	76,100
Total current liabilities	**241,407**	**260,923**	**264,812**	**223,151**	**223,151**
Total liabilities	**557,782**	**563,678**	**621,652**	**521,217**	**521,217**
TOTAL EQUITY AND LIABILITIES	**762,249**	**749,123**	**775,540**	**672,818**	**666,931**

9.5 Consolidated statement of cash flows

The table below sets out selected data from the Group's consolidated statement of cash flows for the three months' periods ended as of 31 March 2021 and 2020 and for the years ended 31 December 2020, 2019 and 2018.

	Three months ended 31 March[59]		**Year ended 31 December**			
In EUR 1,000	**2021**	**2020**	**2020**	**2019**	**2018 (restated)**	**2018 (audited)**
Profit before taxes	15,715	14,544	60,209	16,897	32,391	38,878
Interest expenses to financial institutions	808	1,523	4,688	10,040[60]	-	-
Lease liability interest	1,231	1,396	5,183	5,660[61]	-	-
Profit before taxes and interest paid	17,755	17,464	70,080	32,597	-	-
Depreciation, amortization and impairment...................	-	-	52,209	52,305	36,981	36,981
Write-down of financial assets	-	-	332	-	-	-
Net unrealized currency gain(-)/loss...................	-	-	-3,951	-1,674	1,260	1,260
Income from joint ventures	-	-	-3,155	1,690	-5,669	-5,669
Net gain(-)/loss on sale of non-current assets....	-	-	-5,220	-14	-271	-271
Other operating cash flows	-21,484	3,264	-	-	-	-
Taxes paid...................	-	-	-11,508	-7,966	-16,302	-16,302
Change in trade receivables	-	-	-4,340	5,993	2,927	7,739
Change in other current assets	-	-	4,289	-2,094	-16,595	-16,595
Change in inventories	-	-	-7,674	8,060	5,814	1,375
Change in trade payables	-	-	-184	2,019	14,628	14,628
Change in other current liabilities	-	-	12,094	11,133	-16,108	-16,108
Change in net pension liabilities	-	-	-340	-184	-8,090	-8,090
Net cash flow from operations	**-3,729**	**20,728**	**102,633**	**101,865**	**30,966**	**37,826**
Purchase of non-current assets	-3,555	-9,944	-50,152	-52,595	-45,283	-45,283

[59] As extracted from the Interim Financial Statements which are presented in a condensed form

[60] "Interest expenses to financial institutions" in 2019 was reclassified from financing activities to operating activities in 2020, and the figures included in the table corresponds to the comparison column in the Group's audited consolidated financial statement for the year ended 31 December 2020.

[61] "Lease liability interests" in 2019 was reclassified from financing activities to operating activities in 2020, and the figures included in the table corresponds to the comparison column in the Group's audited consolidated financial statement for the year ended 31 December 2020.

In EUR 1,000	Three months ended 31 March[59] 2021	2020	Year ended 31 December 2020	2019	2018 (restated)	2018 (audited)
Proceeds from sales of non-current assets	10	-	6,194	128	2,011	2,011
Proceeds from sale of business	-	-	1,500	-	-	-
Proceeds from long term investing activities	1,402	2,272	-	-	-	-
Dividend from joint venture companies	-	-	-	4,348	6,739	6,739
Change in other non-current assets..............	-	-	6,812	7,335	500	500
Net cash flow from investing activities	**-2,142**	**-7,671**	**-35,647**	**-40,784**	**-36,033**	**-36,033**
Proceeds of loans from financial institutions	232,302	259,672	960,649	1,102,529[62]	-	-
Repayment of loans from financial institutions	-217,389	-262,844	-1,002,188	-1,121,503[63]	-	-
Interest expenses to financial institutions	-808	-1,523	-4,688	-10,040[64]	-	-6,860
Change in long term loans and liabilities	-	-			67,427	67,427
Change in current liabilities to financial institutions	-	-			-2,834	-2,834
Dividend paid	-	-	-9,480	-10,373	-60,496	-60,496
Capital increase	-	-	2,388	-	723	723
Lease payments	-5,059	-5,099	-20,799	-20,874[65]	-	-
Net cash flow from financing activities	**9,046**	**-9,794**	**-74,120**	**-60,261**	**4,819**	**-2,041**
Foreign currency translation on cash	918	-4,549	-1,929	312	-280	-280
Net increase/decrease in cash.........................	4,092	-1,286	-9,063	1,131	-527	-527
Cash at beginning of year	**6,443**	**15,507**	**15,507**	**14,375**	**14,903**	**14,903**
Cash at end of the period	**10,536**	**14,221**	**6,443**	**15,507**	**14,375**	**14,375**

[62] This line has been reclassified in 2020. The figure has been extracted from the comparison column in the Group's audited consolidated financial statements for the year ended 31 December 2020.

[63] This line has been reclassified in 2020. The figure has been extracted from the comparison column in the Group's audited consolidated financial statements for the year ended 31 December 2020.

[64] This line has been reclassified in 2020. The figure has been extracted from the comparison column in the Group's audited consolidated financial statements for the year ended 31 December 2020.

[65] This line has been reclassified in 2020. The figure has been extracted from the comparison column in the Group's audited consolidated financial statements for the year ended 31 December 2020.

9.6 Consolidated statement of changes in equity

The table below sets out selected data from the Group's consolidated statement of changes in equity as of 31 March 2021 and for the years ended 31 December 2020, 2019 and 2018.

	As of 31 March 2021					
In EUR 1,000	**Share capital**	**Other paid-in capital**	**Currency translation reserve**	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
Total equity 01.01	47,482	15,332	-41,930	-3	164,564	**185,444**
Profit of the period	-	-			10,951	**10,951**
Other comprehensive income net of tax....................................	-	-	3,289	4,813	-30	**8,072**
Total comprehensive income .	**-**	**-**	**3,289**	**4,813**	**10,921**	**19,023**
Total equity per 31.3................	**47,483**	**15,332**	**-38,642**	**4,810**	**175,484**	**204,467**

	Year ended 31 December 2020					
In EUR 1,000	**Share capital**	**Other paid-in capital**	**Currency translation reserve**	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
Total equity 01.01	**47,482**	**13,188**	**-30,932**	**-2,139**	**126,290**	**153,889**
Profit for the year	-	-	-	-	47,828	**47,828**
Other comprehensive income net of tax	-	-	-10,998	2,136	-71	**-8,934**
Total comprehensive income	**-**	**-**	**-10,998**	**2,136**	**47,756**	**38,894**
Provision for shared based bonus ..	-	2,388	-	-	-	**2,388**
Dividend paid	-	-	-	-	-9,480	**-9,480**
Group contribution from owner	-	865	-	-	-	**865**
Group contribution to owner	-	-1,109	-	-	-	**-1,109**
Total transactions with owners ...	**-**	**2,144**	**-**	**-**	**-9,480**	**-7,337**
Total equity per 31.12...................	**47,482**	**15,332**	**-41,930**	**-3**	**164,564**	**185,444**

	Year ended 31 December 2019					
In EUR 1,000	**Share capital**	**Other paid-in capital**	**Currency translation reserve**	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
Total equity 01.01	**47,482**	**15,621**	**-35,363**	**-3,473**	**127,333**	**151,600**
Effect of adoption of IFRS16 Leases	-	-	-	-	-1,055	**-1,055**
Total equity 01.01 (adjusted for IFRS 16)	**47,482**	**15,621**	**-35,363**	**-3,473**	**126,278**	**150,545**
Profit of the year	-	-	-	-	9,866	**9,866**
Other comprehensive income net of tax..................................	-	-	4,431	1,334	517	**6,282**
Total comprehensive income .	**-**	**-**	**4,431**	**1,334**	**10,384**	**16,148**
Dividend paid	-	-	-	-	-10,373	**-10,373**
Group contribution from owner .	-	8,625	-	-	-	**8,625**

Group contribution to owner	-	-11,057	-	-	-	**-11,057**
Total transactions with owners	**-**	**-2,432**	**-**	**-**	**-10,373**	**-12,805**
Total equity per 31.12.............	**47,482**	**13,189**	**-30,932**	**-2,139**	**126,289**	**153,889**

	Year ended 31 December 2018 (restated)					
In EUR 1,000	**Share capital**	**Other paid-in capital**	**Currency translation reserve**	**Cash flow hedge reserve**	**Retained earnings**	**Total equity**
Total equity 01.01	**47,438**	**19,383**	**-33,894**	**-298**	**154,116**	**186,774**
Effect of change in accounting policy for IFRS15	-	-	-	-	5,603	**5,603**
Total equity 01.01 (restated).......	**47,438**	**19,383**	**-33,894**	**-298**	**159,718**	**192,346**
Profit for the year	-	-	-	-	27,970	**27,970**
Other comprehensive income net of tax	-	-	-1,469	-3,175	141	**-4,503**
Total comprehensive income	**-**	**-**	**-1,469**	**-3,175**	**28,111**	**23,467**
Share capital increase	44	679	-	-	-	**723**
Dividend paid	-	-	-		-60,496	**-60,496**
Group contribution from owner	-	14,867	-	-	-	**14,867**
Group contribution to owner	-	-19,308	-	-	-	**-19,308**
Total transactions with owners .	**44**	**-3,762**	**-**	**-**	**-60,496**	**-64,214**
Total equity per 31.12.................	**47,482**	**15,621**	**-35,363**	**-3,473**	**127,333**	**151,600**

9.7 Segment information

The tables below set out selected geographical segment information for the years ended 31 December 2020, 2019 and 2018 as derived from the Consolidated Financial Statements.

9.7.1 Revenues specified by geographical area

	Year ended 31 December			
In EUR 1,000	**2020**	**2019**	**2018 (restated)**	**2018 (audited)**
Germany..	151,917	148,782	156,269	156,269
USA...	135,489	139,118	125,841	125,841
Russia	75,617	71,477	71,703	71,703
Netherlands...	50,371	51,512	52,455	52,455
Norway	25,875	35,362	27,057	27,057
Other	469,495	460,067	475,921	471,110
Total revenues...	**908,773**	**906,424**[66]	**909,246**	**904,435**

[66] Due to re-presentation of split between revenue and other operating income in 2020, the segment revenue for 2019 is extracted from the Group's audited consolidated financial statements for the year ended 31 December 2020.

9.7.2 Operating segments

Year ended 31 December 2020

In EUR 1,000	**Europe**	**Americas**	**Corporate services**	**Elimina-tions**	**Group**
Total revenue and other operating income	746,624	193,964	13,100	-39,693	913,994
Operating expenses	-634,440	-164,371	-32,046	39,729	-791,128
Depreciation and amortization	-43,632	-5,191	-3,047	-36	-51,905
Impairment	-249	-6	-50		-304
Operating profit	**68,304**	**24,396**	**-22,043**		**70,656**
Total assets	600,454	115,672	273,286	-240,289	749,123
Purchase of non-current assets during the year	39,480	2,738	7,934		50,152

Year ended 31 December 2019

In EUR 1,000	**Europe**	**Americas**	**Corporate services**	**Elimina-tions**	**Group**
Total revenue and other operating income	725,879	213,133	12,079	-44,580	906,530
Operating expenses	-641,051	-191,649	-30,104	44,579	-818,224
Depreciation and amortization	-41,494	-5,617	-3,927		-51,038
Impairment	-1,267				-1,267
Operating profit	**42,085**	**15,867**	**-21,951**		**36,001**
Share of income from joint ventures	-6,385	4,695			-1,690
Total assets	645,557	117,900	302,124	-290,040	775,540
- thereof investments in joint ventures	1,500	26,210			27,710
Purchase of non-current assets during the year	41,215	4,236	7,144		52,595

Year ended 31 December 2018 (restated)

In EUR 1,000	**Europe**	**Americas**	**Corporate services**	**Elimina-tions**	**Group**
Total revenue and other operating income	748,563	187,798	9,362	-36,476	909,247
Operating expenses	-668,149	-173,497	-28,811	36,476	-833,980
Depreciation and amortization	-28,932	-4,310	-2,789		-36,032
Impairment	-948				-948
Operating profit	**50,534**	**9,992**	**-22,238**		**38,287**
Share of income from joint ventures	274	5,395			5,669
Total assets	526,100	107,965	274,010	-235,258	672,817
- thereof investments in joint ventures	7,504	25,042			32,547
Purchase of non-current assets during the year	31,498	2,418	10,959		44,875

	Year ended 31 December 2018 (audited)				
In EUR 1,000	**Europe**	**Americas**	**Corporate services**	**Elimina-tions**	**Group**
Total revenue and other operating income	743,282	188,267	9,362	-36,476	904,435
Operating expenses................	-663,573	-173,634	-28,811	36,476	-829,541
Depreciation and amortization .	-28,932	-4,310	-2,789		-36,032
Impairment	-948				-948
Operating profit	**49,829**	**10,324**	**-22,238**		**37,914**
Share of income from joint ventures..................................	274	5,395			5,669
Total assets	548,423	107,212	263,565	-251,365	667,836
- thereof investments in joint ventures..................................	7,504	25,042			32,547
Purchase of non-current assets during the year........................	31,498	2,418	10,959		44,875

9.8 Auditor

The Company's auditor is PricewaterhouseCoopers AS, with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0194 Oslo, Norway (PwC). PwC is a member of The Norwegian Institute of Public Accountants (Norwegian: Den Norske Revisorforeningen).

PwC has audited Elopak's consolidated financial statements as of, and for the years ended 31 December 2020 and 2019, and has performed a limited review of the Group's condensed interim consolidated financial statements for the three month's period ended 31 March 2021. PwC has not audited, reviewed or produced any other report on any other information in this Prospectus.

Ernst & Young AS has audited Elopak's consolidated financial statements as of, and for the year ended 31 December 2018. Ernst & Young AS has not audited, reviewed or produced any other report on any other information in this Prospectus. Ernst & Young AS is a member of The Norwegian Institute of Public Accountants (Norwegian: Den Norske Revisorforeningen) with registration number 976 389 387 and business address at Dronning Eufemias gate 6A, 0191 Oslo, Norway.

The restated 2018 figures have not been subject to audit, please refer to Section 10.2.2 "Restated IFRS 15 revenue recognition in 2019 Consolidated Financial Statements" for further information.

10. OPERATING AND FINANCIAL REVIEW

The following is a discussion and analysis of the Group's results of operations and financial condition, based on the Consolidated Financial Statements and the Interim Financial Statements. This operating and financial review should be read together with Section 4 "General Information", Section 9 "Selected financial and other information" and the Consolidated Financial Statements and the Interim Financial Statements and related notes, included as Appendix B and C to this Prospectus. The Consolidated Financial Statements as of, and for the years ended, 31 December 2020, 2019 and 2018 have been prepared in accordance with IFRS as adopted by the EU. The Interim Financial Statements as of, and for the three months' period ended 31 March 2021 have been prepared in accordance with IAS 34.

This discussion and analysis may contain forward-looking statements. Please see further information in Section 4.7 "Cautionary note regarding forward-looking statements".

10.1 Overview

Elopak is a leading global supplier of liquid carton packaging and filling equipment, catering to both the fresh and aseptic segments. The fresh segment constitutes Elopak's largest market, where it has a leading position in its core regions of Northern Europe, Southern Europe and Central America in 2020[67]. Elopak also has a growing market position within the aseptic segment, where its carton packaging and filling equipment for beverages and liquid food, have given it a no. 3 market position in the same core regions. Elopak has a product suite of more than 400 gable top blanks stock-keeping units (SKUs), and in 2020 Elopak produced 14 billion cartons[68] across 9 manufacturing sites. Elopak sells to more than 70 markets with 2,600 employees. Elopak was established and has been owned by Ferd since 1957.

In 2020, Elopak had EUR 909 million in revenue and EUR 122.3 million in Adjusted EBITDA. Europe accounted for 79% of Elopak's revenue, while the Americas accounted for 21%. The Fresh market accounted for 78% of Elopak's Pure-Pak® carton revenue in 2020, while the Aseptic market accounted for 18%, and the remaining 5% attributable to Other. The level of total income by geographical area is in part affected by structural differences in production in different geographies. For example, the Group focuses on converting in Americas while the Group's European operations cover both coating and converting. Further, Roll Fed for Americas is produced in Europe which drives a margin split between the two geographies; research and development are allocated to the Group's European geographies further impacting margins. Finally, EBITDA for the Americas includes share of net profit from JVs. Elopak expects there to continue to be differences in margins across geographical areas going forward.

Elopak sells its packaging solutions to a diversified customer base, including leading international blue-chip and established national and regional food and beverage companies. Elopak's products are integrated into its customers' value chains and enable them to preserve, protect and market their products while fulfilling the production requirements of their high-volume operations. The use of Elopak's cartons supports customers in meeting their sustainability targets. Elopak has a long, well-established track record, coupled with deep system knowledge supported by a long history of packaging innovation, *as well as* collaboration with its customers and partners. Elopak believes these qualities have positioned it as a strong industry partner for its global customer base.

Elopak has a global footprint with customers, employees and manufacturing sites and offices worldwide. Elopak has nine manufacturing sites, including eight converting plants for carton manufacturing with two plants located in the Netherlands (coating and converting Pure-Pak®) and one plant located in each of Denmark (coating and converting Pure-Pak® and Roll Fed), Ukraine (coating and converting Roll Fed), Russia (converting Pure-Pak®), Canada (converting Pure-Pak®), Mexico (coating and converting Pure-Pak®, operated by joint venture)[69] and the Dominican Republic (converting Pure-Pak®, operated by joint venture)[70] and one site for filling machine assembly located in Germany. In addition, Elopak has two

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[67] Source: Roland Berger market study, February 2021. Rank based on interviews with market participants assessing market perception of key players.

[68] Included 100% volumes from joint ventures.

[69] Plant owned by JV Envases in Mexico (Elopak shareholding of 49%)

[70] Plant owned by JV Impresora in Dominican Republic (Elopak shareholding of 51%)

corporate locations with its headquarters located in Oslo, Norway and corporate offices with a technology centre in Spikkestad, Norway.

10.2 Factors affecting comparability of the financial information

10.2.1 IFRS 16 implementation

The Group applied IFRS 16 from 1 January 2019. IFRS 16 introduced significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

The Group applied IFRS 16 using the cumulative catch-up approach which required the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at 1 January 2019 (being the date of initial application). The cumulative catch-up approach does not permit restatement of comparatives, accordingly the financial information of the Group as at and for the year ended 31 December 2018 is presented under IAS 17 and IFRIC 4.

The definition of a lease and related guidance set out in IFRS 16 is applied to all lease contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group carried out an implementation project. The project identified one arrangement that was under the scope of IFRS 16, but not within the scope of IAS 17 and IFRIC 4. This arrangement is related to a closure moulding facility and is included in the effects of implementing IFRS 16. With the exception of this arrangement, the implementation project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

Impact on retained earnings as at 1 January 2019:	*In EUR 1,000*
Impact on retained earnings as at 1 January 2019	
Opening balance Right-of-use assets 1 January 2019……………………………………	**93,184**
Operating lease payments 31 December 2019……………………………………………………	121,390
Short term leases, low value assets and contracts not included in lease liability under IFRS 16 1 January 2019……………………………………………………………………………………	(7,928)
Discounting effects 1 January 2019………………………………………………………………	(24,427)
Finance lease as per 31 December 2018…………………………………………………………	221
Contracts under scope of IFRS 16 (but not reported as an operating or finance lease under IAS 17) as at 1 January 2019[1] …………………………………………………………………………	23,157
Lease liability 1 January 2019	**112,413**
Lease receivables 31 December 2018……………………………………………………………..	4,409
Impact of IFRS 16 1 January 2019…………………………………………………………………	16,535
Lease receivables 1 January 2019…………………………………………………………………	**20,944**
Opening balance assets effects from IFRS 16 1 January 2019…………………………………	109,719
Opening balance liabilities effects from IFRS 16 1 January 2019………………………………	(112,192)
Effects recognised to PL as at 1 January 2019……………………………………………………	0
Implementation effects from prepayments due to linear accounting of variable rent under IAS 17 as at 1 January 2019……………………………………………………………………………...	1,418
Implementation effects to retained earnings as at 1 January 2019……………………….	**(1,055)**

(1) Contracts under the scope of IFRS 16 but not reported as an operating lease under IAS 17 are related to moulding production of features.

Please see Note 2 of the Consolidated Financial Statements for more information, included as Appendix C to this Prospectus.

10.2.2 Restated IFRS 15 revenue recognition in 2019 Consolidated Financial Statements

The audited Consolidated Financial Statements for the year ended 31 December 2019 (attached as Appendix C to this Prospectus) have been restated and re-issued following an updated assessment of Elopak's legal rights in the Company's revenue contracts with customers related to the sale of cartons. Revenue recognition from sale of cartons was changed from point in time to over time for printed cartons where the Group has an enforceable right to payment for performance completed to date. The cartons are printed based on customer specifications and are therefore without alternative use. Based on this assessment, management can confirm that the cancellation provisions in the contracts, combined with background law in different countries, give the Company an enforceable right to payment for work performed to date as described in IFRS 15. Hence, management concluded that most of the contracts include cancellation clauses that give the Company sufficient protection to conclude that there is an enforceable right to payment, and that this has also been the situation in previous years. Because of the revised conclusion, prior periods have been restated in accordance with IAS 8.42.

The following table summarises the impact of the policy change on the Consolidated Financial Statements of the Group.

RESTATED OPENING BALANCE 2018

2018 *In EUR 1,000*	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Equity 01.01.2018	**47,438**	**19,383**	**(33,894)**	**(298)**	**154,116**	**186,744**
Effect of change in accounting policy for IFRS 15					5,603	5,603
Equity 01.01.2018 – as restated	**47,438**	**19,383**	**(33,894)**	**(298)**	**159,718**	**192,346**

RESTATED STATEMENT OF COMPREHENSIVE INCOME

In EUR 1,000	2019	2018
Revenues	**(4,196)**	**4,812**
Raw material expenses and change in inventory	3,008	(4,439)
Total operating expenses	**3,008**	**(4,439)**
Operating profit	**(1,188)**	**373**
Income tax expenses	285	(90)
Profit for the year	**(903)**	**283**

RESTATED STATEMENT OF FINANCIAL POSITION

In EUR 1,000	2019	2018	Opening Balance 2018
Inventory	(30,587)	(33,595)	(29,156)
Trade receivables	37,144	41,340	36,528
Total current assets	**6,557**	**7,745**	**7,372**
EQUITY			
Retained earnings	4,983	5,886	5,603
Total Equity	**4,983**	**5,886**	**5,603**
Deferred tax assets	(1,574)	(1,859)	(1,769)
Total non-current assets	**(1,574)**	**(1,859)**	**(1,769)**

The Consolidated Financial Statements for the year ended 31 December 2018 have not been restated and re-issued, and as a result the audited 2018 financial statements are not directly comparable to the financial information presented by the Group in respect of subsequent financial periods. The impact of the change in IFRS 15 revenue recognition policy on the 2018 financial statements is detailed in Note 2 of the 2019 Consolidated Financial Statements included as Appendix C to this Prospectus. The discussion of movements in the Group's results of operations and financial position for the years ended 31 December 2018 and 31 December 2019 in this Section 10 "*Operating and Financial Review*" is based on financial information extracted from the unaudited comparative financial statements for the year ended 31 December 2018 included in the audited 2019 Consolidated Financial Statements.

10.3 Key factors affecting the Group's results of operations and financial performance

The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The factors that Elopak believes have had a material effect on the Group's results of operations during the periods under review, as well as those considered reasonably likely to have a material effect on its results of operations in the future are described below.

Volume development in Pure-Pak® cartons

Elopak's Pure-Pak® cartons are the Group's largest offering: revenues generated from sales of Pure-Pak® cartons comprised 67% of Elopak's revenues in 2020. As a result, trends and developments in the volume of Pure-Pak® cartons sold are key drivers of the Group's total revenue and margins. In addition to quantity of cartons sold, the product mix offered and sold is a key driver of revenue and margins, as Elopak offers cartons in various sizes and to different segments (for example, fresh, aseptic, dairy and juice). The impact of year-on-year changes in volume of cartons sold can be offset or strengthened by positive or negative development in product mix. For example, growth in larger size formats sold or in segments with a higher price or margin than the overall average of the business can offset a decline in volumes or strengthen an increase in volumes. Volumes are also a key driver of production efficiencies, as the Group seeks to produce higher volumes without additional employees in production. For the period under review, Elopak has seen relatively stable Pure-Pak® volumes, but with an underlying growth in the aseptic segment which has offset a reduction in fresh dairy volumes. The growth in aseptic volumes is mainly in the European aseptic segment as a result of the increasing installed base of aseptic filling machines in Europe. In addition, concerns over plastics (which is showing in fewer PET filling machine sales in mature markets leading to a shift in market patterns) is driving a shift in market share from PET to carton. The initial shift is on standard applications, e.g. dairies and juices. At the same time, Elopak has witnessed volume reductions in its European fresh dairy business during the period under review as a result of reduced demand for fresh dairy products which can be partly explained by shifting consumer preferences to dairy alternatives, such as oat, soy and other plant derived products, and aseptic dairy. As a result of the relatively stable Pure-Pak® carton volumes for the period under review, Pure-Pak® carton volumes have not had a significant impact on Elopak's top line.

Volume development in Roll Fed cartons

Elopak launched its Roll Fed offering in 2014, and it now represents the second largest revenue source in the Group's offering and revenues generated from sales of Roll Fed cartons comprised 14% of Elopak's revenues in 2020. In contrast to the number of options available in the Pure-Pak® format, Roll Fed is only offered to the aseptic segment in two sizes (200 ml and 1000 ml) and is not part of Elopak's total system offerings with filling machine and aftermarket services. Volume of cartons in the Roll Fed segment is typically communicated in LEQ to provide a better indication of the volume of sold material, as the mix between 200 ml and 1000 ml formats can have a significant impact on revenue and results with no change in total number of Roll Fed cartons sold. In the period under review, Elopak saw growth in sales of Roll Fed packaging materials, with a 24% increase in volume (measured in LEQ) from 2018 to 2019 while volumes declined by 6% from 2019 to 2020. Overall sales of Roll Fed packaging materials in 2020 was 2.2 billion packs (measured in one-litre equivalents) as compared to 2.4 billion packs in 2019. This decline was mainly a result of a loss of sales to a major customer in the Americas. The increase in volume (measured in LEQ) from 2018 to 2019 had a positive impact on Elopak's top line; for the period under review, the overall impact of volume development in Roll Fed cartons has been a slight increase (in the context of the percentage contribution of revenues generated from sales of Roll Fed cartons).

The figure below show Elopak's development in volume figures in the period 2018 to 2020:

Product pricing

The average price of a carton (which is calculated as total carton revenue divided by total carton volume) will be impacted by the same product mix effects described above under "*Volume development in Pure-Pak® Cartons"* and "*Volume development in Roll Fed cartons*"). Pricing is value based and also linked to the Company's points of differentiation and its ability to add value through the solutions it offers. Elopak is a systems provider, it often provides Pure-Pak® cartons, closures, a filling machine and aftermarket services all to the same customer. Elopak communicated to its customers in 2019 that it would be increasing prices for cartons in Europe effective beginning in 2020. This was broadly accepted by Elopak's customers. The price improvement, coupled with a decrease in raw material costs, had a positive impact on total revenues and supported the Company's margin improvement.

Operational improvements

Elopak has implemented cost-reduction and efficiency initiatives during the period under review, including centralisation of key functions which has led to savings in payroll expenses and operational expenditures. Other operating expenses have decreased from 2018 to 2020. In 2020, adjusted operating expenditures excluding raw materials were EUR 215 million which constituted 23.6% of revenues; payroll expenses were EUR 169 million with other operating expenditures at EUR 46 million. For 2019, adjusted operating expenditures excluding raw materials were EUR 231 million which constituted 25.4% of revenue; payroll expenses were EUR 178 million with other operating expenditures at EUR 52 million. In 2018, on a pre-IFRS 16 basis, adjusted operating expenses excluding raw materials were EUR 226 million which constituted 24.9% of revenues; payroll expenses were EUR 171 million with other operating expenditures at EUR 55 million.

The optimisation of the Group's plant footprint (with the closure of the Speyer plant at the end of 2019 and the subsequent reallocation of produced volumes to other European converting plants) was a key driver of the reduction in payroll expenses and operational expenditures. The result of the plant closure is that from 2020, Elopak is producing stable volumes in Europe as compared to 2019 with one fewer plant impacting payroll expenses (as Elopak's other European receiving plants were able to take on the Speyer plant volumes without an attendant increase in production employees). Operational labour efficiency in Europe resulted in significant reductions to Elopak's costs during the period under view. In addition, Elopak has significantly reduced its waste in the period under review as a result of its continuous improvement program, 'Elovation', which results in a reduced overall consumption of raw materials.

Investment towards meeting sustainability targets

There is increasing consumer concern over plastics with an especially strong focus in the Northern European countries, also indicated by a decline in PET filling machines in mature markets, leading to a shift in market patterns. The initial shift has been evident on standard applications that already use both cartons and PET bottles, including dairies and juices, with carton taking market share from PET. The impact of environmental problems has increased awareness in the minds of consumers as negative effects become increasingly noticeable. Consumers have a wide range of purchasing criteria when it comes to sustainability, but the Group believes that a key differentiating factor is the ability to reduce the amount of plastic used for packing (and whether plastic is used in packaging at all). Cartons are viewed as a sustainable alternative to various other package materials and there are strong environmental economics supporting the trend of moving from PET and glass bottles to cartons as described in Section 6.2.3 "Sustainability". The prevalence of plastic waste is a significant challenge in Europe, with an especially strong focus in the Northern European countries. The Group believes that environmental concerns are becoming more widespread and concerns about climate change are increasing.

Elopak rolled out its sustainability program, which is broken down into clear targets and strategic initiatives within each business unit, across the business in 2019 and 2020. As part of this sustainability program, the Group is seeking to reduce the amount of plastic products used in the composition of its cartons. The Group is using its capabilities in the fresh segment to drive the market shift from PET to cartons and is growing in new categories, such as non-food with its D-PAK™ branded gabletop cartons, specifically for use in the non-food segment.

Elopak believes that the market may shift in demand from PET solutions to cartons as a result of sustainability concerns. To the extent that this market shift occurs and is pronounced, it could have a positive impact on the Group’s financial results due to increased demand for the Group’s more eco-friendly cartons.

Raw material prices

Elopak's main raw materials for its carton production includes paper board, plastic resins and aluminium foil. Other materials which are also used in the carton production include ink, printing plates, secondary packaging and utilities as well as purchasing related to closures, filling machines and spare parts. Raw material is the primary cost driver for Elopak; in 2020, 50% of the Group’s raw material purchases were linked to raw board and coated board, 13% were linked to PE, 4% were linked to aluminium and 34% were linked to other products. Favourable raw material prices and increased efficiency resulted in reduced raw material expenses as a percentage of sales during the relevant periods. In the Americas, Elopak’s margins are less affected by fluctuations in raw material prices as the contract prices between suppliers and customers are generally linked to, and adjusted for, different raw material indices (e.g. gas and pulp). However, in Europe, the majority of Elopak’s contracts are fixed, exposing Elopak’s margins to short-term fluctuations in raw material prices for PE and aluminium foil. Raw board contracts in Europe are typically defined for several years, which enhances Elopak’s ability to predict costs. Purchases of PE (for coating production) are subject to market price volatility, although Elopak has a policy of reducing this exposure through hedging activities related to a significant portion of its PE purchases. As a result of Elopak’s policies to deal with volatility in raw material prices, and in addition to the relatively stable raw board prices in the period under review, raw material costs have not fluctuated significantly as a percentage of Elopak’s overall costs. In 2020, raw material expenses and change in inventory were 63.5% of revenues (while in 2019 and 2018 they were 64.8% and 66.7% (on a pre-IFRS 16 basis), respectively).

Elopak measures waste as the share of raw materials not transformed into an item sold to customers. As a result of waste reduction initiatives, Elopak has been able to reduce its consumption of raw materials resulting in consumption efficiency in production. In the period under review, waste has improved significantly in the Americas and Elopak’s European operations have been seeing a more gradual but continuous improvement in waste levels as well (in light of the fact that the Group had already focused on waste performance in Europe prior to the period under review). For example, in 2020, the converting plant in Montreal reduced waste levels by two percentage points (from 11.5% in 2019 to 9.5% in 2020) as a result of focused collaboration between sales, production and quality functions. Elopak is able to deliver the same finished product using less raw material input which results in a decreased cost incurred as a result of raw material consumption.

COVID-19

Elopak has felt three main impacts of the COVID-19 pandemic on its business: a reduction of travel expenses, reduced sales to the food service sector and a negative impact on filling machine placements and business development in 2020 compared to 2019, as further explained below.

The direct impact of the COVID-19 pandemic was on Elopak’s travel expenses, with other indirect impacts explained in the paragraphs below. Elopak’s travel expenses in 2020 were 53% less than they were in 2019. Travel to customers and own facilities has been limited to travel that is deemed as essential to ensure continuous operations and production, and any essential travel to ensure the safeguarding of critical business operations and growth.

Filling machine placements and business development was negatively affected by COVID-19 as customers shifted their focus to more short-term projects and CAPEX reductions. In addition, given the travel restrictions Elopak has implemented, its sales staff have not been able to visit customers or engage with new potential customers to the same extent as prior to the COVID-19 pandemic (and customers, in turn, have been unable to visit Elopak’s offices and plants). As the purchase of a filling machine is often a significant transaction for Elopak’s customers, there is often a desire to visit Elopak’s premises and view the filling machines in action before signing a final contract. As this has not been possible during the COVID-19 pandemic, Elopak believes that this has negatively impacted its sales of filling machines in particular.

In addition, Elopak is exposed to demand for school milk, food service and hotel industries, all of which were negatively impacted in 2020 as a result of COVID-19 related lockdowns. As the exposure to these segments is higher in Americas, the Group’s results in this region were more negatively affected by the

COVID-19 pandemic as compared to Europe. In Europe, a higher share of the Group's products are used for home consumption.

10.4 Segmental Reporting

Information reported to the Management for the purpose of resource allocation and assessment of segment performance is focused on the Group's two key geographical regions – Europe (including the Middle East and North Africa (MENA) and the Commonwealth of Independent states ("**CIS**")) and Americas. Additionally, corporate services are shown separately. Key figures representing the financial performance of these segments are presented in the following for the relevant periods:

In EUR 1,000
(unaudited)

Three months ended 31 March 2021	**Europe**	**Americas**	**Corporate**	**Eliminations**	**Group**
Total revenue and other operating income	179,676	44,986	3,088	(4,955)	222,795
Operating expenses	(151,069)	(37,029)	(9,000)	4,958	(192,141)
Depreciation and amortisation	(11,446)	(1,317)	(672)	(3)	(13,438)
Impairment	(59)	-	-	-	(59)
Operating profit	**17,102**	**6,640**	**(6,584)**	**-**	**17,157**
Total assets	604,789	114,827	264,983	(222,349)	762,249
Purchase of non-current assets during the year	2,849	191	515	-	3,555

In EUR 1,000 **2020**	**Europe**	**Americas**	**Corporate**	**Eliminations**	**Group**
Total revenue and other operating income	746,624	193,964	13,100	(39,693)	913,994
Operating expenses	(634,440)	(164,371)	(32,046)	(39,729)	(791,128)
Depreciation and amortisation	(43,632)	(5,191)	(3,047)	(36)	(51,905)
Impairment	(249)	(6)	(50)	-	(304)
Operating profit	**68,304**	**24,396**	**(22,043)**	**-**	**(70,656)**
Total assets	600,454	115,672	273,286	(240,289)	749,123
Purchase of non-current assets during the year	39,480	2,738	7,934	-	50,152

In EUR 1,000 **2019**	**Europe**	**Americas**	**Corporate**	**Eliminations**	**Group**
Total revenue and other operating income	725,897	213,133	12,079	(44,580)	906,530
Operating expenses	(641,051)	(191,649)	(30,104)	44,579	(818,224)
Depreciation and amortisation	(41,494)	(5,617)	(3,927)	-	(51,038)
Impairment	(1,267)	-	-	-	(1,267)
Operating profit	**42,085**	**15,867**	**(21,951)**	**-**	**(36,001)**
Total assets	645,557	117,900	302,124	(290,040)	775,540
Purchase of non-current assets during the year	41,215	4,236	7,144	-	52,595

In EUR 1,000 (*restated)* **2018**	**Europe**	**Americas**	**Corporate**	**Eliminations**	**Group**
Total revenue and other operating income	748,563	187,798	9,362	(36,476)	909,247
Operating expenses	(668,149)	(173,497)	(28,811)	36,476	(833,980)
Depreciation and amortisation	(28,932)	(4,310)	(2,789)	-	(36,032)
Impairment	(948)	-	-	-	(948)
Operating profit	**50,534**	**9,992**	**(22,238)**	**-**	**38,287**
Total assets	526,100	107,965	274,010	(235,258)	672,817

Purchase of non-current assets during the year	31,498	2,418	10,959	-	44,875

Corporate revenue is comprised of IT services charged to value chains in Europe and Americas. This allows the reflection in EBITDA of Europe and Americas the correct share of Group IT costs which is recorded centrally (i.e., by virtue of a Company SAP licence). Going forward, Management aims to keep Corporate revenue at a stable level of approximately EUR 13 million.

10.5 Description of Key Line Items

Total income

The Group's income consists of revenue from contracts with customers (99%) and rental income from lease of filling equipment (1%). Revenue from contracts with customers is primarily derived from sale of cartons and closures while the remaining is derived from sale and rental income related to filling equipment and service. Other operating income is mainly related to a gain from the sale of property in Speyer (EUR 5.2 million) due to the closure of the plant in 2019. Office functions moved from Speyer to a rented office in Manheim in 2020.

Total Operating expenses

Total operating expenses consist of raw material expenses and changes in inventory, payroll expenses, depreciation, amortisation and impairment and other operating expenses. Other operating expenses consist of sales and administration expenses, occupancy and maintenance expenses, travel expenses, losses and changes in allowance for bad debt, fees paid to external service providers (including consultants and auditors) and IT expenses.

Depreciation, amortisation and impairment

Property, plant and equipment (other than land and properties under construction) are depreciated over their estimated useful lives, using the straight line method and taking into consideration any residual values. Right of use assets according to IFRS 16 are depreciated over the lease contract period. Internally generated intangible assets are amortized on a straight line basis over their estimated useful lives. Amortization begins when development is complete and an asset is available for use. At each reporting date, assets are reviewed to determine whether there is any indication of impairment. If the recoverable amount of an asset is estimated to be less than the carrying value, an impairment loss is recognised immediately to the Group's profit or loss statement.

Operating Profit

Operating profit is defined as total revenue and other income less raw material expenses, operating expenses, depreciation, amortization and impairment. It reflects the Company's profit from business activities and excludes revenues and expenses related to financing activities.

Share of net income from JVs

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture company are incorporated in the Group's financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the equity investee.

The Group's statement of comprehensive income reflects the share of the results of operations of the associate (net after tax) which is determined in accordance with the Group's respective ownership interest in the joint venture. Where there have been changes recognised directly in the equity of the associate, its share is recognised when applicable in the statement of changes in equity. Where a group entity transacts with a joint venture company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

Financial income

Financial income mainly consists of interest income from bank deposits and interest income on finance lease receivables. Amounts due from lessees under finance leases are recorded as receivables when the Group enters into a lease agreement for filling machines placed with customers. These contracts are not classified as operating leases. Finance lease income is allocated to the accounting period to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Financial income may also include net currency gains.

Financial expenses

Financial expenses mainly consist of interest expenses to financial institutions in relation to bank debt and lease liability interest. Other financial expenses may also include net currency losses and cost of factoring arrangements.

Income tax expenses

Income tax expenses represents the sum of the tax currently payable and changes in deferred tax recognised in the Group's profit and loss statement.

Purchase of non-current assets during the year

Purchase of non-current assets during the year represents additions to development cost and other intangible assets and property, plant and equipment. Additions to right of use assets and other non-current assets (such as deferred taxes) are not included.

10.6 The Group's results of operations

10.6.1 Results of operations for the three months' period ended 31 March 2021 compared to the three months' period ended 31 March 2020

The table below sets forth selected comparative results of operations from the Interim Financial Statements:

	Three months ended 31 March *(unaudited)*	
In EUR 1,000	**2021**	**2020**
Revenues	222,793	233,047
Other operating income	2	2
Total income	**222,795**	**233,049**
Raw material expenses and change in inventory	(138,567)	(151,283)
Payroll expenses	(41,523)	(42,380)
Depreciation, amortization and impairment	(13,496)	(13,379)
Other operating expenses	(12,051)	(12,217)
Total operating expenses	**(205,637)**	**(219,259)**
Operating profit	**17,158**	**13,790**
Share of net income from joint ventures	882	1,618
Financial income	1,524	3,523
Financial expenses	(3,849)	(4,386)
Profit before taxes	**15,715**	**14,544**
Income tax expenses	(4,765)	1,244
Profit for the period	**10,951**	**15,788**

Revenues

Revenues decreased by EUR 10.3 million, or 4.4%, to EUR 222.8 million in the three months' period ended 31 March 2021 from EUR 233.0 million in the three months' period ended 31 March 2020. This decrease was primarily due to volume reduction of 80 million in Pure-Pak® carton sales in Americas mainly related to the COVID-19 pandemic with school milk programs suspended due to school closures, and lower demand from restaurants and canteens as a result of lockdowns impacting sales of cartons for cream and liquid egg products. The three months' period ended 31 March 2020 was affected by especially high volumes in January 2020, a knock-on effect from low production levels in December 2019. Finally, the Company's Americas Roll Fed business lost a large account in the Americas in the second quarter of 2020. The negative impact from volume was partly offset by the impact from price increases and from a favourable mix in terms of segments and geographies, which the Group considers to be an anomalous result.

The following table sets out revenues by geographical area for the relevant periods:

	Three months ended 31 March	
In EUR 1,000	**2021**	**2020**
Germany	36,885	35,535
USA	31,736	37,276
Russia	16,120	18,274
Netherlands	12,486	12,361
Norway	6,589	6,334
Other	118,976	123,267
Total revenues	**222,793**	**233,047**

Notes:
(1) Revenues are specified by location (country) of the customer

The decrease in revenues in the USA from the first quarter of 2020 to the first quarter of 2021 is primarily as a result of the loss of a large account in the second half of 2020 (as described above). The decrease in revenues in Russia from the first quarter of 2020 to the first quarter of 2021 is primarily as a result of lower carton volumes.

The Group began reporting revenues by product and operating segment in 2019 in order to provide more granularity on the components of the Group's business. The following table sets out revenues by product and operating segment for the relevant periods:

In EUR 1,000	Europe		Americas		Corporate Services		Eliminations		Group	
	Three months ended 31 March									
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Cartons and closures	158,353	161,423	44,600	59,027	96	140	(393)	(7,084)	202,656	213,507
Equipment	5,246	8,288	8	9	-	-	-	(885)	5,254	7,413
Service	11,114	10,866	-	298	-	-	(120)	(6)	10,993	11,158
Other	4,962	2,362	378	58	2,992	3,327	(4,441)	(4,777)	3,890	970
Total revenues	179,674	182,939	44,986	59,393	3,088	3,468	(4,955)	(12,753)	222,793	233,047

Other operating income

There was no change in other operating income from the three months' period ended 31 March 2020 to the three months' period ended 31 March 2021.

Total income

Total income decreased by EUR 10.3 million, or 4.4%, to EUR 222.8 million in the three months' period ended 31 March 2021 from EUR 233.0 million in the three months' period ended 31 March 2020. This decrease was due to the factors described above.

Raw material expenses and change in inventory

Raw material expenses and change in inventory decreased by EUR 12.7 million, or 8.4%, to EUR 138.6 million in the three months' period ended 31 March 2021 from EUR 151.3 million in the three months' period ended 31 March 2020. This decrease was primarily due to the reduction in top line and the impact of the Company's waste reduction efforts.

Raw material pricing does not have a significant impact on results in the first quarter. Aluminium and polymers spot prices increased during the first three months of 2021 but the majority of the Group's volume in these products is hedged at a lower level than prevailing spot prices in the first three months of 2021. For the volume that is not hedged, there is only a limited impact on raw material expenses as only a small amount of purchased raw materials at these higher prices has been used in production as a result of inventory and production lead time.

Payroll expenses

Payroll expenses decreased by EUR 0.9 million, or 2.0%, to EUR 41.5 million in the three months' period ended 31 March 2021 from EUR 42.4 million in the three months' period ended 31 March 2020. This decrease was primarily due to government subsidies received by the Company in Canada to offset the impact of the COVID-19 pandemic.

Depreciation, amortization and impairment

Depreciation, amortization and impairment increased by EUR 0.1 million, or 0.9%, to EUR 13.5 million in the three months' period ended 31 March 2021 from EUR 13.4 million in the three months' period ended 31 March 2020. This slight increase was primarily due to higher amortization of intangible assets following capitalisation of SAP in 2020.

Other operating expenses

Other operating expenses decreased by EUR 0.2 million, or 1.4%, to EUR 12.1 million in the three months' period ended 31 March 2021 from EUR 12.2 million in the three months' period ended 31 March 2020. This decrease was primarily due to reduced travel activity mainly due to the COVID-19 pandemic imposing travel restrictions, which was partly offset by transaction expenses incurred in relation to the Offering.

Total operating expenses

Total operating expenses decreased by EUR 13.6 million, or 6.2%, to EUR 205.6 million in the three months' period ended 31 March 2021 from EUR 219.3 million in the three months' period ended 31 March 2020. This decrease was primarily due to reduced carton volumes and increased efficiency levels.

Operating profit

Operating profit increased by EUR 3.4 million, or 24.4%, to EUR 17.2 million in the three months' period ended 31 March 2021 from EUR 13.8 million in the three months' period ended 31 March 2020. This increase was primarily due to the factors described above.

Share of net income from joint ventures

Share of net income from joint ventures decreased by EUR 0.7 million, or 45.5%, to EUR 0.9 million in the three months' period ended 31 March 2021 from the EUR 1.6 million in the three months' period ended 31 March 2020. This decrease was primarily due to reduced carton revenues largely as a result of the COVID-19 pandemic.

Financial income

Financial income decreased by EUR 2.0 million, or 56.7%, to EUR 1.5 million in the three months' period ended 31 March 2021 from EUR 3.5 million in the three months' period ended 31 March 2020. This decrease was primarily due to a currency gain in the first quarter of 2020. Volatility in the EUR/NOK exchange rate prevailed after the COVID-19 pandemic which lead to a positive gain from revaluation of NOK liabilities; much of this was reversed in the second quarter of 2020 when the EUR/NOK exchange rate normalised.

Financial expenses

Financial expenses decreased by EUR 0.5 million, or 12.2%, to EUR 3.8million in the three months' period ended 31 March 2021 from EUR 4.4 million in the three months' period ended 31 March 2020. This decrease was primarily due to reduced interest rates.

Profit before taxes

Profit before taxes increased by EUR 1.2 million, or 8.1%, to EUR 15.7 million in the three months' period ended 31 March 2021 from EUR 14.5 million in the three months' period ended 31 March 2020. This increase was primarily due to improved customer pricing and the impact of the Company's waste reduction effects, which were partly offset by the reduced net financial result as described above.

Income tax expenses

Income tax expenses increased by EUR 6.0 million to EUR 4.8 million in the three months' period ended 31 March 2021 from an income of EUR 1.2 million in the three months' period ended 31 March 2020. This increase was primarily due to the Group's higher taxable profit in the three month period ended 31 March 2021 compared to the same period in the previous year.

Profit for the quarter

Profit for the quarter decreased by EUR 4.8 million, or 30.6%, to EUR 11.0 million in the three months' period ended 31 March 2021 from EUR 15.8 million in the three months' period ended 31 March 2020. This decrease was primarily due to higher income tax expenses, as described above.

10.6.2 Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

The table below sets forth selected comparative results of operations from the 2020 Audited Financial Statements and 2019 Audited Financial Statements:

	Year ended 31 December	
In EUR 1,000	**2020**	**2019**
Revenues	908,773	906,424
Other operating income	5,221	106
Total income	**913,994**	**906,530**
Raw material expenses and change in inventory	(576,637)	(587,630)
Payroll expenses	(168,573)	(177,908)
Depreciation, amortization and impairment	(52,209)	(52,305)
Other operating expenses	(45,918)	(52,687)
Total operating expenses	(843,338)	(870,529)
Operating profit	**70,656**	**36,001**
Share of net income from joint ventures	3,155	(1,690)
Financial income	1,588	2,523
Financial expenses	(15,190)	(19,936)
Profit before taxes	**60,209**	**16,897**
Income tax expenses	(12,381)	(7,031)
Profit for the year	**47,828**	**9,866**

Revenues

Revenues increased by EUR 2.3 million, or 0.3%, to EUR 908.8 million in the year ended 31 December 2020 from EUR 906.4 million in the year ended 31 December 2019. This slight increase was primarily due to increased volumes in the aseptic segments and improved Pure-Pak® prices in Europe which were offset by a decline in fresh dairy and Roll Fed volumes.

The following table sets out revenues by geographical area for the relevant periods:

In EUR 1,000	2020	2019
Germany	151,917	148,782
USA	135,489	139,118
Russia	75,617	71,477
Netherlands	50,371	51,512
Norway	25,875	35,362
Other	469,495	460,067
Total revenues	**908,773**	**906,424**

Notes:
(1) Revenues are specified by location (country) of the customer
(2) Due to re-presentation of split between revenue and other operating income in 2020, the revenue for 2019 is extracted from the 2020 financial statement

The decrease in revenues in the USA from 2019 to 2020 is primarily as a result of the loss a large account in the second half of 2020 (as described above).

The decrease in revenues in Norway from 2019 to 2020 is primarily as a result of the loss of a large account in the second half of 2019.The increase in revenues in Germany from 2019 to the first three months of 2020 is primarily as a result of improved customer pricing and higher carton volumes.

The Group began reporting revenues by product and operating segment in 2019 in order to provide more granularity on the components of the Group's business. The following table sets out revenues by product and operating segment for the relevant periods:

In EUR 1,000	Europe		Americas		Corporate Services		Eliminations		Group	
	Year ended 31 December									
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Cartons and closures	643,557	641,651	191,316	208,463	2,570	649	(12,890)	(25,539)	824,553	825,224
Equipment	36,215	31,920	1,287	2,842	-	-	(7,326)	(45)	30,176	34,716
Service	41,834	43,282	801	1,067	-	-	(27)	(128)	42,609	44,220
Other	19,796	8,939	559	761	10,529	11,430	(19,450)	(18,867)	11,435	2,263
Total revenues	741,403	725,791	193,964	213,133	13,100	12,079	(39,693)	(44,580)	908,773	906,424

Other operating income

Other operating income increased by EUR 5.1 million to EUR 5.2 million in the year ended 31 December 2020 from EUR 0.1 million in the year ended 31 December 2019. This increase is mainly due to the gain on the sale of the Group's factory building in Speyer, Germany (EUR 5.2 million) in 2020.

Total income

Total income increased by EUR 7.5 million, or 0.8%, to EUR 913.9 million in the year ended 31 December 2020 from EUR 906.5 million in the year ended 31 December 2019. This slight increase was primarily due to the factors described above.

Raw material expenses and change in inventory

Raw material expenses and change in inventory decreased by EUR 10.9 million, or 1.9%, to EUR 576.6 million in the year ended 31 December 2020 from EUR 587.6 million in the year ended 31 December 2019. This decrease was primarily due to a reduction in raw material prices and operational improvements (resulting in lower waste).

Payroll Expenses

Payroll expenses decreased by EUR 9.3 million, or 5.2%, to EUR 168.6 million in the year ended 31 December 2020 from EUR 177.9 million in the year ended 31 December 2019. This decrease was primarily due to the closing of the Speyer plant in 2019 which resulted in the Group paying out severance packages. Adjusting for the offsetting impact of the severance packages, the decrease in payroll expenses in the year ended 31 December 2020 was caused by the reduced number of employees (mainly as a result of the closing of the Speyer plant but aided in part by the continued centralisation of shared functions).

Depreciation, amortization and impairment

Depreciation, amortization and impairment decreased by EUR 0.1 million, or 0.2%, to EUR 52.2 million in the year ended 31 December 2020 from EUR 52.3 million in the year ended 31 December 2019. This slight decrease was primarily due to a reduction in impairment loss. The slight reduction in impairment loss was partly linked to the closure of the Speyer plant, and partly linked to a write-down for a specific machine used in configurations that were made redundant in 2020. Elopak had produced cartons with a window using a specific machine configuration; as customer demand for this carton feature stopped, Elopak recognised a write-down on the specific machine.

Other operating expenses

Other operating expenses decreased by EUR 6.8 million, or 12.8%, to EUR 45.9 million in the year ended 31 December 2020 from EUR 52.7 million in the year ended 31 December 2019. This decrease was primarily due to lower travel costs as a result of the COVID-19 pandemic.

Total operating expenses

Total operating expenses decreased by EUR 27.2 million, or 3.1%, to EUR 843.3 million in the year ended 31 December 2020 from EUR 870.5 million in the year ended 31 December 2019. This decrease was primarily due to the reasons set out above.

Operating profit

Operating profit increased by EUR 34.7 million, or 96.3%, to EUR 70.7 million in the year ended 31 December 2020 from EUR 36.0 million in the year ended 31 December 2019. This increase was due to a combination of reduced labour costs after the closure of the Group's Speyer plant, reduced raw material prices (and the attendant impact of the Group's increased carton prices in Europe), operational improvements resulting in lower waste and lower travel costs as a result of the COVID-19 pandemic.

Share of net income from joint ventures

Share of net income from joint ventures increased by EUR 4.8 million to EUR 3.2 million in the year ended 31 December 2020 from a loss of EUR 1.7 million in the year ended 31 December 2019. This increase was primarily due to a EUR 6.1 million write down of the investment in Elopak Obeikan taken in 2019 (in anticipation of the Group's exit from Elopak Obeikan in 2020). A negative currency translation difference at EUR 1.5 million was recognized upon disposal.

Financial Income

Financial income decreased by EUR 0.9 million, or 37.1%, to EUR 1.6 million in the year ended 31 December 2020 from EUR 2.5 million in the year ended 31 December 2019. This decrease was due to a net gain on currency in the year ended 31 December 2019 (with no such gain in the year ended 31 December 2020).

Financial expenses

Financial expenses decreased by EUR 4.7 million, or 23.8%, to EUR 15.2 million in the year ended 31 December 2020 from EUR 19.9 million in the year ended 31 December 2019. This decrease was primarily due to a reduction in interest expenses to financial institutions (as a result of reduced interest-bearing debt and lower interest rates).

Income tax expenses

Income tax expenses increased by EUR 5.4 million, or 76.1%, to EUR 12.4 million in the year ended 31 December 2020 from EUR 7.0 million in the year ended 31 December 2019. This increase was primarily due to the Group's higher taxable profit in the year ended 31 December 2020 compared to the same period in the previous year.

Profit for the year

Profit for the year increased by EUR 38 million to EUR 47.8 million in the year ended 31 December 2020 from EUR 9.9 million in the year ended 31 December 2019. This increase was primarily due to the factors described above.

10.6.3 Results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2018

As described in “Factors affecting comparability of the Group’s financial information—Restated IFRS 15 revenue recognition in 2019 Consolidated Financial Statements” above, the table below sets forth selected comparative financial information for the year ended 31 December 2018 extracted from the unaudited comparative figures in the 2019 Consolidated Financial Statements:

	Year ended 31 December	
In EUR 1,000		*(restated)*
	2019	**2018**
Revenues	906,424	909,247
Other operating income	106	-
Total income	**906,530**	**909,247**
Raw material expenses and change in inventory	(587,630)	(608,016)
Payroll expenses	(177,908)	(171,002)
Depreciation, amortization and impairment	(52,305)	(36,980)
Other operating expenses	(52,687)	(54,962)
Total operating expenses	(870,529)	(870,960)
Operating profit	**36,001**	**38,287**
Share of net income from joint ventures	(1,690)	5,669
Financial income	2,523	1,343
Financial expenses	(19,936)	(12,908)
Profit before taxes	**16,897**	**32,391**
Income tax expenses	(7,031)	(4,421)
Profit for the year	**9,866**	**27,970**

Revenues

Revenues slightly decreased by EUR 2.8 million, or 0.3%, to EUR 906.4 million in the year ended 31 December 2019 from EUR 909.2 million in the year ended 31 December 2018. This slight decrease was primarily due to a reduction in Pure-Pak® volumes in Europe as a result of a decrease in consumption of fresh dairy products in Europe (although supported by stable pricing across the European market from 2018 to 2019). Behind this slight decrease, there were two large movements in revenues that effectively netted out: while filling machine revenues were reduced from 2018 to 2019 (partly as a result of the implementation of IFRS 16 (as certain contracts on a sale/lease-back program were reclassified to finance leases in 2019) and partly as a result of a small number of very high value machine sales in 2018 as compared to a slightly lower number of lower value machine sales in 2019), revenue from sales of Roll Fed cartons increased as a result of volume growth from 2.2 billion to 2.4 billion cartons, measured in LEQ.

The following table sets out revenues by geographical area for the relevant periods:

In EUR 1,000	**2019**	**2018** *(restated)*
Germany	148,782	156,269
USA	139,118	125,841
Russia	71,477	71,703
Netherlands	51,512	52,455
Norway	35,362	27,057
Other	460,067	475,921

Total revenues	**906,424**	**909,246**

Note:
(1) Revenues are specified by location (country) of the customer
(2) Due to re-presentation of split between revenue and other operating income in 2020, the revenue for 2019 is extracted from the 2020 financial statement

The increase in revenues in the USA for the 2019 as compared to 2018 is as a result of volume growth with a significant customer.

The increase in revenues in Norway for 2019 as compared to 2018 is as a result of four high value filling machines sold to customers in Norway in that period (without sales of similar quantity or magnitude being made in 2018). The decrease in revenues in Germany in 2019 as compared to 2018 is mainly as a result of filling machine sales made in 2018 (without similar sales being made in 2019).

Other operating income

Other operating income increased from nil in 2018 to EUR 0.1 million in 2019, primarily as a result of gains from the sale of fixed assets.

Total income

Total income slightly decreased by EUR 2.7 million, or 0.3%, to EUR 906.5 million in the year ended 31 December 2019 from EUR 909.2 million in the year ended 31 December 2018. This slight decrease was primarily due to the factors described above.

Raw material expenses and change in inventory

Raw material expenses and change in inventory decreased by EUR 20.4 million, or 3.4%, to EUR 587.6 million in the year ended 31 December 2019 from EUR 608.0 million in the year ended 31 December 2018. This decrease was primarily due to a decrease in the cost of raw materials linked to filling machines. In addition, the Group's implementation of IFRS 16 had an impact as certain contracts for filling machines on a sale/lease-back program were reclassified to finance leases (as described above under "*Total income*") and a portion of raw material expenses linked to closures were also reclassified from raw material expenses to amortization and finance expenses.

Payroll expenses

Payroll expenses increased EUR 6.9 million, or 4.0%, to EUR 177.9 million in the year ended 31 December 2019 from EUR 171.0 million in the year ended 31 December 2018. This increase was primarily due to the Group's 2019 payroll expenses reflecting some of the impact of the severance packages paid out in relation to the closure of the Speyer plant. Absent the impact of the severance packages, the Group saw a reduction in payroll expenses as a result of the centralisation of share functions in 2019 which was offset by inflation and the hiring of additional employees in the Group's research and development departments.

Depreciation, amortization and impairment

Deprecation, amortization and impairment increased by EUR 15.3 million, or 41.4%, to EUR 52.3 million in the year ended 31 December 2019 from EUR 37.0 million in the year ended 31 December 2018. This increase was primarily due to the implementation of IFRS 16, which resulted in a depreciation charge of EUR 14.0 million for the year ended 31 December 2019. In addition, the Group recognised a higher capitalized development cost related to IT software linked to the Group's implementation of SAP.

Other operating expenses

Other operating expenses decreased by EUR 2.3 million, or 4.1%, to EUR 52.7 million in the year ended 31 December 2019 from EUR 55.0 million in the year ended 31 December 2018. This decrease was primarily due to the implementation of IFRS 16 in 2019 which reduced occupancy expenses and leasing of company cars previously recognised under operating expenses.

Total operating expenses

Total operating expenses decreased by EUR 0.4 million to EUR 870.5 million in the year ended 31 December 2019 from EUR 871.0 million in the year ended 31 December 2018. Underlying this slight decrease was the net effect of the implementation of IFRS 16 and fewer filling machine purchases, which were offset by the closing of the Speyer plant, raw material cost decreases and increased expenditure on research and development.

Operating profit

Operating profit decreased by EUR 2.3 million, or 6%, to EUR 36.0 million in the year ended 31 December 2019 from EUR 38.3 million in the year ended 31 December 2018. This decrease was primarily due to the factors described above and accruals loss on receivables.

Share of net income from joint ventures

Share of net income from joint ventures decreased by 7.4 million EUR to a loss of EUR 1.7 million in the year ended 31 December 2019 from EUR 5.7 million in the year ended 31 December 2018. This decrease was primarily due to lower sales volumes in the Group's two largest joint ventures, Elopak Obeikan and Envases Elopak, due to a difficult market situation. In addition, the Group's interest in Elopak Obeikan was written down by EUR 6.1 million in 2019.

Financial income

Financial income increased by EUR 1.2 million, or 87.9%, to EUR 2.5 million in the year ended 31 December 2019 from EUR 1.3 million in the year ended 31 December 2018. This increase was primarily due to interest income related to finance lease receivables, following the reclassification of leasing contracts related to filling machines as described under item 10.2, "Factors affecting comparability of the financial information" (in relation to the implementation of IFRS 16). In addition, the Group recognised a net currency gain of EUR 0.8 million in the year ended 31 December 2019.

Financial expenses

Financial expenses increased by EUR 7.0 million, or 54.4%, to EUR 19.9 million in the year ended 31 December 2019 from EUR 12.9 million in the year ended 31 December 2018. This increase was primarily due to higher interest cost from lease liabilities following the implementation of IFRS 16. In addition, the Group recognised changes to the market value of interest rate swaps as financial expenses. In the year ended 31 December 2018, the Group experienced a net currency loss of EUR 2.0 million, primarily as a result of volatile and weakened currencies in Ukraine and Russia (effects which were not felt in the year ended 31 December 2019).

Income tax expenses

Income tax expenses increased by EUR 2.6 million, or 59.0%, to EUR 7.0 million in the year ended 31 December 2019 from EUR 4.4 million in the year ended 31 December 2018. This increase was primarily due to lost tax credit on withholding tax related to interest and royalties and an adjustment in respect of previous years related to the investment in the Dominican Republic.

Profit for the year

Profit for the year decreased by EUR 18.1 million, or 64.7%, to EUR 9.9 million in the year ended 31 December 2019 from EUR 28.0 million in the year ended 31 December 2018. This decrease was due in part to the write-down of the Group's share of the Obeikan joint venture (which was valued at EUR 1.5 million, EUR 6.1 million lower than the book value of the share). Elopak exited the Obeikan joint venture in April 2020 and the write down was made in 2019 as Elopak was finalising the exit negotiations as at year end. In addition, the decrease was due in part to the effects of the Speyer plant closure in 2019.

10.7 Alternative Performance Measures

The Group uses certain APMs to provide a better understanding of the Group's performance. For more information, see Section 4.3.2 "Alternative Performance Measures".

The tables below presents the items excluded from Adjusted EBITDA and a reconciliation of EBITDA and Adjusted EBITDA to Operating Profit.

Items excluded from Adjusted EBITDA and Adjusted Net Profit

	Year ended 31 December			3 months ended 31 March	
In EUR 1,000	**2020**	**2019**	**2018[1]**	**2021**	**2020**
Gain on sale of property (Speyer)....................................	(5,203)	-	-	-	-
Closure of Speyer plant	-	8,302	-	-	-
Transaction costs[2]...............................	**-**	**-**	**-**	820	-
Strike at plant (Canada) (direct costs)..	-	-	1,822	-	-
Total adjustment items excluded from Adjusted EBITDA....................................	**(5,203)**	**8,302**	**1,822**	**820**	**-**
Calculatory tax effect[3]........................	1,197	(1,909)	(419)	(189)	-
Total adjustment items net of tax (for use in Adjusted Net profit).......................................	**(4,006)**	**6,393**	**1,403**	**631**	**-**

Note:
(1) 2018 figures are based on the comparative columns from the Consolidated Financial Statements for 2019
(2) Transaction costs relate to costs incurred in connection with the Offering
(3) Estimated calculatory tax effect on adjustment items at 23% affecting net income

Reconciliation of EBITDA and adjusted EBITDA

	Year ended 31 December			3 months ended 31 March	
In EUR 1,000	**2020**	**2019**	**2018[1]**	**2021**	**2020**
Operating profit..........................	70,656	36,001	38,287	17,158	13,790
Add Depreciation, amortization and impairment..........................	52,209	52,305	36,980	13,496	13,379
EBITDA....................................	**122,866**	**88,305**	**75,266**	**30,654**	**27,169**
Adjustment items	(5,203)	8,203	1,822	820	-
Share of net income from JVs (continued operations)[2].............	4,627	4,695	5,384	882	1,600
Impairments on JV investment (continued operations)[1].............	-	-	-	-	-
Adjusted EBITDA.....................	**122,290**	**101,303**	**82,473**	**32,357**	**28,769**

Note:
(1) 2018 figures are based on the comparative columns from the Consolidated Financial Statements for 2019
(2) For further detail on the reconciliation of share of net income from JVs, see the table below entitled "*Share of net income from Joint Ventures*"

Adjusted EBITDA increased by EUR 3.6 million or 12.5 per cent., from EUR 28.8 million in the three months ended 31 March 2020 to EUR 32.4 million in the three months ended 31 March 2021. Adjusted EBITDA margin similarly increased from 12.3 % in the first three months of 2020 to 14.5 % in the first three months of 2021. This increase was primarily the result of operational improvements and positive product, customer and geographical mix effects

Adjusted EBITDA increased by EUR 18.8 million or 22.8 per cent., from EUR 82.5 million in 2018 (on a pre-IFRS 16 basis) to EUR 101.3 million in 2019, and a further EUR 21.0 million, or 20.7 per cent., to EUR 122.3 million in 2020. Adjusted EBITDA margin has similarly increased over the period, from 9.1% in 2018 (on a pre-IFRS 16 basis), to 11.2% in 2019 and 13.5% in 2020. This increase was primarily the result of operational efficiencies, positive segment mix effects and commercial excellence initiatives.

Adjusted EBITDA for Americas increased from EUR 21.5 million in 2018 (on a pre-IFRS 16 basis) to EUR 26.2 million in 2019, with a further increase to EUR 33.3 million in 2020. In the same period, margins in Americas increased from 11.5% in 2018 to 12.3% in 2019 and further to 17.2% in 2020. These increases were primarily as a result of increased efficiency, change in operational set-up, waste improvement and product mix. The implementation of IFRS 16 also had a positive impact on the margin in Americas from 2018 to 2019.

Adjusted EBITDA for Europe increased from EUR 79.9 million in 2018 (on a pre-IFRS 16 basis) to EUR 93.3 million in 2019 and further increased to EUR 112 million in 2020. In the same period, margins in Europe increased from 10.7% in 2018 to 12.8% in 2019 and further to 15.1% in 2020, primarily as a result of price increases for Pure-Pak® and Roll Fed, improved efficiency and cost-cutting initiatives. As with Americas, the implementation of IFRS 16 also had a positive impact on the margin in Europe from 2018 to 2019.

A key reason for the margin difference between Europe and Americas is the allocation of research and development costs (which are primarily allocated to Europe) and the lower administrative cost level in the Americas.

The table below presents a reconciliation and calculation of Adjusted Net Profit to Net Profit.

Reconciliation of Adjusted Net Profit

	Year ended 31 December			Three months ended 31 March	
In EUR 1,000	**2020**	**2019**	**2018[1]**	**2021**	**2020**
Net profit....................................	47,828	9,866	27,970	10,951	15,788
Adjustment items net of tax.........	(4,006)	6,393	1,403	631	-
Excluding share of net income from JVs (discontinued operations)[2]	1,472	6,385	(285)	-	(18)
Adjusted Net Profit	**45,293**	**22,644**	**29,088**	**11,582**	**15,770**

Note:
(1) 2018 figures are based on the comparative columns from the 2019 Audited Financial Statements
(2) For further detail on the reconciliation of share of net income from JVs, see the table below entitled "*Share of net income from Joint Ventures*"

The table below presents the reconciliation and calculation of Net Debt.

	Year ended 31 December			Three months ended 31 March
In EUR 1,000	**2020**	**2019**	**2018[1]**	**2021**
Bank debt	214,102	250,414	276,887	230,009
Overdraft facilities.................	15,552	24,341	14,329	13,148
Less Cash and equivalents....	(6,443)	(15,507)	(14,375)	(10,536)
Finance leasing obligation short term	19,085	19,587	-	18,791
Finance leasing obligation long term	69,090	78,423	-	66,858
Lease Liabilities (including IFRS 16)[2]..............................	88,175	98,010	223	85,650
Net Debt...............................	**311,385**	**357,259**	**277,064**	**318,271**

Note:
(1) 2018 figures are based on the comparative columns from the 2019 Audited Financial Statements
(2) 2018 figures do not reflect implementation of IFRS 16

The table below provides a calculation of Net debt / adjusted EBITDA (leverage ratio).

Net debt / adjusted EBITDA

	Year ended 31 December			Three months ended 31 March
In EUR 1,000	**2020**	**2019**	**2018[1]**	**2021**
Net debt...............................	311,385	357,259	277,064	318,271
Adjusted EBITDA[2]................	122,290	101,303	82,473	125,877
Leverage ratio	**2.55**	**3.53**	**3.36**	**2.53**

Note:
(1) 2018 figures are based on the comparative columns from the 2019 Audited Financial Statements
(2) Calculated based on adjusted EBITDA for the last twelve months as at 31 March 2021.

The table below provides a calculation of adjusted basic and diluted earnings per share.

Adjusted basic and diluted earnings per share

	Year ended 31 December			Three months ended 31 March
	2020	**2019**	**2018[1]**	**2021**
Number of shares	5,012,707	5,012,707	5,012,707	5,012,707
Net profit..............................	47,828	9,866	27,970	10,951
Adjusted Net profit (EUR 000)	45,293	22,644	29,088	11,582
Adjusted basic and diluted earning per share (EUR).....	**9.04**	**4.52**	**5.80**	**2.31**

Note:
(1) 2018 figures are based on the comparative columns from the 2019 Audited Financial Statements

The table below presents share of net income from joint ventures (continued and discontinued operations).

Share of net income from joint ventures

In EUR 1,000	Year ended 31 December 2020	2019	2018[1]	Three months ended 31 March 2021
Al-Obeikan Elopak factory for Packaging Co	(1,472)	(6,385)	285	-
Lala Elopak S.A. de C.V.	2,595	2,702	3,641	778
Impresora Del Yaque	2,032	1,994	1,744	104
Elopak Nampak Africa Ltd............	-	-	-	-
Total share of net income from joint ventures	**3,155**	**(1,690)**	**5,669**	**882**
Share of net income from joint ventures (discontinued operations)................................	**(1,472)**	**(6,385)**	**285**	-
Share of net income from joint ventures (continued operations)...	4,627	4,695	5,384	882
Impairment on JV investment (continued operations)	**-**	**-**	**-**	-
Share of net income from continued operations	**4,627**	**4,695**	**5,384**	**882**

Note:
(1) 2018 figures are based on the comparative columns from the 2019 Audited Financial Statements

10.8 The Group's financial position

10.8.1 Financial position for the three months' period ended 31 March 2021 compared to 31 December 2020

The table below sets forth selected comparative figures from the statement of financial position derived from the Interim Financial Statements:

In EUR 1,000	**As at 31 March** *(unaudited)* **2021**	**As at 31 December** *(audited)* **2020**
Total non-current assets..	428,487	436,217
Total current assets...	333,763	312,906
Total assets..	762,249	749,123
Total equity	**204,467**	**185,444**
Total non-current liabilities	**316,375**	**302,755**
Total current liabilities..	241,407	260,923
Total equity and liabilities	762,249	749,123

Total non-current assets

As of 31 March 2021, the Group's total non-current assets were EUR 428.5 million, a decrease of EUR 7.7 million, or 1.8% compared to EUR 436.2million as of 31 December 2020. This decrease was primarily due to depreciation of property, plant and equipment and right of use assets.

Total current assets

As of 31 March 2021, the Group's total current assets were EUR 333.8 million, an increase of EUR 20.9 million, or 6.7% compared to EUR 312.9 million as of 31 December 2020. This increase was primarily due to increased inventories and higher trade receivables, in addition to a higher gross cash position.

Total assets

As of 31 March 2021, the Group's total assets were EUR 762.2 million, an increase of EUR 13.1 million, or 1.8% compared to EUR 749.1 million as of 31 December 2020. This increase was primarily due to higher trade receivables.

Total equity

As of 31 March 2021, the Group's total equity was EUR 204.5 million, an increase of EUR 19.0 million, or 10.3% compared to EUR 185.4 million as of 31 December 2020. This increase was primarily due to profit for the period of EUR 11.0 million and net gain on cash flow hedges of EUR 4.8 million.

Total non-current liabilities

As of 31 March 2021, the Group's total non-current liabilities were EUR 316.4 million, an increase of EUR 13.6 million, or 4.5% compared to EUR 302.8 million as of 31 December 2020. This increase was primarily due to increased bank debt incurred in order to finance the increase in non-current assets (as described above) and the reduction in current liabilities (as described below).

Total current liabilities

As of 31 March 2021, the Group's total current liabilities were EUR 241.4 million, a decrease of EUR 19.5 million, or 7.5% compared to EUR 260.9 million as of 31 December 2020. This decrease was primarily due to down payments made on trade payables, predominantly to suppliers of raw board and filling machines. In addition, accruals for yearly customer discounts for 2020 were settled during the first quarter of 2021.

Total equity and liabilities

As of 31 March 2021, the Group's total equity and liabilities was EUR 762.2 million, an increase of EUR 13.1 million, or 1.8% compared to EUR 749.1 million as of 31 December 2020. This increase was due to the net impact of the factors described above, and primarily due to the positive profit for the year (2020).

10.8.2 Financial position as at 31 December 2020 compared to the year ended 31 December 2019

The table below sets forth selected comparative figures from the statement of financial position derived from the 2020 Audited Financial Statements and 2019 Audited Financial Statements:

	As at 31 December	
In EUR 1,000	**2020**	**2019**
Total non-current assets	436,217	462,479
Total current assets	312,906	313,061
Total assets	749,123	775,540
Total equity	**185,444**	**153,889**
Total non-current liabilities	**302,755**	**356,840**
Total current liabilities	260,923	264,812
Total equity and liabilities	749,123	775,540

Total non-current assets

As of 31 December 2020, the Group's total non-current assets were EUR 436.2 million, a decrease of EUR 26.3 million, or 5.7% compared to EUR 462.5 million as of 31 December 2019. This decrease was primarily due to amortization of right of use assets and financial lease receivables.

Total current assets

As of 31 December 2020, the Group's total current assets were EUR 312.9 million, a decrease of EUR 0.2 million compared to EUR 313.1 million as of 31 December 2019. This slight decrease was primarily due to increased inventory and a reduction in cash.

Total assets

As of 31 December 2020, the Group's total assets were EUR 749.1 million, a decrease of EUR 26.4 million, or 6.4% compared to EUR 775.5 million as of 31 December 2019. This decrease was primarily due to amortization of right of use assets and a reduction financial lease receivables, which were driven by down payments made on lease contracts in the absence of entering material new contracts.

Total equity

As of 31 December 2020, the Group's total equity was EUR 185.4 million, an increase of EUR 31.6 million, or 20.5% compared to EUR 153.9 million as of 31 December 2019. This increase was primarily due to the profit for the year of EUR 47.8 million offset by a paid dividend of EUR 9.5 million and negative currency translation reserve of EUR 11.0 million.

Total non-current liabilities

As of 31 December 2020, the Group's total non-current liabilities were EUR 302.8 million, a decrease of EUR 54.1 million, or 15.2% compared to EUR 356.8 million as of 31 December 2019. This decrease was primarily due to a decrease in interest-bearing bank debt and a reduction of deferred tax and lease liabilities.

Total current liabilities

As of 31 December 2020, the Group's total current liabilities were EUR 260.9 million, a decrease of EUR 3.9 million, or 1.5% compared to EUR 264.8 million as of 31 December 2019. This decrease was primarily due to a reduction in bank overdrafts.

Total equity and liabilities

As of 31 December 2020, the Group's total equity and liabilities was EUR 749.1 million, a decrease of EUR 26.4 million, or 3.4% compared to EUR 775.5 million as of 31 December 2019. This decrease was primarily due to the changes in total equity and in total non-current liabilities, as explained above.

10.8.3 Financial position as at 31 December 2019 compared to the year ended 31 December 2018

The table below sets forth selected comparative figures from the statement of financial position derived from the 2019 Audited Financial Statements. The 2018 figures are the restated figures which are based on the comparative columns in the 2019 Audited Financial Statements:

	As at 31 December	
In EUR 1,000	**2019**	*(restated)* **2018**
Total non-current assets	462,479	357,101
Total current assets	313,061	315,716
Total assets	775,540	672,818
Total equity	**153,889**	**151,600**
Total non-current liabilities	**356,840**	**298,065**
Total current liabilities	264,812	223,151
Total equity and liabilities	775,540	672,818

Total non-current assets

As of 31 December 2019, the Group's total non-current assets were EUR 462.5 million, an increase of EUR 105.4 million, or 29.5% compared to EUR 357.1 million as of 31 December 2018. This increase was primarily due to the implementation of IFRS 16 in 2019. For more information, please see the heading above, "*IFRS 16 Implementation*" under Section 10.2 "Key factors affecting comparability of the financial information."

Total current assets

As of 31 December 2019, the Group's total current assets were EUR 313.1 million, a slight decrease of EUR 2.6 million, or 0.8% compared to EUR 315.7 million as of 31 December 2018. This slight decrease was primarily due to a decrease in finished goods and trade receivables.

Total assets

As of 31 December 2019, the Group's total assets were EUR 775.5 million, an increase of EUR 108.6 million, or 15.2% compared to EUR 672.8 million as of 31 December 2018. This increase was primarily due to IFRS 16 implementation in 2019.

Total equity

As of 31 December 2019, the Group's total equity was EUR 153.9 million, an increase of EUR 2.3 million, or 5.6% compared to EUR 151.6 million as of 31 December 2018. This increase was primarily due to profit for the year of EUR 9.9 million, offset by dividend payments of EUR 10.4 million and Group contribution to the owners of EUR 11.1 million in 2019. In addition, the Group had EUR 6.3 million in other comprehensive income including EUR 4.4 million in currency translation.

Total non-current liabilities

As of 31 December 2019, the Group's total non-current liabilities were EUR 356.8 million, an increase of EUR 58.8 million, or 19.7%, compared to EUR 298.1 million as of 31 December 2018. This increase was primarily due to implementation of IFRS 16 which was offset by a reduction in liabilities to financial institutions.

Total current liabilities

As of 31 December 2019, the Group's total current liabilities were EUR 264.8 million, an increase of EUR 41.7 million, or 18.7% compared to EUR 223.2 million as of 31 December 2018. This increase was primarily due to an increase in accrued expenses and in prepaid balances from customers, as well as increased bank overdrafts and increased lease liabilities following the implementation of IFRS 16 in 2019.

Total equity and liabilities

As of 31 December 2019, the Group's total equity and debt was EUR 775.5 million, an increase of EUR 102.6 million, or 15.2% compared to EUR 672.8 million as of 31 December 2018. This increase was primarily due to increased lease liabilities related to the implementation of IFRS 16 in 2019

10.9 Liquidity and capital resources

10.9.1 Sources and Uses of funds

The Group manages its financing structure and cash flow requirements in response to the Group's strategy and objectives, deploying financial and other resources related to those objectives. The Group's main sources of liquidity are through borrowings, cash and cash equivalents and revenues from operating activities. The Group does not have any material unused sources of liquidity.

The Group's liquidity requirements arise primarily from the requirement to fund operating expenses, working capital, capital expenditures and to service debt.

The table below shows the Group's gearing ratio as of 31 March 2021:

	As at 31 March 2021
In EUR 1,000	
Net debt[1]	318,271
EBITDA[2]	126,351
Gearing ratio[3]	2.52

Note:
(1) Please see the table for reconciliation and calculation of Net debt in Section 10.7 "Alternative Performance Measures".
(2) Calculated based on 12 months rolling EBITDA as at 31 March 2021 (1 April 2020 to 31 March 2021).
(3) The ratio of net debt to EBITDA.

The Group's ability to generate cash from operations depends on its future operating performance, which is in turn dependent on general macroeconomic, financial, competitive and market regulatory conditions, many of which are beyond the Group's control, as well as other factors described in Section 2 "Risk Factors" and Section 10.3 "Key factors affecting the Group's results of operations and financial performance" above.

The Group will use free cash generated from operations primarily to support investments needed in order to support its growth strategy, to service debt and pay dividends.

10.9.2 Cash flows for the three months' period ended 31 March 2021 compared to the three months' period ended 31 March 2020

The table below sets forth selected comparative figures from the statement of cash flow derived from the Interim Financial Statements:

In EUR 1,000	Three months' period ended 31 March	
	2021	**2020**
Net Cash flow from operations	(3,729)	20,728
Net Cash flow from investing activities	(2,142)	(7,671)
Net Cash flow from financing activities	9,046	(9,794)
Cash at the end of the year	10,536	14,221

Cash flow from operations

Cash outflow from operations was EUR 3.7 million for the three months' period ended 31 March 2021, reflecting a decrease of EUR 24.4 million or 118% compared to cash inflow from operations of EUR 20.7 million for the three months' period ended 31 March 2020. This movement is a result of increased operating capital in the first quarter of 2021.

Cash flow from investing activities

Cash outflow from investing activities was EUR 2.1 million for the three months' period ended 31 March 2021, reflecting a decrease of EUR 5.5 million or 72.1% compared to cash outflows from investing activities of EUR 7.7 million for the three months' period ended 31 March 2020. This movement is a result of Reduced filling machine capex. In the three month period ended 31 March 2020, two large aseptic filling lines were installed with a German juice producer which required an investment of EUR 5.4 million; there was no similar investment in the first three months of 2021.

Cash flow from financing activities

Cash inflow from financing activities was EUR 9.0 million for the three months' period ended 31 March 2021, reflecting an increase of EUR 18.8 million or 192.4% compared to cash outflows from financing activities of EUR 9.8 million for the three months' period ended 31 March 2020. This movement is a result of the increase in current assets and the reduction in current liabilities (which were financed by an increase in the Group’s bank debt).

Cash and cash equivalents at the end of the period

Cash and cash equivalents at the end of the period were EUR 10.5 million for the three months' period ended 31 March 2021 and EUR 14.2 million for the three months' period ended 31 March 2020, a decrease of EUR 3.7 million or 25.9%. This decrease reflects the factors described above.

10.9.3 Cash flows for the year ended 31 December 2020 compared to the year ended 31 December 2019

The table below sets forth selected comparative figures from the statement of cash flow derived from the 2020 Audited Financial Statements. The 2019 figures are extracted from the 2020 Consolidated Financial Statements following a reclassification of interests expenses to financial institutions and lease liability interest (totalling EUR 15.7 million) between Net cash flow from operations and Net cash flows from financing opportunities:

In EUR 1,000	Year ended 31 December	
	2020	**2019[1]**
Net cash flow from operations	102,633	101,865
Net cash flow from investing activities	(35,647)	(40,784)
Net cash flow from financing activities	(74,120)	(60,261)
Cash at the end of the year	6,443	15,507

Note:
(1) Comparatives from 2020 as a result of reclassification

Cash flow from operations

Cash flow from operations was EUR 102.6 million for the year ended 31 December 2020, reflecting an increase of EUR 0.8 million or 0.8% compared to EUR 101.9 million for the year ended 31 December 2019. The improved cash flow from a higher EBITDA was largely offset by higher cash outflows related to net working capital resulting from a lower-than-normal level of net working capital at the end of the year ended 31 December 2019.

Cash flow from investing activities

Cash outflows from investing activities was EUR 35.6 million for the year ended 31 December 2020, reflecting a decrease of EUR 5.1 million or 12.6% compared to cash outflows from investing activities of EUR 40.8 million for the year ended 31 December 2019. This movement was primarily a result of slightly lower capex in 2020 and the proceeds from sale of Speyer building which were partly offset by reduced dividends from JVs.

Cash flow from financing activities

Cash outflows from financing activities was EUR 74.1 million for the year ended 31 December 2020, reflecting an increase of EUR 13.9 million or 23% compared to cash outflows from financing activities of EUR 60.3 million for the year ended 31 December 2019. This movement was a result of reduction in loans from financial institutions, which were partly offset by lower interest rate expense as a result of reduced interest-bearing debt and lower interest rates.

Cash and cash equivalents at the end of the period

Cash and cash equivalents at the end of the period were EUR 6.4 million for the year ended 31 December 2020 and EUR 15.5 million for the year ended 31 December 2019, a decrease of EUR 9.1 million or 58.5%. This decrease reflects the factors described above.

10.9.4 Cash flows for the year ended 31 December 2019 compared to the year ended 31 December 2018

The table below sets forth selected comparative figures from the statement of cash flow derived from the 2019 Audited Financial Statements. The 2018 figures are the restated figures which are based on the comparative columns in the 2019 Audited Financial Statements:

In EUR 1,000	Year ended 31 December	
	2019[1]	*(restated)* **2018**
Net cash flow from operations	86,165	30,966
Net cash flow from investing activities	(40,784)	(36,033)
Net cash flow from financing activities	(44,562)	4,819
Cash at end of year	15,507	14,375

Cash flow from operations

Cash flow from operating activities was EUR 86.2 million for the year ended 31 December 2019, reflecting an increase of EUR 55.2 million or 178.3% compared to EUR 31.0 million for the year ended

31 December 2018. The movement was primarily a result of a decrease in taxes paid, positive cash flow from reduced working capital in 2019 (in light of comparatively weaker cash from operations in 2018) and a reduction in short-term receivables in 2019 as compared to 2018.

Cash flow from investing activities

Cash outflow from investing activities was EUR 40.8 million for the year ended 31 December 2019, an increase of EUR 4.8 million or 13.2% compared to EUR 36.0 million for the year ended 31 December 2018. The movement was a result of increase in cash outflow in relation to investments in fixed assets.

Cash flow from financing activities

Cash outflow from financing activities was EUR 44.6 million for the year ended 31 December 2019 and cash inflow from financing activities was EUR 4.8 million for the year ended 31 December 2018. The movement was a result of outflows in relation to long term loans and liabilities and payment of principal portion of lease liabilities.

Cash and cash equivalents at the end of the period

Cash and cash equivalents at the end of the period were EUR 15.5 million for the year ended 31 December 2019 and EUR 14.4 million for the year ended 31 December 2018, an increase of EUR 1.1 million or 7.9%. This increase reflects the factors described above.

10.9.5 Subsequent events

In the period from 31 March 2021 to the date of this Prospectus, the Company's cash flows used in operating activities have continued in the ordinary course. Furthermore, the Company used cash flows in investing activities of approximately EUR 10 million and had interest payments of EUR 1 million and paid a dividend of EUR 10 million in its financing activities.

10.9.6 Capital Expenditure and Cash Conversion

The following table sets forth the Group's capital expenditure and cash conversion for the relevant periods:

	Year ended 31 December			**3 months ended 31 March**	
In EUR 1,000	**2020**	**2019**	**2018**	**2021**	**2020**
Capital Expenditure[1]	(50,210)	(52,595)	(45,283)	(3,555)	(9,944)
Intangible assets.........................	(10,174)	(9,445)	(13,923)	(1,132)	(2,138)
Filling Machines..........................	(20,265)	(22,643)	(16,826)	(469)	(5,492)
Production equipment................	(19,772)	(20,508)	(14,534)	(1,953)	(2,314)
Cash conversion[2] (%).................	59.0	48.1	45.1	89.0	65.5

Notes:
(1) Capital expenditure represents the purchase of non-current assets.
(2) Defined as (Adjusted EBITDA – capital expenditure) / Adjusted EBITDA.

Capital expenditure decreased by EUR 6.4 million or 64.2% from EUR 9.9 million in the three months ended 31 March 2020 to EUR 3.6 million in the three months ended 31 March 2021. This decrease was primarily a result of reduced investments in filling machines (as the Group invested in two larger (and higher-value) aseptic filling lines in the first quarter of 2020. In 2020, capital expenditure was 5.5% of revenue as compared to 5.8% in 2019 and 5.0% in 2018.

Capital expenditure increased by EUR 7.3 million or 16.1% from EUR 45.3 million in 2018 to EUR 52.6 million in 2019, while cash conversion increased from 45.1% to 48.1%. This increase was primarily a result of lower than usual investment in production equipment in 2018 as the Group focused on the stabilisation of operations after the implementation of SAP (which went live at the end of 2017) as compared to higher than usual investment in filling machines in 2019. The investments in filling machines in 2019 were driven by the Group decision to end its sale/lease-back program for filling machines, resulting in a repurchase of some filling machines with continued rentals on the Group's balance sheet.

Capital expenditure decreased by EUR 2.4 million or 4.6% from EUR 52.6 million in 2019 to EUR 50.2 million in 2020, with cash conversion increasing from 48.1% to 59.0%. The decrease in capital expenditure was primarily due to the higher than normal filling machine investments in 2019 (as described above), while the increase in cash conversion was primarily due to the improved adjusted EBITDA.

10.9.7 Financing arrangements and commitments

The following table sets forth the Group's consolidated financing arrangements and commitments as of 31 March 2021:

In EUR 1,000	Outstanding amount as of 31 March 2021
Revolving Credit Facility	
Principal	230,009
Transaction costs	(867)
Total Revolving Credit Facility	**229,142**
Lease facilities	
Principal	115,971
Interests	30,322
Total lease facilities	**85,649**

The maturity profile in the table below shows contractual maturities of the main borrowings of the Group as at the date of this Prospectus including estimated interest and principal payments, for the periods indicated. The numbers set out in the table below assumes completion of the Listing.

	Payment profile				
In EUR 1,000	**2021**	**2022 to 2023**	**2024 to 2026**	**More than 5 years**	**TOTAL**
Revolving Credit Facility		214,573	-	-	214,573
Lease Facilities	8,389	21,531	21,161	31,851	82,932
Total	30,329	236,104	21,161	31,851	319,445

10.10 Financial risk management

For a description of the Group's management of market, liquidity, credit, and accounting risks, Note 24, "Financial risk management" of the Audited Financial Statements for 2020, included as Appendix B to this Prospectus.

10.11 Investments

Ongoing investments

The Group will finance ongoing investments with cash from operations and the undrawn amount available under the RCF (detailed below). The Group has two material ongoing investments.

Flexo Printing Press (Americas): In 2020, the Group approved an investment into a new production line for its Montreal factory, a "Flexo" printing press. This printing press is a UV-based printing line which is intended to replace older equipment in the Montreal factory, and will enable the Group to address capacity constraints at the plant, gain operational efficiencies and savings and reduce its carbon footprint. The Group has placed a purchase order for the equipment of approximately EUR 4.2 million which will be capitalised when received.

High Bay Warehouse (Netherlands): In 2020, the Group approved a new lease for a High Bay warehouse adjacent to its existing warehouse in Terneuzen, Netherlands. Pursuant to this lease, Elopak's business partner, Rjinberg will construct a High Bay warehouse on which Elopak has signed a long-term (20 year) lease contract. The new High Bay warehouse will improve the overall safety of the Terneuzen facility while reducing overall operating costs and supporting the Group's growth. The Group has signed the lease on 2 June 2021 and expects to recognise the lease liability on its balance sheet when construction is complete and the Group assumes use of the warehouse in 2022. The amount of this lease liability is estimated by the Group to be approximately EUR 35 to 40 million. This expected liability is based on an estimated discounted cash flow over the 20 year term of the lease in accordance with IFRS 16 and the treatment of right of use assets thereunder.

Future investments

Future investments are expected to relate primarily to business development activities in support of the Group's growth plan, in particular in America where the Group has operations but currently a low market share as well as investments in increasing sustainability and the Group's commitment to recycling. In addition, the Group is considering growth in Asia-Pacific and the Middle East and North Africa, which may entail mergers and/or acquisitions and/or capital expenditure.

Management has approved an annual capital expenditure level of EUR 50 million which includes of EUR 15 – 20 million in maintenance for the Group's plants and capital expenditure related to filling machines placed pursuant to operating lease contracts with the Group's customers. This plan is in line with the mid-term 3-5 year financial targets. In the longer term (in or after 2025), the Group expects to replace a coating line and anticipates incurring a cost of approximately EUR 25 million to do so.

The future investments are expected to be funded with cash at hand, new equity or debt raised, or a combination of these. The Company may also elect to postpone or scale down the intensity of the timeline targeted for its growth plan in America and in other geographies.

10.12 Borrowing requirements and funding structure

The Group's loans and borrowings consist of bank overdrafts and long term loans (available under the Facility Agreement, as described below). The Group has uncommitted overdraft facilities in place with BNP Paribas (for EUR 10 million) to accommodate financing of daily working capital in the ordinary course of business and the Group's cash pool.

Elopak also has two accounts receivable factoring facilities, and it factors its receivables in the ordinary course of business.

On 23 May 2018, Elopak AS entered into a Facility Agreement for a EUR 400 million multicurrency revolving credit facility (the "**RCF**") arranged by Danske Bank AS, DNB Bank ASA, Nordea Bank AB (Publ), filial I Norge, Skandinaviska Enskilda Banken Ab (Publ) and BNP Paribas SA, Norway Branch (together, the "**Lenders**") with Skandinaviska Enskilda Banken AB (Publ) acting as "**Agent**" (the "**Facility Agreement**"), which was amended on 10 May 2021. The purpose of the Facility Agreement is to finance the general corporate purposes, including the working capital requirements, of the Group. The Facility Agreement's term expires in May 2023.

The rate of interest on each loan outstanding under to the RCF is the percentage rate per annum which is the aggregate of the applicable "margin" (defined in the Facility Agreement as a percentage per annum determined in relation to the Company's gearing ratio as at the applicable date) and the applicable interbank lending rate for the currency in which the loan is denominated. The Facility Agreement defines the Company's gearing ratio as the ratio of consolidated net interest bearing debt (calculated as total borrowings less the consolidated cash and cash equivalents of the group) to 12 month rolling consolidated EBITDA in respect of the relevant period. The following table sets out the applicable "margin" in relation to the Company's gearing ratio:

Gearing Ratio	Margin
Less than or equal to 2.15:1	1.00% per annum
Greater than 2.15:1, and less than or equal to 3.15:1	1.25% per annum
Greater than 3.15:1, and less than or equal to 3.65:1	1.50% per annum
Greater than 3.65:1, and less than or equal to 3.90:1	1.85% per annum
Greater than 3.90:1	2.10% per annum

Interest is due on loans on the last day of each interest period (and, if the relevant interest period is longer than six months, on the dates falling at six-monthly intervals after the first day of the interest period). The interest period applicable to a loan pursuant to the RCF is selected by the Company in periods of one, three or six months or any other period agreed between the Company, the Agent and the Lenders in relation to the relevant loan.

The following maturity profile and estimated interest costs for the RCF:

	Payment profile				
In EUR 1,000	**2021**	**2022 to 2023**	**2023 to 2026**	**More than 5 years**	**TOTAL**
Total	15,552	-	214,102	-	229,654

The RCF provides for the following financial covenants:

- Consolidated equity: the Company shall ensure that the consolidated book value (in accordance with GAAP) of the equity of the Group plus the principal amount of any subordinated loans shall at all times be in excess of EUR 100 million;

- Gearing Ratio: the gearing ratio (as defined under the Facility Agreement and as described above) in respect of any 12 month period ending on a quarter date (31 March, 30 June, 30 September and 31 December) in the relevant financial year shall not exceed the ratio applicable to that financial year (2018: 4.25:1; 2019: 4.00:1; 2020: 4.00:1; 2021: 3.75:1).

The Facility Agreement includes a change of control clause that provides the Lenders with a consent right should the Selling Shareholder (directly and/or indirectly through a wholly-owned subsidiary of the Selling Shareholder) cease to own at least 66.67% of the shares and/or voting rights of the Company prior to date of completion of the Listing, or if after the date of completion of the Listing (i) the Selling Shareholder (directly and/or indirectly through a wholly-owned subsidiary of the Selling Shareholder) ceases to own at least 33.33% of the shares and/or voting rights of the Company, (ii) a person or group of persons acting in concert (other than the Selling Shareholder) gains direct or indirect control of the Company or (iii) the Company's shares are delisted from Oslo Børs (other than in connection with a listing of the Company's shares on another internationally recognised stock exchange). In the event that the Lenders do not consent in writing to the change of control, all outstanding loans, together with accrued interest and all other amounts accrued under the Facility Agreement, the RCF and any utilisation request thereunder shall be immediately due and payable. The Company has not granted any security or guarantees pursuant to the RCF.

The Group was in compliance with all covenants under the Facility Agreement as at 31 March 2021.

10.13 Recent trends, developments and changes and outlook

10.13.1 Recent trends, developments and changes

In the period from 31 December 2020 the Group's total income has developed in line with Management's expectations.

Pure-Pak® volumes have followed the same trends as in 2020, with relatively flat volume development in Europe. The Group's total income was affected by a reduction in Pure-Pak® carton sales in Americas mainly as a result of the COVID-19 pandemic (and related school milk program suspensions and lower restaurant and canteen demand).

The sales mix in Europe, with continued growth in Aseptic Pure-Pak®, has continued to contribute positively to Elopak revenues and margins. Volume development in Roll Fed has been stable and in line with expectations. Product prices had a positive impact on Group results in the start of the year, as the Group is benefitting from price increases implemented during 2020 and some additional improvements in 2021.

Operational improvement programs developed according to plan, with continuous improvements in waste. No significant incidents or shifts in performance occurred. Raw material unit prices for LDPE and aluminium increased during the first quarter in 2021, but this had limited impact on Group result due to hedging programs and inventory lead time.

The Group has not observed any other adverse material developments or trends year to date.

10.13.2 Significant Change

There has not been a significant change in the financial performance of the Group since 31 March 2021.

10.13.3 Outlook

Full Year Outlook

The Group expects that the EBITDA margin for the first three months of 2021 will not be representative of the full year margin, but continues to target a 14-15% EBITDA margin in the medium term, as described below.

The Group anticipates that it will experience headwinds in raw material prices, but cautions that these trends are difficult to predict. However, the Group expects that its focus on operational improvements, pricing initiatives and product mix effects will mitigate the raw material effects. The Group also expects moderate revenue development below the medium term targets set out below.

Due to the first wave of the COVID-19 pandemic and the hoarding effect, Elopak has had unusually high revenues in Q2 2021 in Europe.

Financial Year 2022 and Beyond

The Group has established the financial targets set out below to measure its operational and managerial performance on a Group-wide level. These financial targets are the Group's internal targets for revenue growth, EBITDA margin, capital expenditure, dividend policy and capital structure. The Group has broadly defined "mid-term" to be the next 3 to 5 years; however, save in respect of the year ended 31 December 2021, these financial targets should not be read as indicating that the Company is targeting such metrics for any particular financial year.

The Group's ability to achieve these financial targets is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Group, and upon assumptions with respect to future business decisions that are subject to change. As a result, the Group's actual results will vary from these financial targets, and those variations may be material. Many of these business, economic and competitive uncertainties and contingencies are described in Section 2 "Risk Factors". The Group does not intend to publish revised financial targets to reflect events or circumstances existing or arising after the date of this Prospectus or to reflect the occurrence of unanticipated events. The financial targets should not be regarded as a representation by the Company or any other person that it will achieve these targets in any time period. Readers are cautioned not to place undue reliance on these financial targets.

The Group aims to achieve organic revenue growth of 2-3% per annum in the medium term, reflecting the perceived upside potential in the market due to sustainability-driven plastic to carton conversion trends, as well as the Group's intention to strengthen its presence in growing markets (such as the MENA region) and to take advantage of the fresh opportunity in North America, and roadmap to delivery growth in the aseptic segment, in addition to selectively pursuing M&A activities. For further detail, please see the heading "*Roadmap to Deliver Growth in the Aseptic Segment"* in Section 7.3 "Strategy". The Group is further aiming to achieve a 14-15% adjusted EBITDA margin, driven by improved operations, margin optimisation initiatives and purchasing and value engineering.

In the medium term, the Group is targeting capital expenditures of approximately EUR 50 million per annum, reflecting investment in filling machines, intangibles (research and development and SAP development) and production equipment, as well as the Group's focus on sustainability.

The Group aims to keep its leverage ratio (expressed as net debt / adjusted EBITDA) to 2.0x in the medium term, reflecting a dividend pay-out ratio of approximately 50-60 % of the Group's Adjusted net profit and the cash conversion from the EBITDA growth and ongoing and future investments as described above.

10.14 Significant accounting policies

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and other non-current assets

Determining whether goodwill and other non-current assets are impaired requires management's judgment in determining the appropriate cash generating units and estimating future cash flows from the relevant cash-generating units. Such values in use calculations imply a degree of uncertainty with respect to the estimated future cash flows, growth and the applied discount rate. The uncertainty related to cash flows are mainly related to carton volumes, sales prices and raw material costs. Goodwill, indefinite intangible assets and intangible assets not ready for use are tested for impairment annually or more often if indicators exist, whereas other assets are tested for impairment when impairment indicators exist. Impairments for goodwill are described in note 12 of the Audited Financial Statements, included as Appendix B to this Prospectus.

Deferred tax assets

Management has exercised judgment in assessing the recognition of tax loss carry forward for the Group's various entities and the resulting deferred tax asset. The judgment is based upon the entities' assessed ability to generate future cash flows, and the events that will enable the entities to do so. The assessments imply a degree of uncertainty relating to such future events. Tax expenses and deferred tax assets are presented in note 10 of the Audited Financial Statements, included as Appendix B to this Prospectus.

Tax disputes

In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedure ("**MAP**") between the affected countries are normally available. A successful MAP procedure as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for the Group. Where a MAP process is available, the Group recognises tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, taxpayers have the right to demand arbitration.

Development costs

The Group capitalizes development costs in accordance with the accounting policy. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project and the expected benefits. The development costs include development of new filling and production machine technology and the success of this technology is dependent on future demand from the customers.

Leasing

Management is estimating the useful life and residual value of filling machines when considering if the lease arrangement is a finance lease or an operational lease.

10.15 Off-balance sheet arrangements

Except as described in Section 8.5 "Contingent and indirect indebtedness" and Section 10.11 "Investments" the Group has no material off-balance sheet arrangements.

11. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested with the Board and the Management. In accordance with Norwegian law, the Board is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The chief executive officer (the "**CEO**") is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board.

11.2 Board of Directors

11.2.1 Overview

The Company's Articles of Association provide that the Board shall consist of a minimum of three and a maximum of twelve members. The names and positions in the Company of the board members as at the date of this Prospectus are set out in the table below.[71]

Name	Position	Served since	Term expires
Jo Olav Lunder	Chairperson	2018	2022
Trond Solberg.................	Board member	2008	2022
Seyed Mehran Johari	Board member	2017	2022
Anna Belfrage.................	Board member	2021	2022
Sanna Suvanto-Harsaae	Board member	2021	2022
Erlend Sveva	Employee-elected board member	2015	2021[72]
Marius Wiklund	Employee-elected board member	2015	2021[73]
Anette Bauer Ellingsen[74] .	Employee-elected board member	2021	2021[75]
Liv Bente Strandos	Deputy board member	2021	2022
Thor Anders Eggen	Deputy board member	2021	2022
Roger Taftø	Deputy board member	2021	2022
Manuel Arbiol	Observer	2021	2022

Jo Olav Lunder is a member of the advisory board of Ferd and Trond Solberg is employed by Ferd as Co-Head of Ferd Capital. In addition, the observer on the Board, Manuel Arbiol, is employed by Ferd as an investment professional for Ferd Capital. These are as such not independent of Ferd, which will own more than 10% of the Company after completion of the Offering.

Other than Jo Olav Lunder and Trond Solberg, all other members of the Board of Directors are independent from the Company's executive management.

Accordingly, the composition of the Board is in compliance with the recommendations of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Corporate Governance Code**"). The Corporate Governance Code recommends that (i) the majority of the shareholder-elected members of the Board is independent of the Company's executive management and material business

[72] Election of employee-elected board members expected on or about 23 June 2021

[73] Election of employee-elected board members expected on or about 23 June 2021

[74] Deputy board member since 2019.

[75] Election of employee-elected board members expected on or about 23 June 2021

contacts, (ii) at least two of the shareholder-elected members of the Board independent of the Company's main shareholders, and (iii) no members of the Company's executive management are members of the Board.

The Company's registered office, Industriveien 30, 3430 Spikkestad, Norway, serves as the business address of the members of the Board in relation to their directorships in the Company.

11.2.2 Brief biographies of the members of the Board

Set out below are brief biographies of the members of the Board, including their relevant expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a director is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Jo Olav Lunder, chairperson

Jo Olav Lunder has been a board member since 2018. Lunder has more than 25 years of board, directorial and executive experience from multiple private and public companies within telecommunications, IT services, business solutions and e-commerce. Lunder has held positions such as COO of Telenor Mobile AS, CEO of Ementor ASA, President of Ferd Capital, CEO of Vimpelcom Ltd and CEO of John Fredriksen Group. Lunder has a Master of Business Administration (MBA) from Henley Business School, and a Bachelor's degree from Oslo Business School.

Current directorships and senior management positions	*Deep Ocean BV (chairman), Element Logic AS (chairman), BUS AS (chairman), Cigalep AS (chairman), Canica AS (board member), Stenshagen Invest AS (board member), Komplett AS (board member) and IT Verket AS (board member).*

Trond Solberg, board member

Trond Solberg has been a board member since 2008. Solberg has 19 years of experience from public and private investments at Ferd AS, including his current position as Co-Head of Ferd Capital, which he has held since 2012. In addition, Solberg has extensive board experience as chair and board member for multiple companies including Brav and Fürst. Prior to joining Ferd AS, Solberg was employed within consulting at Accenture. Solberg holds a Master's degree in Economics (*Nw: Siviløkonom*) from BI Norwegian Business School.

Current directorships and senior management positions	*Ferd AS (co-head, Ferd Capital), Brav AS (chairman), Brav Norway AS (chairman), Blafre AS (chairman), Skolo AS (chairman), Seco Invest AS (board member), BVN 22 AS (chairman), FC-invest AS (chairman), Ferd lab invest AS (chairman), FC Well Invest AS (chairman), FC Holding VI AS (chairman), FC Holding VII AS (chairman),FC Holding VIII AS (chairman), FC Holding IX AS (chairman), FC Holding X AS (chairman) and FC Holding XI AS (chairman).*
Previous directorships and senior management positions last five years.....	*Fürst Holding AS (board member), AS Med-Lab (board member, Dr. Fürst Medisinsk Labratorium AS (board member) and ØPD AS (chairman).*

Seyed Mehran Johari, board member

Seyed Johari has been a board member of Elopak since 2017. Johari has three decades of executive management and board membership experience within the fields of R&D, product industrialisation and sales in large global companies. From running small teams of highly specialised technology development in theoretical fluid dynamic at ABB to developing unique liquid packaging solutions for emerging markets at Tetra Pak and finally leading sales operations in ASIA and America and establishing a global industrial operation for Sidel, he has gathered a vast knowledge and expertise within the field of R&D and product industrialization. Johari is currently engaged in supporting young technology companies with disruptive technologies to enter the market by acting as a board member or advisory board member when needed. Johari holds a Master of Science in Mechanical Engineering from Lund University.

Current directorships and senior management positions	*Tech2M (founder), Saveggt AB (chairman) and Airgo Design (advisory board member),*
Previous directorships and senior management positions last five years.....	*Datalase (advisory board member)*

Anna Belfrage, board member

Anna Belfrage joined the Company as a board member and the chairman of the Audit Committee on 15 April 2021. Belfrage has over 30 years of experience within finance, first as an auditor with PricewaterhouseCoopers, then as CFO in various industrial companies in Sweden. She has also been acting CEO of the listed company Beijer Electronics Group AB. Most recently, Belfrage was the CFO and Senior VP IT and Purchasing in the forestry group Södra Skogsägarna Ekonomisk Förening. Belfrage is currently working as a professional board member. Belfrage holds a Master's degree in Economics (*Nw: Siviløkonom*) and additional courses in Business Administration and Corporate Law from Lund University.

Current directorships and senior management positions	*Mycronic AB (publ.)(board member), Isofol Medical AB (publ.)(board member), Note AB (publ.)(board member), CINT AB (publ.)(board member) and Ellevio AB (board member).*
Previous directorships and senior management positions last five years.....	*Södra Skogsägarna Ekonomisk Förening (CFO and Senior VP IT and Purchasing).*

Sanna Suvato-Harsaae, board member

Sanna Suvanto-Harsaae joined the Company as a board member on 15 April 2021. Suvanto-Harsaae has extensive experience as a board member and director from several international companies. Among others, Suvanto-Harsaae is currently the chairman of the Posti Group Corporation, Altia Oyj, BoConcept AS and Orthex Oyj. She has also previously served as a board member of SAS AS and as the chairman of Isadora AS and Paulig Oy. Suvanto-Harsaae holds a Bachelor's degree in Economics from Lund University.

Current directorships and senior management positions	*Posti Oyj (chairman of the board, chairman of the remuneration committee, member of the audit committee), BoConcept AS (chairman, member of the audit committee), TCM AS (chairman of the board, chairman of the remuneration committee, member of the audit committee), Orthex Oyj (chairman), Babysam AS (chairman), Altia Oyj (chairman of the board, chairman of the remuneration committee, member of the audit committee), Nordic Pet Care Group AS (chairman), Harvia Oyj (vice chairman of the board, chairman of the audit committee), CEPOS (Center for Political Studies)(board member) and Broman Group Oy (board member).*
Previous directorships and senior management positions last five years.....	*SAS AS (board member), Isadora AS (chairman) and Paulig Oy (chairman).*

Erlend Sveva, employee-elected board member

Erlend Sveva has served as an employee-elected board member since 27 August 2015. Sveva has been employed in Elopak since 2006, and currently holds the position as Specialist Manager on Fresh System Performance in Elopak. Sveva holds a MA of Science and Technology from NTNU, Trondheim and MA of Business Studies from Leeds Beckett University, Leeds, UK. He has no other current or previous (the last five years) directorships or senior management positions.

Marius Wiklund, employee-elected board member

Marius Wiklund has served as an employee-elected board member since 1 August 2015. He has 29 years of experience in Elopak holding various positions. In the last 12 years Wiklund has held the position as Senior Manager in Innovation & Engineering in Elopak. Wiklund has a technical background and is certified within automation and mechanics. He has no other current or previous (the last five years) directorships or senior management positions.

Anette Bauer Ellingsen, employee-elected board member

Anette Bauer Ellingsen has served as an employee-elected board member on the Board of Elopak since 6 May 2021. Dr. Ellingsen has been employed in the Company since May 2014, and currently holds the position of Senior Food Microbiologist. Prior to her current position, Dr. Ellingsen held the position as marketing responsible for veterinary medicines in Interfarm AS (2011-2014). Anette Bauer Ellingsen holds a PhD in Food Microbiology from the Norwegian School of Veterinary Science and a Bsc. Biotech (Hons) degree from Griffith University (Australia). She has no other current or previous (the last five years) directorships or senior management positions.

Liv Bente Strandos, employee-elected deputy board member

Liv Bente Strandos was appointed as interim deputy representative for the employee-elected board members since April 2021. She will act as deputy representative until the election of new employees Board members in June 2021. Mrs. Strandos has been an Elopak employee since 1990, and holds the position as Manager Sensory Services. Mrs. Strandos has studied Applied Sensory Consumer Science at University of California, Davis. She has no other current or previous (the last five years) directorships or senior management positions.

Thor Anders Eggen, employee-elected deputy board member

Thor Anders Eggen has served as a deputy employee-elected board member on the Board of Elopak since 2017. Eggen has more than 35 years of experience from the Elopak Group, joining the Company in January 1986 as a service engineer with the technical responsibility for several of the Company's customers. In January 2000, Eggen was promoted to his current position as Senior Technical Instructor. Thor Anders Eggen holds a degree as an aircraft mechanic from the Norwegian Armed Forces. He has no other current or previous (the last five years) directorships or senior management positions.

Roger Taftø, employee-elected deputy board member

Roger Taftø has been serving as an employee-elected deputy board member on the Board of Elopak since 2019. Taftø joined Elopak in 2017 as Senior Manager Corporate Quality, and got Corporate Safety added to his responsibilities in 2018. He was promoted to the role as Safety Officer in the Company in 2019. Taftø has had a variety of management roles before he joined Elopak, mainly in electronic repair and retail business across Europe. Before joining Elopak he came from the role as Quality Manager in DNV GL Presafe AS. Before that he had Technical, Quality and HSE management position in Nestlé Nespresso. Taftø holds a technical engineer degree from Ørlandet Technical College.

Manuel Arbiol, observer

Manuel Arbiol is an observer on the Board of Elopak. He has been an investment professional at Ferd Capital covering the industrials sector since 2019. Prior to joining Ferd Capital, Mr. Arbiol worked at Bain & Company in Oslo, and prior to that, he worked for Nomura International in London. Mr. Arbiol started his career in the Transaction Services department at Deloitte and International Business Development team at CaixaBank in Barcelona. Mr. Arbiol holds an MBA degree from London Business School and a Bachelor's degree in Business Administration from ESADE Business School in Barcelona, Spain.

11.2.3 Shares held by the members of Board

None of the members of the Board holds any shares in the Company.

11.3 Management

11.3.1 Overview

The Management of the Company consists of nine individuals. The names of the members of the Management as at the date of this Prospectus and their respective positions are presented in the table below:

Name	Position	Employed with the Group since
Thomas Körmendi	Chief Executive Officer	2018
Bent K. Axelsen	Chief Financial Officer	2019
Ivar Jevne	EVP Material and Product Supply	2005[76]
Wolfgang Buchkremer	Chief Technology Officer	2011[77]
Nete Bechmann	Chief Human Resources Officer	2020
Patrick Verhelst	Chief Marketing Officer	2019
Stephen D. Naumann	EVP Region Europe North & CIS	1992[78]
Lionel Ettedgui	EVP North America	2019
Finn M. Tørjesen	EVP Region Europe South & New Markets	2000[79]

The Company's registered office, Industriveien 30, 3430 Spikkestad, Norway, serves as the business address for the members of Senior Management in relation to their positions in the Company.

11.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of the Senior Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Thomas Körmendi, Chief Executive Officer

Thomas Körmendi is the Group's CEO and President. He joined the Group in 2018. Körmendi has more than 30 years of extensive management and business development experience from several international companies. Prior to joining the Group, Körmendi held the position as the CEO of Kezzler AS. Körmendi has also served as a member of the board of directors of One Nordic AB. In addition, he has held the position as CEO of the Relacom Group, Interim CEO of Cardo Flow Solutions, Managing Director of Tetra Pak Bulgaria, Turkey, Caucasus and Hungary and as the Vice President of Tetra Pak with responsibility for the North Europe region. Körmendi holds a Master of Science in Economics from Copenhagen Business School.

Previous directorships and senior management positions last five years.....	*One Nordic (board member), Kezzler A/S (CEO) and Körmendi & Co (Senior Business Advisor).*

Bent K. Axelsen, Chief Financial Officer

Bent K. Axelsen is the Group's CFO. He joined the Group in 2019. Axelsen is an experienced executive with broad international experience across a range of professions ranging from finance to business development, marketing, product management and business operations. In addition to Norway, Axelsen has particular business experience from Asia, after living two years in Singapore and 4 years in Thailand. Prior to joining the Group, Axelsen spent more than 15 years in Yara International ASA where he held

[76] EVP MPS & Procurement since 2013

[77] Chief Technology Officer since 2018.

[78] EVP Region Europe North & CIS since 2019.

[79] EVP Region South Europe South & New Markets since 2019.

several managing positions including the position as CFO & SVP Global Business Excellence, SVP Marketing & Business Development, CFO Crop Nutrition and Vice President and Country Manager Thailand. In addition, Axelsen has held several positions in Norsk Hydro including the position as Business Development Manager in Hydro Agri and analyst in the Corporate Strategy Team. Axelsen holds a Master's degree in Economics from BI Norwegian Business School.

Previous directorships and senior management positions last five years.....	*Yara International ASA (CFO & SVP Global Business Excellence and SVP Marketing & Business Development respectively)*

Ivar Jevne, EVP Material and Product Supply

Ivar Jevne is the Group's Executive Vice President MPS (Material and Product Supply) & Procurement. He first joined the Group in 2005 and was promoted to his current position in 2013. As such, Jevne has more than 15 years of experience from within the Elopak system starting out as the Group Purchasing Director/Chief Purchasing Officer. Prior to joining the Group, Jevne held the position as Principal at A.T. Kearney. Jevne holds a Master of Science from the Norwegian University of Science and Technology.

Wolfgang Buchkremer, Chief Technology Officer

Wolfgang Buchkremer is the Group's Chief Technology Officer. He first joined the Group in 2011 and was promoted to his current position as CTO in 2018. As such, Buchkremer has 10 years of experience from within the Elopak system starting out as a Senior Manager within Research & Engineering. Prior to joining the Group, Buchkremer held the position as Manager for Advanced Development for KHS. In addition, Buchkremer has been the Deputy Head of Technology Pool Machine for SIG Combibloc. Buchkremer holds an Engineer degree in Automation Technology from Fachhochschule Aachen University of Applied Sciences.

Current directorships and senior management positions	*Elopak GmbH (general manager), Elopak Inc. (board member).*

Nete Bechmann, Chief Human Resources Officer

Nete Bechmann is the Group's Chief Human Resources Officer. She joined the Group in 2020. Bechmann has more than 30 years' experience within human resources, leadership and finance. Prior to joining the Group, Bechmann held the position as executive HR business partner in Vestas Wind Systems AS, she has also held several HR positions within Arla Foods. Nete Bechmann has a Graduate Diploma in Accounting.

Current directorships and senior management positions	*Aarhus Katedral Gymnasium (board member).*
Previous directorships and senior management positions last five years.....	*Business Aarhus/International Community (member of executive committee), Vestas Wind Systems A/S (executive HR business partner).*

Patrick Verhelst, Chief Marketing Officer

Patrick Verhelst is the Group's Chief Marketing Officer. He has been with the Group since 2019. Verhelst has more than 30 years of experience within marketing, sales and leadership from holding managing positions in several international companies. Prior to joining the Group, Verhelst held the position as Director Sales, Marketing and Innovation for the Wipak Group. He has also been the Vice President Sales for Coveris Group, the Business Group Strategy Director, Program Director Sales & Marketing Transformation and Marketing Director Europe for SCA Packaging. In addition, Verhelst has held several managing positions for General Electric Plastic including Global Business Manager, Product Manager Europe and Sales & Marketing Manager Europe. Verhelst is a Civil Engineer in Chemistry and Agricultural Sciences and holds a Master in Business Management from the Vrije Universiteit in Brussel.

In addition, Verhelst has a degree in Business-to-Business Marketing from the Economic School of Management in Brussel.

Previous directorships and senior management positions last five years.....	*Wipak Group (Director Sales, Marketing & Innovation)*

Stephen D. Naumann, EVP Region Europe North & CIS

Stephen Naumann is the Group's Executive Vice President for Region Europe North and CIS. He has been a member of Elopak Group Leadership Team since 2007. Naumann has nearly 30 years of experience within Elopak, starting as Sales and Marketing Manager in 1992. He took several steps during the following years with the first milestone as General Manager of Elopak GmbH Germany in 1997. Followed by taking the additional responsibility for the NL and UK markets. In 2005 he became VP Northern Europe and Global Accounts. In 2007 Naumann joined the GLT as an EVP Europe North and West. In 2015 he became Executive VP Region Europe & Mediterranean & Rollfed and has since 2019 been the EVP for Europe North and CIS. Naumann holds a degree as Wirtschaftsassistent Industrie, comparable to a Bachelor's degree in Economics.

Current directorships and senior management positions	*FKN e.V. (board member delegated by Elopak GmbH),*

Lionel Ettedgui, EVP North America

Lionel Ettedgui is the Group's Executive Vice President for the North America region. Ettedgui has been appointed EVP Region America since September 2019. He has more 20 years' experience in the operations of international large-scale corporations. Prior to joining the Group, Ettedgui was the President and CEO of Colabor Group. In addition, Ettedgui served more than 6 years as President and Chief operating officer of Saputo Bakery division until it was sold to Grupo Bimbo in 2015. In 2005, he founded Kooll Desserts, a state-of-the-art dairy plant with products listed at all retailers in Canada, the Company was sold to Liberté (Yoplait Group) in 2008. In addition, Ettedgui has held various executive positions in Europe and Africa within trade, operations management and business development. Ettedgui has also served on the board of directors of several companies including 7 years at Montreal Sacré-Coeur Hospital Foundation and 7 years at CTAQ (Quebec Food processing council). Ettedgui holds a degree in Business from the Institut Supérieur de Gestion.

Current directorships and senior management positions	*Elopak Canada (board member), Elopak Inc. (board member), Envases (board member) and IY (board member).*
Previous directorships and senior management positions last five years.....	*Mito Sushi (member of advisory board), 123KLAN (member of advisory board), Fondation Hopital Sacre Coeur (board member) and Groupe Colabor (president and CEO).*

Finn M. Tørjesen, EVP Region Europe South & New Markets

Finn M. Tørjesen is the Group's Executive Vice President for Region Europe South and New Markets. Tørjesen has held the position as EVP since May 2019 and has been with the Group since 2000. Tørjesen has been an international marketing and sales executive for more than 25 years. Tørjesen holds a Master of Business from the University of Strathclyde and a Bachelor W Honours from Oslo Business School.

Current directorships and senior management positions	*Elopak Spa Italy (chairman), Elopak Nampak JV (board member) and The Norwegian Spanish Chamber of Commerce in Madrid (board member).*
Previous directorships and senior management positions last five years.....	*Elopak Obeikan JV (board member),*

11.3.3 Shares held by members of Management

As of the date of this Prospectus, the members of Management hold the following Shares in the Company:

Name	Position	Number of Shares	% of Shares
Thomas Körmendi	Chief Executive Officer	95,100	0.038%
Bent K. Axelsen	Chief Financial Officer	71,100	0.029%
Ivar Jevne	EVP Material and Product Supply	176,450	0.070%
Wolfgang Buchkremer	Chief Technology Officer	36,750	0.015%
Nete Bechmann	Chief Human Resources Officer	0	0%
Patrick Verhelst	Chief Marketing Officer	30,650	0.012%
Stephen D. Naumann	EVP Region Europe North & CIS	192,000	0.076%
Lionel Ettedgui	EVP North America	48,550	0.019%
Finn M. Tørjesen	EVP Region Europe South & New Markets	35,400	0.014%

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The remuneration paid by the Company to members of the Board in relation to their positions as board members during the year ended 31 December 2020 was EUR 168,000, as further specified in the table below:

Name	Board remuneration
Jo Olav Lunder (chairman)	NOK 500,000
Trond Solberg	0
Seyed Mehran Johari	EUR 39,000
Per Thau*	EUR 39,000
Michael Francis Cronin*	EUR 39,000
Marius Wiklund**	NOK 150,000
Erlend Sveva**	NOK 150,000
Anette Bauer Ellingsen**	0
Roger Taftø***	0
Thor Anders Eggen***	0

* Board member until 15 April 2021

** Employee representative, board member until new election expected on or about 23 June 2021. Ms. Ellingsen was elected as employee representative board member in May 2021

*** Deputy employee representative, deputy member until new election expected on or about 23 June 2021

In addition, board member Seyed Mehran Johari received approximately SEK 98,000 in 2020 and SEK 42,000 in 2021 for consultancy services rendered to companies in the Group.

11.4.2 Remuneration of Management

The remuneration paid to members of the Management during the year ended 31 December 2020 was EUR 2,681,000 in salaries and EUR 3,765,513 in total remuneration including salary, bonus, pension and other goods, as further specified in the table below (in EUR thousands):

Name	Position	Salary	Bonus	Pension	Other
Thomas Körmendi	Chief Executive Officer	434	120	20	20
Bent K. Axelsen	Chief Financial Officer	219	21	14	13
Ivar Jevne	EVP Material and Product Supply	249	73	16	13
Wolfgang Buchkremer	Chief Technology Officer	223	63	0,48	15
Nete Bechmann[1)]	Chief Human Resources Officer	86	0	4	5
Patrick Verhelst	Chief Marketing Officer	238	47	10	13
Stephen D. Naumanz	EVP Region Europe North & CIS	443	111	40	17
Lionel Ettedgui[2)]	EVP North America	332	186	18	12
Finn M. Tørjesen	EVP Region Europe South & New Markets	229	63	22	15
Previous Chief HR[)]		227	79	47	14

1) Employed since August 2020

2) Including sign-on bonus

3) Employment ended in 2020

11.4.3 Bonus programs for Group Management

The members of the Group Management are included in an annual bonus scheme. Performance targets are related to both financial and strategic targets for the Group as well as individual targets incl. EBITDA for respective Business Areas[80]. The targets are reviewed annually by the Board of Directors. The maximum achievement within a financial year is an amount equal to 50% of the respective manager's annual base salary (not including share based incentives).

In connection with the Listing, members of the Group Management and certain other managers, are entitled to a specific one-time bonus subject to the Listing being completed. The total bonus amount is maximum EUR 4 million dependent on the final Offer Price and number of Offer Shares sold. Based on a final Offer Price within the Indicative Price Range, the total bonus amount is expected to be an aggregate amount of between approximately EUR 1 million to EUR 2 million, as further determined by the Compensation Committee. The individual bonus amount (less tax payable) is to be reinvested in shares in the Company to be sold to Group management and the eligible managers at a 20% discount from the Offer Price, and the Shares will be subject to the three-year lock-up period (similar to the Shares issued under the New LTI). In order to facilitate for payment of the transaction bonus, Elopak will acquire a number of existing Shares from the Selling Shareholder to cover the Company's sale of discounted and restricted Shares.

11.4.4 Share incentive programs

Prior to the Listing, the Company has had in place a long term incentive scheme (the "**Existing LTI**"). Under the Existing LTI, members of Group Management were awarded a cash amount based on the value adjusted equity of the Group. Such cash amount were to be used to subscribe for new Shares in the Company. The long term incentive scheme did not result in any payments in 2020 (based on the year ended 31 December 2019), but it did result in payments and issuance of shares to Group Management in April 2021 based on the performance for the financial year ended 31 December 2020 when 8,959 new Shares were issued under the Existing LTI.

In connection with the Listing, the Board and the Selling Shareholder have resolved to amend the share restrictions under the Existing LTI and to implement a new long-term incentive program (the "**New LTI**") for its management and key employees, including the members of Group Management.

Under the New LTI program, the Board may grant a bonus to the members of Group Management based on the Group reaching certain predetermined EBITDA (20% of the award) and value adjusted equity targets (80% of the award). The total bonus amount under the New LTI is capped at NOK 15 million that can be granted by the Board in one financial year, the first possible grant to take place in 2022 based on reaching the targets in 2021. The after-tax portion of the LTI bonus amount must be invested in restricted Shares that will be provided by the Company at a 20% discount to the volume weighted average trading price of the Share in a 5-day period before the relevant triggering event. The restricted Shares issues will be subject to a three year lock-up period, following which all restrictions on the Shares will cease to apply. During the three-year lock up period, the restricted Shares will be subject to a call option pursuant to which Elopak will be entitled to acquire the restricted Shares, where the price payable by Elopak in the event of such exercise of such call option will depend on the call option event (discontinuance of employment, change of control event, etc.). The restricted Shares are also subject to a clawback for Elopak in certain events were an LTI bonus is granted on the basis of financial statements that are later restated or corrected.

In connection with implementation of the New LTI, the restrictions that apply to the Shares already issued under the Existing LTI will be amended effective from the first day of Listing. Amongst other, the

[80] For 2021 this target is calculated on the basis of EBITDA less plant maintenance CAPEX.

shareholders' agreement with the Selling Shareholder will be terminated and restrictions relating to call options and lock-up will be assigned to the Company, while the remaining restrictions will no longer apply.

11.5 Benefits upon termination

No employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the Board Members has a service contract and none will be entitled to any benefits upon termination.

11.6 Loans and guarantees

Loans to employees were EUR 28,000 in 2020. No guarantees have been provided. The Company has not granted any loans, guarantees or other commitments to any of its Directors or to any member of the Management.

11.7 Employees

As at 31 March 2021, Elopak had 2,125 employees. The following table shows the development in the number of Elopak employees, and their geographic location for the years ended 31 December 2020, 2019 and 2018:

	31 December		
Geographic location	**2020**	**2019**	**2018**
Europe (North, South, Corporate)	1,777	1,812	1,775
Americas	318	327	339
Total Elopak	**2,095**	**2,139**	**2,207**
Joint Ventures			
Envases Elopak S.A. de C.V (100%)	404	401	430
Impresora Del Yaque (100%)	89	98	98

11.8 Pension and retirement benefits

For the year ended 31 December 2020, the Group had a total cost of pension of EUR 9,208,000.

Employees in certain countries have retirement plans, which are primarily defined contribution plans.

Under the defined contribution plans, Elopak pays an agreed annual contribution to the employee's pension plan, but any risk related to future pension is borne by the employee. In a defined contribution plan, the pension costs will be equal to the contribution paid to the employees' pension plan. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension, i.e. there is no liability to record in the statement of financial position.

The Group also runs pension plans that grant the employees a right to defined future benefits. These defined benefit plans include in total 9 persons, which is one person less than for 2019. The benefits are mainly dependent on years of service, the level of salary at age of retirement and size of contributions from the national insurance. The obligations are partly covered through insurance companies.

Elopak has unfunded retiree medical insurance plans for certain of its employees located in the United States.

For more information regarding pension and retirement benefits, see Note 16 "Employee retirement benefit plans" of the Audited Financial Statements for 2020 included as Appendix C to this Prospectus.

11.9 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of two to three members which shall be elected by the Company's General Meeting. The current members of the nomination committee are: Tom Erik Myrland (chair) and Terje Valebjørg. The nomination committee is elected for a period of two years.

The nomination committee is responsible for nominating candidates for the General Meeting's election of shareholder-elected members of the Board and members of the nomination committee. The nomination committee is also responsible for making recommendations for remuneration to the board members and members of the nomination committee.

11.10 Board Audit and Sustainability committee

The Board has subject to and with effect from the Listing established an audit and sustainability committee ("**BASC**"). The current members of BASC are Anna Belfrage (chair) and Trond Solberg.

Pursuant to Section 6-43 of the Norwegian Public Limited Liability Companies Act, the primary purposes of BASC are to:

- prepare the Board's supervision of the Company's financial reporting process and make recommendations to ensure its integrity;
- monitor the systems for internal control and risk management;
- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- assess and monitor the auditor's independence, including pre approving non audit services, compliance with the fee limit for non-audit services and that prohibited non audit services are not delivered, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

In addition, BASC will:

- inform the Board of the results of the audit, how the audit contributed to financial reporting with integrity and the role of the BASC;
- monitor the audit in light of the design and effectiveness of the auditors internal quality control system, findings in inspections and transparency report of the audit firm;
- be responsible for preparing the choice of auditor and recommendation to the Board; and
- following up on ethics and compliance in the Group and the company’s sustainability reporting.

BASC will report to and make recommendations to the Board, but the Board retains responsibility for implementing such recommendations.

11.11 Compensation committee

The Board has subject to and with effect from the Listing established a compensation committee. The compensation committee shall be composed of the board members Trond Solberg (chair), Sanna Suvanto-Harsaae and Jo Lunder. The purpose of the compensation committee shall be to evaluate and propose the compensation of the Company's CEO and other members of the Management and issue an annual report on the compensation of the Management, which shall be included in the Company's annual accounts pursuant to applicable rules and regulations, including accounting standards.

11.12 Conflict of interests

The chairman of the Board of Directors, Jo Olav Lunder, is a paid member of the advisory board of Ferd. Further, board member Trond Solberg is employed by Ferd as Co-Head of Ferd Capital. In addition, the observer on the Board, Manuel Arbiol, is employed by Ferd as an investment professional for Ferd Capital. Lunder, Solberg and Arbiol are as such not independent of Ferd, which will own more than 10% of the Company after completion of the Offering, and there may be real or apparent conflicts of interest with respect to matters affecting Ferd, whose interests in some circumstances may be adverse to the interests of the Company.

In addition, board member Seyed Mehran Johari has rendered consultancy services to companies in the Group, which services have been invoiced by Mr. Johari (see Section 11.4.1 "Remuneration and benefits to the Board of Directors"). The consultancy agreement has been discontinued.

Except from the above, there are currently no actual or potential conflicts of interest between the board members and members of the Management's duties to the Company and their private interests and other duties. Further, there are no interests material to the Offering.

Further, there are no family relationships between any of the members of the Board or the Management.

11.13 Convictions for fraudulent offences, bankruptcy etc.

Please be informed that the chairman of the Board, Jo Olav Lunder, was the CEO of Vimpelcom Ltd from July 2011 until April 2015. The company came under investigation by the US and Dutch authorities related to corruption in Uzbekistan. The company entered into a Deferred Prosecution Agreement (DPA) with the US Department of Justice in February 2016. The DPA was concluded in October 2019. In relation to the same Company, Mr. Lunder was in 2015 charged by the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Nw: Økokrim) with complicity in corruption. No indictment was issued, and the case was dismissed in October 2017. Further, Jo Lunder is the chairman of the board of directors in Deep Ocean Group Holding BV, which have subsidiaries that have been involved in an insolvency restructuring. Deep Ocean Group Holding BV's involvement in the restructurings is in the capacity of owner.

In addition, the Group's CFO, Bent Axelsen, was formerly employed by Yara International ASA and in such capacity held the position as director of Yara International ASA's operating entity in Thailand; Yara (Thailand) Ltd. Yara (Thailand) Ltd and a number of its present and past directors have been charged by the authorities in Thailand for sale of fertiliser products that did not meet nutrient specifications. Criminal proceedings are currently ongoing in Thailand. Yara and its legal advisors in Thailand are of the opinion that the allegations bear no merit. Similar cases (3-4) involving the same matter have been tried before the Thai courts, finding Yara (Thailand) Ltd. and/or its directors (as the case may be) not guilty. The case related to Mr. Axelsen's role dates back to a product sample taken in 2012, but the charges were brought by Thai authorities in March 2020.

Further, the Company's EVP Region America, Lionel Ettedgui, is currently one of the subjects of an ongoing investigation by the Autorité des marchés financiers (AMF) in Quebec in relation to possible insider trading violations in the stock of Colabor Group Inc. on the day prior to publicly announcing Ettedgui's resignation as President and Chief Executive Officer of Colabor Group. As of today, no infraction report or indictment has been issued in connection with the investigation.

Other than the above, none of the members of the Board or Management has during the last five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

11.14 Corporate governance

The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code.

12. CORPORATION INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

12.1 Corporate information

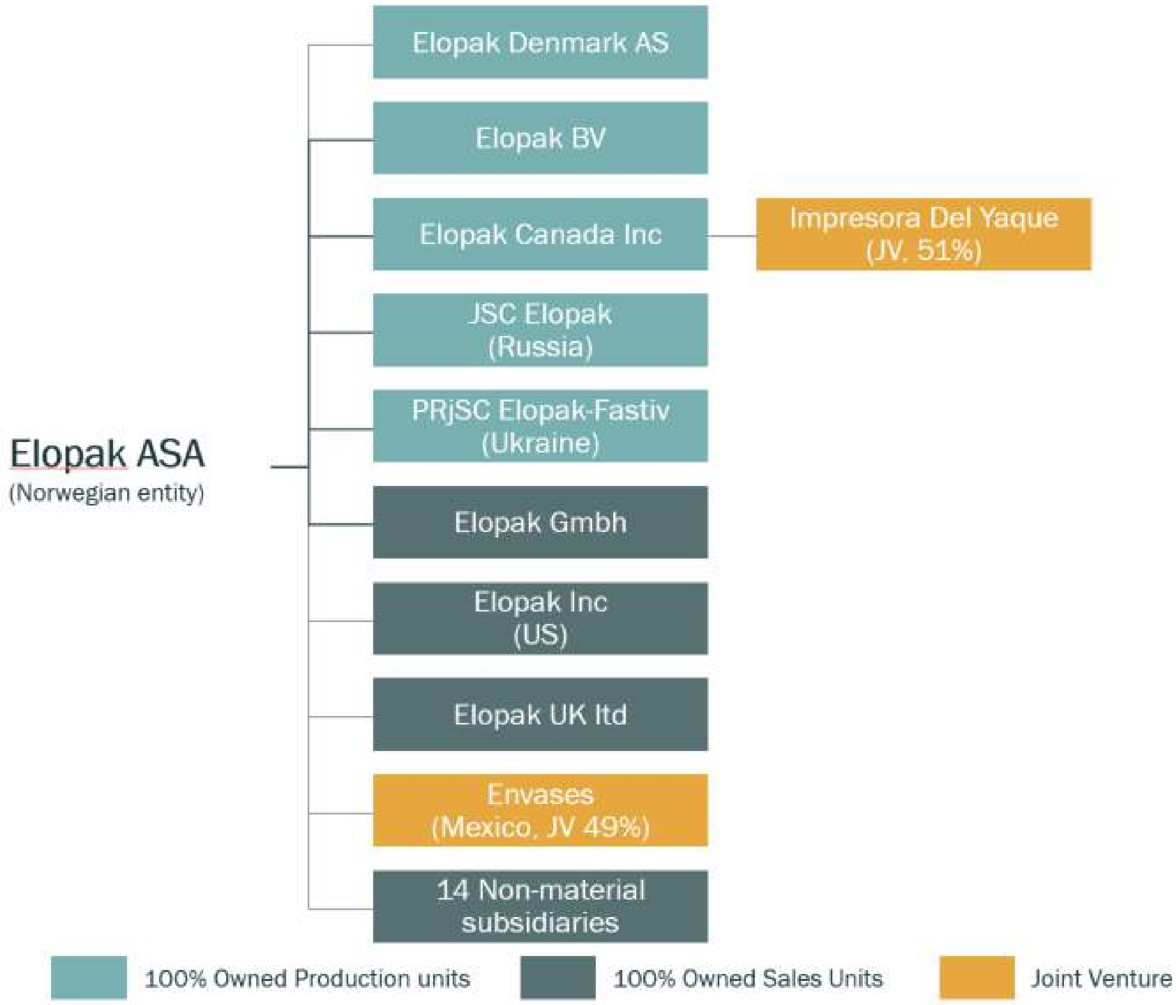
The Company's registered legal name is Elopak ASA and its commercial name is "Elopak". The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registered office is in the municipality of Asker, Norway. The Company was established on 11 February 1957. The Group's headquarter is located in Industriveien 30, 3430 Spikkestad, Norway.

The Company's registration number in the Norwegian Register of Business Enterprises is 811 413 682. The Company's LEI number is 529900BIDQN2AOKV6N08.

The Company's registered office is located at Industriveien 30, 3430 Spikkestad, Norway and the Company's main telephone number at that address is +47 31 27 10 00. The Company's website can be found at www.elopak.com. The content of www.elopak.com is not incorporated by reference into or otherwise forms part of this Prospectus.

12.2 Legal structure

The Company, the parent company of the Group, the operations of the Group are carried out through the Company and its operating subsidiaries.



The following table sets out information about the Company's subsidiaries:

Company	Country of incorporation	Ownership and voting rights (%)
Elopak Denmark A/S	Denmark	100%
Elopak BV	Netherlands	100%
Elopak Canada Inc	Canada	100%
JSC Elopak	Russia	100%
PRjSC Elopak-Fastiv	Ukraine	100%
Elopak Gmbh	Germany	100%
Elopak Inc	United States	100%
Elopak UK Ltd	United Kingdom	100%
Envases Elopak S.A. de C.V	Mexico	49%
Elofill GmbH	Germany	100%
Elopak GesmbH	Austria	100%
Elopak AB	Sweden	100%
Elopak SA	Poland	100%
Elopak Systems AG	Switzerland	100%
Elopak SpA	Spain	100%
Elopak Oy	Finland	100%
Elopak s.r.o	Czech Republic	100%
Elopak KFT	Hungary	100%
Elopak BSd.o.o	Serbia	100%
Elopak EOOD	Bulgaria	100%
Elopak Israel AS	Norway	100%
Elopak Algeria SARL	Alger	100%
Impresora Del Yaque	Dominican Republic	51%
Elopak Nampak Africa Limited	Kenya	50%
Lala Elopak S.A. de C.V	Mexico	100%
Elopak Mexico S.A. de C.V	Mexico	100%
Elopak Tunisie SARL	Tunisia	100%
Elopak Egypt LLC	Egypt	100%

12.3 Share capital and share capital history

The Company's current share capital is NOK 351,516,620 divided into 251,083,300 Shares of a nominal value of NOK 1.40 each.

All the Shares have been created under the Norwegian Public Limited Liability Companies Act, and are validly issued and fully paid.

The Shares are registered in the Norwegian Central Securities Depository (*Norwegian*. Verdipapirsentralen) (the Norwegian VPS). The Company's Share Registrar is DNB Bank ASA, with registration number 984 851 006 and registered address Dronning Eufemias gate 30, 0191 Oslo, Norway. The Shares have ISIN NO 001 1002586.

The table below sets forth changes in the Company's share capital for the period covered by the historical financial information included in this Prospectus and up until the date of this Prospectus:

Date	Type of change	Change in issued share capital (NOK)	New issued share capital (NOK)	New no. of issued Shares	Per value per share (NOK)
20 August 2018	Capital increase	433,114	349,665,607	5,012,707	69.755843905
2 June 2021	Capital increase	624,943	350,290,550	5,021,666	69,755843905
2 June 2021	Capital increase (bonus issue)	1,226,070	351,516,620	5,021,666	70.00
2 June 2021	Share split (1:50)	-	-	251,083,300	1.40

Other than the abovementioned share capital increases, no other changes in the Company's share capital have occurred in the period covered by the historical financial information.

12.4 Ownership structure

As at the date of this Prospectus, the Company has nine shareholders, as illustrated in the table below.

#	Shareholder	Number of shares	Percent of share capital
1	Ferd AS	250,397,300	99.73%
2	Stephen Naumann	192,000	0.076%
3	Ivar Jevne	176,450	0.070%
4	Thomas Körmendi	95,100	0.038%
5	Bent K. Axelsen	71,100	0.029%
6	Lionel Ettedgui	48,550	0.019%
7	Wolfgang Buchkremer......	36,750	0.015%
8	Finn M. Tørjesen	35,400	0.014%
9	Patrick Verhelst	30,650	0.012%

The Company does not hold any Shares in treasury.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. The Selling Shareholder is the only shareholder of the Company holding more than 5% of the Company's Shares as at the date of this Prospectus. There are no specific measures in place regulating the exercise of the influence which follows from holding a majority of the Shares in the Company. See Section 13.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

12.5 Shareholder rights

The Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class will provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote, as such the major shareholder in the Company does not different voting rights than the other Shares in the Company. The rights attached to the Shares are described further in Section 12.11 "The Articles of Association" and Section 12.12 "Certain aspects of Norwegian corporate law".

12.6 Admission to trading

The Company will on or about 10 June 2021 apply for admission to trading of its Shares on Oslo Børs and Oslo Børs is expected to consider the listing application on or about 15 June 2021. The Company expects that the listing application will be approved subject to certain conditions being met, see Section 17.14 "Conditions for completion of the Offering". The Company expects to satisfy such conditions in connection with the Offering.

The Company currently expects commencement of trading in the Shares on an "if issued/if sold" basis on Oslo Børs on or about 17 June 2021 under the ticker symbol "ELO".

12.7 Convertible instruments, warrants and share options

The Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company. Furthermore, the Company has not issued subordinated debt or transferable securities other than the Shares.

12.8 Outstanding authorisations

12.8.1 Authorisation to increase the share capital and to issue Shares

At an extraordinary General meeting held on 25 May 2021, the Board of Directors was granted an authorisation to increase the share capital of the Company, at one or more occasions, by a maximum of NOK 35,151,662. The pre-emptive rights of the Company's existing shareholders pursuant to section 10-4 of the Public Limited Liability Companies Act may be set aside. The authorisation is valid until the annual General Meeting in 2022, but no longer than 30 June 2022. The authority may be used to issue shares as consideration in connection with acquisitions, to issue shares in connection with the employee incentive or share ownership schemes and to raise new equity in order to strengthen the Company's financing. Further, the authorisation covers share capital increase by contribution in kind, the right to incur special obligations for the Company and resolutions on mergers.

12.8.2 Authorisation to acquire treasury shares

At an extraordinary General Meeting held on 25 May 2021, the Board of Directors was granted an authorisation to repurchase the Company's own shares at a total nominal value of NOK 35,151,662. The maximum amount that may be paid for each share is NOK 1 and the minimum is NOK 500. The authorisation is valid until the annual General Meeting in 2022, but no longer than 30 June 2022.

Shares acquired pursuant to the authorisation may be used as settlement in the Company's share-based incentive schemes, as well as employee share saving plans, and may be used as settlement in acquisitions, and to improve the Company's capital structure. The shares may not be used in a take-over situation cf. section 6-17 (2) of the Norwegian Securities Trading Act.

12.9 Shareholder agreements

The Company is not aware of any shareholders' agreements in relation to the Shares.

12.10 Public takeover bids

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

12.11 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of the provisions in the Articles of Association.

12.11.1 Objective of the Company

The objective of the Company is stated in article 2 of the Company's Articles of Association. The objective of the Company is production and sale of packaging, production and sale of machinery and equipment for packaging, agency and services relating to packaging products and anything connected with this as well as participation in other companies.

12.11.2 Registered office

The Company's registered office is in the municipality of Asker, Norway.

12.11.3 Share capital and par value

The Company's current share capital is 351,516,620, divided into 251,083,300 Shares of a nominal value of NOK 1.40 each. The Shares are registered in the Norwegian VPS.

12.11.4 Board of directors

The composition of the Company's Board of Directors is stated in article 5 of the Company's Articles of Association. According to article 5, the Company's Board shall consist of a minimum of 3 and a maximum of 12 members

The authority to sign on behalf of the Company is held by the chairman of the Board alone or by the chief executive officer and one Board Member jointly. The Board may grant a power of procuration.

12.11.5 General meetings

The annual general meeting shall discuss and decide upon the following:

1. Approval of the annual accounts and annual report, including distribution of dividend.

2. Other matters that according to law or the articles of association are to be decided upon by the general meeting.

When documents concerning matters to be discussed at general meetings in the Company have been made available to the shareholders on the Company's web pages, the Board may decide that the documents shall not be sent to the shareholders. This also applies to documents which are required by law or by the articles of association to be included in or appended to notices of general meetings. If so, a shareholder may demand that documents concerning matters to be discussed at the general meeting be sent to him or her. The Company cannot demand any form of compensation for sending the documents to the shareholders.

General meetings may be held in the municipality in which the Company's registered office is located or in the municipality of Oslo.

Shareholders may cast a written vote in advance in matters to be discussed at the general meetings of the company. Such votes may also be cast through electronic communication. The access to cast votes in advance is subject to the presence of a safe method of authenticating the sender. The Board decides whether such a method exists before each individual general meeting. The notice of general meeting must state whether votes in advance are permitted and which guidelines, if any, that have been issued for such voting.

The notice of general meeting may state that shareholders wanting to attend the general meeting must notify the Company thereof within a certain period. This period cannot expire sooner than five days before the meeting.

12.11.6 Nomination committee

The Company shall have a nomination committee; see Section 11.9 "Nomination committee".

12.12 Certain aspects of Norwegian corporate law

12.12.1 The general meeting of the shareholders

Under Norwegian law, a company's shareholders exercise supreme authority in the Company through the general meeting.

In accordance with Norwegian law, the annual General Meeting of the Company's shareholders is required to be held each year on or prior to 30 June. The following business must be transacted and decided at the annual General Meeting:

- approval of the annual accounts and annual report, including the distribution of any dividend;
- the Board's declaration concerning the determination of salaries and other remuneration to senior executive officers;
- any other business to be transacted at the General Meeting by law or in accordance with the Company's Articles of Association

In addition to the annual General Meeting, extraordinary General Meetings of shareholders may be held if deemed necessary by the Board. An extraordinary General Meeting must also be convened for the consideration of specific matters at the written request of the Company's auditors or shareholders representing a total of at least 5% of the share capital.

Norwegian law requires that written notice of General Meetings needs be sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. The notice shall set forth the time and date of the meeting and specify the agenda of the meeting. It shall also name the person appointed by the Board to open the meeting. A shareholder may attend General Meetings either in person or by proxy. The Company will include a proxy form with its notices of General Meetings.

A shareholder is entitled to have an issue discussed at a General Meeting if such shareholder provides the Board with notice of the issue within seven days before the mandatory notice period, together with a proposal to a draft resolution or a basis for putting the matter on the agenda.

The shareholders of the Company as of the date of the General Meeting are entitled to attend the General Meeting.

12.12.2 Voting rights

Under Norwegian law and the Articles of Association, each Share carries one vote at General Meetings of the Company. No voting rights can be exercised with respect to any treasury Shares held by the Company.

In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes are elected. However, as required under Norwegian law, certain decisions, including resolutions to set aside preferential rights to subscribe in connection with any share issue, to approve a merger or demerger, to amend the Company's articles of association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants or to authorise the Board to purchase shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a General Meeting.

Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any Shares or class of Shares, receive the approval by the holders of such Shares or class of Shares as well as the majority required for amending the Articles of Association. Decisions that (i) would reduce the rights of some or all shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of shares, require that at least 90% of the share capital represented at the general meeting of shareholders in question vote in favour of the resolution, as well as the majority required for amending the articles of association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the articles of association. There are no quorum requirements for General Meetings.

In general, in order to be entitled to vote at a General Meeting, a shareholder must be registered as the owner of Shares in the Company's share register kept by the Norwegian VPS.

Under Norwegian law, a beneficial owner of Shares registered through a Norwegian VPS-registered nominee may not be able to vote the beneficial owner's Shares unless ownership is re-registered in the name of the beneficial owner prior to the relevant General Meeting. Investors should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from the nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the Norwegian VPS at the latest at the date of the General Meeting.

12.12.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus shares (i.e. new Shares issued by a transfer from funds that the Company is allowed to use to distribute dividend), the Company's articles of association must be amended, which requires the support of at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting.

In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. Preferential rights may be set aside by resolution in a general meeting of shareholders passed by the same vote required to approve amendments of the Articles of Association. Setting aside the shareholders' preferential rights in respect of bonus issues requires the approval of the holders of all outstanding Shares.

The General Meeting of the Company may, in a resolution supported by at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting, authorise the Board to issue new Shares. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the nominal share capital as at the time the authorisation is registered with the Register of Business Enterprises. The shareholders' preferential right to subscribe for Shares issued against consideration in cash may be set aside by the Board only if the authorisation includes the power for the Board to do so.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United Stated under U.S. securities law. If the Company decides not to file a registration statement, these shareholders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividend. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

12.12.4 Minority rights

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding and following paragraphs. Any shareholder may petition the courts to have a decision of the Board or General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain grave circumstances, shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 5% or more of the Company's share capital have a right to demand that the Company convenes an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Board is notified within seven days before the deadline for convening the General Meeting and the demand is accompanied with a proposed resolution or a reason for why the item shall be on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

12.12.5 Rights of redemption and repurchase of shares

The Company has not issued redeemable shares (i.e. shares redeemable without the shareholder's consent).

The Company's share capital may be reduced by reducing the nominal value of the Shares. According to the Norwegian Public Limited Liability Companies Act, such decision requires the approval of at least two-thirds of the votes cast and share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares if an authorisation to the Board to do so has been given by the shareholders at a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and share capital represented. The aggregate nominal value of treasury Shares so acquired may not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the shareholders at the General Meeting cannot be given for a period exceeding two years. A Norwegian public limited liability company may not subscribe for its own shares.

12.12.6 Shareholder vote on certain reorganisations

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a General Meeting passed by at least (i) two-thirds of the votes cast and (ii) two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board along with certain other required documentation, would have to be available at the business offices or on the web pages of the Parent, at least one month prior to the general meeting to pass upon the matter. If a shareholder so requires, the Parent must also send the documentation to the shareholder free of charge.

12.12.7 Liability of board members

Members of the Board owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

12.12.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

12.12.9 Distribution of assets on liquidation

Under Norwegian law, a company may be liquidated by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. The shares rank equally in the event of a return on capital by the company upon liquidation or otherwise.

12.12.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the issuer has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing 90% or more of the total number of issued shares, as well 90% or more of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial enterprise authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired 90% or more of the voting shares of an issuer and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory and/or voluntary offer unless specific reasons indicate that another price is the fair price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

13. SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable Shares on Oslo Børs. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

13.1 Introduction

The Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth Oslo, Nordic ABM and Oslo Connect. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA, which was in 2019 acquired by Euronext N.V., a European stock exchange with registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris. Oslo Børs ASA owns 97% of the shares in Fish Pool ASA. Oslo Børs ASA complies with the European code of conduct commitments on service unbundling and accounting separation. Oslo Børs VPS Holding ASA also wholly-owns the Norwegian Central Securities Depository (VPS).

13.2 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Optiq, which is the electronic trading system of Euronext.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

13.3 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and the bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law implementing the Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation) ("**MAR**"), a company that is listed on a

Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

13.4 The Norwegian VPS and transfer of shares

The Company's shareholder register is operated through the Norwegian VPS. The Norwegian VPS is the Norwegian paperless centralised securities register. It is a computerised bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the Norwegian VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The Norwegian VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the Norwegian VPS is generally prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The Norwegian VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the Norwegian VPS's control which the Norwegian VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the Norwegian VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The Norwegian VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the Norwegian VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the Norwegian VPS through a nominee. However, foreign shareholders may register their shares in the Norwegian VPS in the name of a nominee (bank or other nominee) approved by the NFSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the Norwegian VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

13.6 Foreign investment in Norwegian shares

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

13.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in an issuer with its shares listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that issuer, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo

Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

13.8 Insider trading

According to Norwegian law, implementing MAR, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in MAR art. 7. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.9 Mandatory offer requirements

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a Norwegian issuer with its shares listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that issuer. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the issuer and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the issuer in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the issuer or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer is subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is required to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in unfulfilled, exercise rights in the issuer, such as voting on shares at general meetings of the issuer's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian issuer with its shares listed on a Norwegian regulated market is required to make an offer to purchase the remaining shares of the issuer (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40% or more of the votes in the issuer. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the issuer. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, required to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

13.10 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian issuer who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14. NORWEGIAN TAXATION

14.1 Introduction

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

The summary regarding Norwegian taxation set out in this Section 14 is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be residents in Norway for tax purposes (under domestic tax law or under tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.2 Taxation of dividends

14.2.1 Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22%, to the extent the dividends exceed a statutory tax-free allowance (Nw. skjermingsfradrag). The taxable amount is multiplied by a factor of 1.44, resulting in an effective tax rate of 31.68% (22% x 1.44).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: statskasseveksler) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2020 was 0.6%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw. Aksjesparekonto). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

14.2.2 Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are largely exempt from tax on dividends distributed from the Company, pursuant to the Norwegian participation exemption method (Nw. fritaksmetoden). However, unless the Norwegian Corporate Shareholder holds more than 90% of the shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22%, resulting in an effective tax rate of 0.66% (22% x 3%).

14.2.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends, and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section 14.2.1 " Norwegian Personal Shareholders above"). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been deducted a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

14.2.4 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and is considered to be "genuinely established and performs genuine economic activity" in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with the

Norwegian VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

14.3 Taxation of capital gains on realization of shares

14.3.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.44, resulting in a marginal effective tax rate of 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realizations of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer Section 14.2.1 "Norwegian Personal Shareholders" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realizations of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68 % (please see Section 14.2.1" Norwegian Personal Shareholders" above for more information regarding share saving accounts).

14.3.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of shares, pursuant to the Norwegian exemption method. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

14.3.3 Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholders who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

Please refer Section 14.2.3 "Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders.

14.3.4 Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

14.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is currently equal to 55% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

14.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15. CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary based on present law of certain US federal income tax considerations relevant to the purchase, ownership and disposition of Offer Shares. The summary is not a complete description of all tax considerations that may be relevant to a prospective investor; it is not a substitute for tax advice. It applies only to US Holders (as defined below) that purchase the Offer Shares in the Offering, will hold the Offer Shares as capital assets and use the US dollar as their functional currency. In addition, it does not describe all of the US federal income tax considerations that may be relevant in light of a US Holder's particular circumstances, including US Holders subject to special rules, such as banks or other financial institutions, insurance companies, tax-exempt entities, dealers in securities or currencies, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities (including S-corporations) persons subject to the timing rules of section 451(b) of the US Internal Revenue Code, US expatriates, persons liable for alternative minimum tax, persons that directly, indirectly or constructively own 10% or more of the total combined voting power of the Company's voting stock or of the total value of the Company's equity interests, investors that will hold Offer Shares in connection with a permanent establishment or fixed base outside the United States, or investors that will hold Offer Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction. This summary also does not address US federal taxes other than the income tax (such as estate or gift taxes) or US state and local, or non-US tax laws or considerations. It also does not discuss the Medicare tax on net investment income of certain US Holders.

For purposes of this discussion, a "**US Holder**" is a beneficial owner of Offer Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of one or more US persons and the primary supervision of a US court; or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) that holds Offer Shares generally will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their own tax advisors regarding the specific US federal income tax consequences to their partners of the partnership's acquisition, ownership and disposition of Offer Shares.

The Company does not believe that it will be considered a passive foreign investment company ("**PFIC**") for either the current year, or based on current business plans, the foreseeable future. This discussion assumes that the Company will not be considered a PFIC. If the Company were to be considered a PFIC, US Holders will be subject to additional taxes in respect of their Offer Shares. US Holders should consult their own tax advisers regarding any potential for the Company to be considered a PFIC and any tax consequences to them of any such status.

15.1 Dividends

The gross amount of any distribution of cash or property with respect to the Offer Shares, including Norwegian tax withheld therefrom, if any, will be included in a US Holder's gross income as ordinary income from foreign sources when received. The dividends will not be eligible for the dividends-received deduction generally available to US corporations. Dividends received by eligible non-corporate US Holders that satisfy a minimum holding period and certain other requirements generally will be taxed at the preferential rate applicable to qualified dividend income if the Company qualifies for the benefits of the income tax treaty between the United States and Norway (the "**US-Norway Treaty**"), which the Company believe it does, and the Company is not a passive foreign investment company (PFIC) as to the US Holder in the year of distribution or the preceding year.

Dividends paid in a currency other than US dollars will be included in income in a US dollar amount based on the exchange rate in effect on the date of receipt, whether or not the currency is converted into US dollars at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss on a subsequent conversion or other disposition of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

A US Holder that is eligible for benefits under the US-Norway Treaty may be able to claim a reduced rate of Norwegian withholding tax on dividends received on the Offer Shares. Each US Holder should consult its own tax advisor about its eligibility for reduction of Norwegian withholding tax. Subject to generally applicable limitations, a US Holder may claim a deduction or a foreign tax credit only for Norwegian tax withheld at the appropriate rate. US Holders should consult their tax advisers regarding the credibility or other relief in respect of any Norwegian withholding tax.

15.2 Dispositions

A US Holder generally will recognise capital gain or loss on the sale or other disposition of Offer Shares equal to the difference between the US dollar value of the amount realised and the US Holder's adjusted tax basis in the Offer Shares. Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder's holding period exceeds one year. Deductions for capital loss are subject to significant limitations.

The initial tax basis of a US Holder's Offer Shares generally will be the US dollar value of the foreign currency denominated purchase price paid in the Offering determined on the date of purchase. If the Offer Shares are treated as traded on an "established securities market" at the time of the Offering, a cash basis US Holder (or, if it elects, an accrual basis US Holder) will determine the US dollar value of the cost of such Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. A US Holder that receives a currency other than US dollars on the sale or other disposition of the Offer Shares will realize an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Offer Shares are traded on an "established securities market" at the time of disposition, in the case of cash basis and electing accrual basis US Holders, the settlement date). A US Holder that does not determine the amount realized using the spot rate on the settlement date will recognise currency gain or loss if the US dollar value of the currency received at the spot rate on the settlement date differs from the amount realised. A US Holder will have a tax basis in the currency received equal to its US dollar value at the spot rate on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

15.3 Information Reporting and Backup Withholding

Certain US Holders that hold accounts with non-US financial institutions and/or securities of, interests in or investments with non-US issuers that are not held in accounts maintained by financial institutions with an aggregate value in excess of specified thresholds are generally required to file an information statement with respect to such assets along with their tax returns. US Holders that fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisers regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Dividends on Offer Shares and proceeds from the sale or other disposition of Offer Shares that are made to an account in the United States or through certain US-related financial intermediaries may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the holder makes the required certification, including providing its taxpayer identification number, or otherwise establishes a basis for exemption. Backup withholding is not an additional tax and any amounts withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the holder's liability, provided the required information is timely furnished to the IRS.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN OFFER SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

16. REASONS FOR THE OFFERING AND THE LISTING

The contemplated Listing of shares on Oslo Børs will provide the Company with a regulated marketplace for the trading of its shares and facilitate future growth and development in the Company.

The Company believes the Offering and the Listing will:

- enable the Selling Shareholder to partially monetise its holding and optimize its investment portfolio;
- diversify the shareholder base and enable other investors to take part in Elopak's future growth and value creation;
- enhance Elopak's profile with investors, business partners and customers; and
- facilitate the use of Shares as currency in potential future M&A transactions and provide access to capital markets.

The net proceeds from the sale of New Shares in the Offering are expected to be EUR 45.6 million (gross proceeds of EUR 50 million, net of related issuance and listing cost for the Company estimated to be EUR 4.4 million). In addition, the Company will incur an estimated EUR 2 million cost related to a transaction bonus to management, of which EUR 1 million will be paid back through share purchase. The net proceeds from the sale of New Shares will be used to paydown debt with the aim to reach its target leverage of ~2.0x adjusted EBITDA in the medium term and optimize the balance sheet to be well positioned to invest in future growth.

17. TERMS OF THE OFFERING

17.1 Overview of the Offering

The Offering consists of (i) an offer of New Shares, each with a nominal value of NOK 1.40, by the Company to raise gross proceeds of up to approximately EUR 50 million (~NOK 507.8 million) and ii) an offer of up to 76,000,000 Base Sale Shares all of which are existing, validly issued and fully paid-up registered Shares with a nominal value of NOK 1.40 each, offered by the Selling Shareholder as further specified in Section 17.15 "The Selling Shareholder". The Selling Shareholder has reserved the right to increase the Offering by up to an additional 15,000,000 existing Shares pursuant to the Upsize Option. In addition, the Joint Global Coordinators may elect to over-allot up to 14,573,750 Additional Shares, equal to up to approximately 15% of the final number of New Shares and Base Sale Shares sold in the Offering. In order to facilitate such over-allotments, the Selling Shareholder is expected to grant SEB acting as Stabilisation Manager, on behalf of the Joint Global Coordinators, an option to borrow a number of Shares equal to the number of Additional Shares (the Lending Option). The Selling Shareholder is further expected to grant the Stabilisation Manager an option to purchase from the Selling Shareholder a number of Shares equal to the number of Additional Shares in order to facilitate re-delivery of the borrowed Shares (the Greenshoe Option). See Section 17.9 "Over-Allotment and stabilisation activities".

The Offering comprises:

- The Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway, (b) institutional investors outside Norway and the United States, and (c) persons in the United States who are QIBs as defined in, and in reliance on, Rule 144A under the U.S Securities Act or another available exemption from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.

- The Retail Offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see the "Important Information" at the beginning of the Prospectus and Section 18 "Selling and Transfer Restrictions".

The Bookbuilding Period for the Institutional Offering is expected to take place from 8 June 2021 at 09:00 hours (CEST) to 16 June 2021 at 14:00 hours (CEST). The Application Period for the Retail Offering is expected to take place from 8 June 2021 at 09:00 hours (CEST) to 16 June 2021 at 12:00 hours (CEST). The Company and the Selling Shareholder, in consultation with the Joint Global Coordinators, reserve the right to shorten or extend the Bookbuilding Period and/or Application Period at any time. See Sections 17.4.2 "Bookbuilding Period" and 17.5.2 "Application Period for the Retail Offering" on shortening or extension of the Bookbuilding Period and the Application Period.

The Company and the Selling Shareholder have, in consultation with the Joint Global Coordinators, set an Indicative Price Range for the Offering from NOK 24 to NOK 30 per Offer Share. Assuming that the Offer Price is set at the low-point of this range and that all Base Sale Shares are sold in the Offering (i.e. excluding exercise of the Upsize Option and any over-allotments), the total number of Offer Shares in the Offering will be 97,158,333 Offer Shares and aggregate gross amount of the Offering will be approximately NOK 2,331.8 million, and assuming full exercise of the Greenshoe Option the number of Offer Shares be 111,732,083 and the aggregate gross amount of the Offering will then be approximately NOK 2,681.6 million (at the low-point of the Indicative Price Range). Assuming that the Offer Price is set at the mid-point of the Indicative Price Range, and the Offering is increased in full pursuant to the Upsize Option and the Greenshoe Option is exercised in full, the total number of Offer Shares will be 124,028,518 Offer Shares and the aggregate gross amount of the Offering will then be NOK 3,348.8 million. The Selling Shareholder and the Company will, in consultation with the Joint Global

Coordinators, determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may change during the course of the Offering and the Offer Price may be set within, above, or below, the Indicative Price Range. Any such amendments to the Indicative Price Range will be announced through Oslo Børs' information system. The Upsize Option grants the Selling Shareholder with a right to increase the number of Sale Shares to be sold in the Offering with 15,000,000 additional Sale Shares, to be sold at the same terms and conditions as the Base Sale Shares. The Selling Shareholder may exercise the Upsize Option at its own discretion no later than at the time of determination of the final Offer Price and number of Offer Shares at the close of the Bookbuilding Period (expected on or around 16 June 2021). In the event that the Selling Shareholder decides to exercise the Upsize Option, this will be announced through the Oslo Børs' information system.

The Company and the Selling Shareholder expect that, on or around 16 June 2021, they will enter into an underwriting agreement (the Underwriting Agreement) with the Joint Global Coordinators with respect to the Offering. On the terms and subject to the conditions set forth in the Underwriting Agreement and provided that the Offering has not been terminated prior thereto in accordance with the terms of the Underwriting Agreement, the Managers are expected to agree to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves, and the Company and the Selling Shareholder are expected to agree to sell the Offer Shares to purchasers procured by the Managers or, failing which, to the Managers themselves.

In addition, the Selling Shareholder is expected to grant to the Managers the Over-Allotment Option, which may be exercised on behalf of the Managers by the Stabilisation Manager, to purchase a number of Additional Shares, equalling up to approximately 15% of the final number of New Shares and Base Sale Shares at the Offer Price, exercisable, in whole or in part, no later than the 30th day following the time at which "if issued/if sold" trading in the Shares commences on the Oslo Stock Exchange, which is expected to be at 09:00 hours (CET) on 17 June 2021. The Over-Allotment Option will be granted to cover over-allotments, if any, made in connection with the Offering on the terms and subject to the conditions described in this Prospectus. In order to permit delivery in respect of over-allotments made, if any, the Selling Shareholder will, pursuant to the Underwriting Agreement, grant to the Stabilisation Manager an option (the Lending Option) to require the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. See Section 17.9 "Over-allotment and stabilisation activities" for further details.

The Underwriting Agreement is expected to provide that the Managers may terminate the Underwriting Agreement (and thus the Managers' obligation to procure purchasers for, or failing which to themselves purchase the Offer Shares) if prior to 17:00 hours (CEST) on 18 June 2021 one of the following events (each a "force majeure event") occurs:

(i) a suspension or material limitation in trading in securities generally on the Oslo Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; (ii) a general moratorium on commercial banking activities declared by the federal, state or local regulatory authorities of Norway, the United Kingdom, France, Germany or the United States, or a material disruption in commercial banking or securities settlement or clearance services in Norway, the United Kingdom, France, Germany or the United States; (iii) an outbreak or escalation of hostilities or acts of terrorism involving Norway, the United Kingdom, France, Germany or the United States or a declaration by Norway, the United Kingdom, France, Germany or the United States of a national emergency or war; or (iv) any other calamity or crisis or any material adverse change in financial, political or economic conditions in Norway, the United Kingdom, France, Germany or the United States, if the effect of any such event specified in clauses (i) through (iv) above makes it impossible, in the judgment of Goldman Sachs International and SEB acting jointly in good faith after consultation with the Company and Ferd, taking into account general market conditions as a result of such events and the interest of investors in the offer shares, to proceed with the marketing, sale or delivery of the offer shares on the terms and in the manner contemplated in the Prospectus.

Further, the Underwriting Agreement may terminate if, prior to 17:00 (CEST) on 18 June 2021, a Manager (or Managers) defaults in its obligation to purchase the number of Offer Shares it has agreed to purchase under the Underwriting Agreement, and the aggregate number of such Offer Shares exceeds one-tenth of the total number of Offer Shares in which all Managers are obligated to purchase under the Underwriting Agreement, and arrangements satisfactory to the Joint Global Coordinators, the Company and the Selling Shareholder for the purchase of such Offer Shares have not been made.

Unless the Underwriting Agreement has been terminated, delivery of the Offer Shares to investors being allocated Offer Shares in the Offering is expected to take place on or about 21 June 2021 in the Retail Offering subject to due payment for allocated Offer Shares having been received from investors, and 21 June 2021 in the Institutional Offering (on a delivery versus payment basis).

The Offer Shares allocated in the Offering are expected to be traded on Oslo Børs on an "if issued/if sold" basis from and including 17 June 2021 to and including 18 June 2021. Trades during this period will, in accordance with the ordinary settlement cycle for trades over Oslo Børs, be settled on T+2 (T being the trade date). Accordingly, any trade made on 17 June 2021 will be settled on 21 June 2021. Should any of the termination events described above occur in the period from commencement of conditional trading (expected to take place on 17 June 2021) to commencement of unconditional trading in the Shares (expected to take place on 21 June 2021 as described below), and the Underwriting Agreement is terminated, no trades that have occurred in the Shares will be settled, and investors will have no right to compensation for any loss suffered as a result of such cancellation and payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Depending on the policy of their respective bank or investment firm, investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading in the Shares on 21 June 2021, may be prevented from such trading. Investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading are therefore urged to confirm the possibility of such trading with their own account operator.

Completion of the Offering is conditional upon, among other things, the Company satisfying the listing conditions and being approved for listing on Oslo Børs, see Section 17.14 "Conditions for completion of the Offering".

See Section 17.17 "Expenses related to the Offering" for information regarding fees expected to be paid to the Joint Global Coordinators and costs expected to be paid by the Company in connection with the Offering and pursuant to the Underwriting Agreement.

17.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Bookbuilding Period (Institutional Offering) commences	at 09:00 hours on 8 June 2021
Bookbuilding Period (Institutional Offering) ends...	at 14:00 hours on 16 June 2021
Application Period (Retail Offering) commences	at 09:00 hours on 8 June 2021
Application Period (Retail Offering) ends...	at 12:00 hours on 16 June 2021
Allocation of the Offer Shares..	16 June 2021
Pricing of the Offer Shares	16 June 2021
Publication of the results of the Offering..	On or about 16 June 2021
Distribution of allocation notes/contract notes (electronically)	On or about 17 June 2021
Listing and Commencement of conditional trading in the Shares...................	17 June 2021
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded...	17 June 2021
Payment date in the Retail Offering..	18 June 2021
Registration of the capital increase in the Norwegian Register of Business Enterprises	On or about 18 June 2021
Delivery of the Offer Shares in the Retail Offering	On or about 21 June 2021
Payment and delivery date in the Institutional Offering..................................	On or about 21 June 2021
Commencement of unconditional trading in the Shares	On or about 21 June 2021

Note that the Company and the Selling Shareholder, in consultation with the Joint Global Coordinators, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on Oslo Børs may in the event of a shortening of the period not necessarily be changed.

17.3 Resolutions relating to the offering and the issue of the New Shares

On 25 May 2021, the Company's extraordinary general meeting passed the following resolution:

(i) The board of directors is authorized to increase the Company's share capital by up to NOK 75,000,000.

(ii) The authority may only be used to issue shares in connection with the public offering to be carried out in connection with the contemplated listing of the Company on Oslo Børs and upon the exercise of any greenshoe option in connection with such listing.

(iii) The authority shall remain in force until 31 December 2021.

(iv) The pre-emptive rights of the shareholders may be set aside.

(v) The authority only covers capital increases against contributions in cash.

Following expiry of the Bookbuilding Period and the Application Period on or about 16 June 2021, the Company and the Selling Shareholder will consider and, if thought fit, approve completion of the Offering and, in consultation with the Joint Global Coordinators, determine the final Offer Price and the number of and allocation of Offer Shares. If the Company and the Selling Shareholder determines that the Offering shall be completed, then the Board is expected to resolve to increase the Company's share capital by way of issuing the Offer Shares on the basis of this authorisation. The Board's resolution is expected to be passed on or about 16 June 2021.

The existing shareholders' pre-emptive rights to subscribe for and be allocated Shares will be deviated from in order to be able to issue the New Shares to investors in the Offering and thereby comply with the conditions for Listing for the benefit of the Company and existing shareholders.

17.4 The Institutional Offering

17.4.1 Determination of the number of Offer Shares and the Offer Price

The Company and the Selling Shareholder have, in consultation with the Joint Global Coordinators, set an Indicative Price Range for the Offering from NOK 24 to NOK 30 per Offer Share. The Selling Shareholder and the Company will, in consultation with the Joint Global Coordinators, determine the number of Offer Shares and the Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering.

The Offer Price is expected to be determined on 16 June 2021. The Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company via Oslo Børs' information system on 16 June 2021 under the ticker code "ELO".

17.4.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will begin on 09:00 CEST on 8 June 2021 and end on 14:00 CEST on 16 June 2021, unless shortened or extended.

The Selling Shareholder and the Company may, in consultation with the Joint Global Coordinators, shorten or extend the Bookbuilding Period at any time, but it may not be shortened to end before 12:00 CEST on 15 June 2021 or be extended to end later than 16:30 CEST on 22 June 2021. The Bookbuilding Period may be extended one or more times. If the Bookbuilding Period is shortened or extended, the allocation date, the payment date and the date of delivery of the Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on Oslo Børs will not necessarily change. The Offer Shares will in no event be delivered later than 25 June 2021.

17.4.3 Minimum application

The lowest application permitted in the Institutional Offering is NOK 2,000,000. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

17.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares. The contact details of the Managers are as follows:

<table>
<tr><td>Goldman Sachs International

Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom</td><td></td><td>Skandinaviska Enskilde Banken AB (publ), Oslo branch

Filipstad brygge 1
P.O. Box 1843 Vika
N-0123 Oslo
Norway</td></tr>
<tr><td>ABG Sundal Collier ASA

Munkedamsveien 45E
P.O. Box 1444 Vika
N-0115 Oslo
Norway</td><td>Carnegie AS

Fjordaléen 16, Aker Brygge
P.O. Box 684 Sentrum
N-0106 Oslo
Norway</td><td>DNB Markets, a part of DNB Bank ASA

Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway</td></tr>
</table>

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering which have not been withdrawn or amended will become irrevocable and binding on the investor.

17.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 17 June 2021, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery of and payment for Offer Shares is expected to take place on or about 21 June 2021 (the "**Institutional Closing Date**") through the facilities of the VPS. The delivery and payment of Offer Shares may not take place on the Institutional Closing Date, or at all, if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See Section 17.1 "Overview of the Offering".

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act relating to Interest on Overdue Payments of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payments**"), which, at the date of this Prospectus, is 8.00% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Joint Global Coordinators reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot from the third day after the Institutional Closing Date or otherwise dispose of the allocated Offer Shares on such terms and in such a manner as the Joint Global Coordinators may decide (and the applicant will not be entitled to any profit). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Joint Global Coordinators may enforce payment of any such outstanding amount.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Joint Global Coordinators are expected to subscribe for and pre-fund payment for the New Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares; and by placing an application, the applicant irrevocably authorises and instructs SEB (on behalf of the Joint Global Coordinators), or someone appointed by the Joint Global Coordinators, to do so on their behalf. Irrespective of any such pre-funding payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder, and/or the Joint Global Coordinators may enforce payment of any such amount outstanding. The subscription and pre-funding by the Joint Global Coordinators of New Shares as described herein constitute an integrated sales process where the investors purchase New Shares from the Company based on this Prospectus. The investors will not have any rights or claims against any of the Joint Global Coordinators.

17.5 The Retail Offering

17.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 17.4.1 "Determination of the number of Offer Shares and the Offer Price".

Each applicant in the Retail Offering will be permitted, but not required, to make its application conditional upon the final Offer Price not being higher than the upper end of the Indicative Price Range (i.e. not being higher than NOK 30 per Offer Share). If the application is made subject to such a price limit, the applicant will not be allocated any Offer Shares if the Offer Price is set above the upper end of the Indicative Price Range. If the applicant does not expressly make its application subject to such a price limit, the application will be binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range.

17.5.2 Application Period

The Application Period in the Retail Offering will begin on 09:00 CEST on 8 June 2021 and end on 12:00 CEST on 16 June 2021, unless shortened or extended.

The Selling Shareholder and the Company may, in consultation with the Joint Global Coordinators, shorten or extend the Application Period at any time, and an extension may be made on one or several occasions. Any shortening of the Application Period will be announced through Oslo Børs' information system on or before 09:00 hours (CEST) on the day before the prevailing expiration date of the Application Period, provided however, that in no event will the Application Period expire prior to 12:00 hours (CEST) on 15 June 2021. Any extension of the Application Period will be announced through Oslo Børs' information system on or before 09:00 hours (CEST) on the first Business Day following the then prevailing expiration date of the Application Period. The Application Period may in no event be extended beyond 16:30 hours (CEST) on 22 June 2021. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date (including the corresponding latest possible debit date) and the date of delivery of the Offer Shares will be changed accordingly, but the date of the Listing and the commencement of trading on Oslo Børs may in the event if a shortening of the Application not necessarily be changed. This implies that Offer Shares will not be delivered later than 25 June 2021 if the Application Period is extended to 22 June 2021.

17.5.3 Minimum and maximum application

The lowest application permitted in the Retail Offering is NOK 10,500. The highest application permitted is NOK 1,999,999. Investors who wish to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering, with a total application amount in excess of NOK 1,999,999, will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

17.5.4 Application procedures

Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the Norwegian VPS online application system by following the link to such online application system on the following websites: www.abgsc.no; www.carnegie.no, www.dnb.no/emisjoner and www.seb.no. The content of the aforementioned websites is not incorporated by reference into this Prospectus.

Applicants in the Retail Offering not having access to the Norwegian VPS online application system must apply using the Retail Application Form attached to this Prospectus as Appendix E "Application Form for the Retail Offering". Retail Application Forms, together with this Prospectus, may be obtained from the Company, the Managers' websites (listed above) or the application offices set out below. Applications made through the Norwegian VPS's online application system must be duly registered during the Application Period. The Managers participating in the Retail Offering will be ABG Sundal Collier ASA, Carnegie AS, DNB Markets, a part of DNB Bank ASA and SEB.

The application offices for physical applications in the Retail Offering are:

Skandinaviska Enskilde Banken AB (publ), Oslo branch

Filipstad brygge 1
P.O. Box 1843 Vika
N-0123 Oslo
Norway
Tel: + 47 21 00 87 05
Email: subscription@seb.no
www.seb.no

ABG Sundal Collier ASA

Munkedamsveien 45E
P.O. Box 1444 Vika
N-0115 Oslo
Norway

Tel: + 47 22 01 60 00
Email: subscription@abgsc.no
www.abgsc.no

Carnegie AS

Fjordaléen 16, Aker Brygge
P.O. Box 684 Sentrum
N-0106 Oslo
Norway
Tel: + 47 22 00 93 60
Email: subscriptions@carnegie.no
www.carnegie.no

DNB Markets, a part of DNB Bank ASA

Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
Tel: + 47 23 26 80 20
Email: retail@dnb.no
www.dnb.no/emisjoner

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the Norwegian VPS's online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the Norwegian VPS's application system by 12:00 hours (CEST) on 16 June 2021, unless the Application Period has been shortened or extended. Neither the Company, the Selling Shareholder nor any of the Joint Global Coordinators may be held responsible for postal delays, internet access or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 18.5.1 "Offer Price", above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the Norwegian VPS's online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the Norwegian VPS's online application system, upon registration of the application.

Nordnet Bank NUF ("**Nordnet**") undertakes to act as placing agent for the Company in the Offering, and applications may be made electronically through the Nordnet webservice at www.nordnet.no. **Applicants applying for Offer Shares electronically through the Nordnet webservice should note that the application must submitted no later than by 23:59 hours (CEST) on 15 June 2021, unless the Application Period is being extended.** Nordnet reserves the right, in its sole discretion, to disregard any applications for Offer Shares made by applicants in the Retail Offering through its platform following 24:00 hours (CEST) on 15 June 2021 without further notice to the applicant.

17.5.5 Payment and delivery of Offer Shares

SEB, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 17 June 2021. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 17 June 2021 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the Norwegian VPS for the registration of holdings of securities ("**Norwegian VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 17 June 2021.

In registering an application through the Norwegian VPS's online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise SEB (on behalf of the Managers), to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated in the Norwegian VPS's online application or on the Retail Application Form. Accounts will be debited on or about 18 June 2021 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 June 2021. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. The delivery and payment for Offer Shares may not take place on the Payment Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See Section 17.1 "Overview of the Offering".

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or around 17 June 2021, or can be obtained by contacting one of the Managers.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.00% per annum. SEB (acting on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 24 June 2021 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Company, the Selling Shareholder and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and the Managers may enforce payment of any such outstanding amount.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Joint Bookrunners are expected to pre-fund the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares allocated in the Offering. Irrespective of any such prefunding, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The prefunding by the Joint Bookrunners of the New Shares as described above forms part of an integrated sales process where the investors purchase New Shares from the Company based on this Prospectus, which has been prepared by the Company. By purchasing Offer Shares, investors waive any rights or claims against any of the Managers.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 21 June 2021.

17.6 Mechanism of Allocation

It has been provisionally assumed that 95% of the Offering will be allocated in the Institutional Offering and that 5% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated in the Institutional Offering and the Retail Offering will be decided by the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, after completion of the bookbuilding process for the Institutional Offering. The decision will be based, on among other things, the level of orders or applications received from each of the categories of investors. The final allocation between the tranches may deviate from the provisionally assumed allocation.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company and the Selling Shareholder, together with the Joint Global Coordinators, will determine the allocation of Offer Shares. An important aspect of the allocation principals is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principals will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company, the Selling Shareholder and the Joint Global Coordinators further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company, the Selling Shareholder and the Joint Global Coordinators may also set a maximum allocation, or decide to make no allocation to any applicant. In addition, Nippon has undertaken to acquire and will be allocated Offer Shares for a minimum total amount equivalent to 5% of the Company's share capital, subject to certain conditions. See Section 17.16 "Participation of major existing shareholders and members of the Company's Management, supervisory and administrative bodies in the Offering" for further information.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will at the outset be made solely on a pro rata basis using the Norwegian VPS's automated simulation procedures.

Primary insiders of the Company applying for Offer Shares will receive full allocation for any application in the Offering.

The Company, the Selling Shareholder and the Joint Global Coordinators reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company, the Selling Shareholder and the Joint Global Coordinators deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing with regards to the number of shareholders will not be satisfied. If the Company, the Selling Shareholder and the Joint Global Coordinators should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the Norwegian VPS's automated simulation procedures and/or other random allocation mechanisms. The Company, the Selling Shareholder and the Joint Global Coordinators reserve the right to set a maximum allocation per applicant in the Retail Offering.

17.7 VPS account

To participate in the Offering, each applicant must have a VPS account. Applicants in the Retail Offering must state their Norwegian VPS account number when registering an application through the Norwegian VPS online application system or on the Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee Norwegian VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of Norwegian VPS accounts requires verification of identification by the relevant Norwegian VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 17.8 "Mandatory anti-money laundering procedures").

17.8 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager with whom the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing Norwegian VPS account when applying for Offer Shares are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period or Bookbuilding Period (as the case may be) may not be allocated Offer Shares.

Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

17.9 Over-Allotment and stabilisation activities

17.9.1 Over-Allotment of Additional Shares

In connection with the Offering, the Joint Global Coordinators may elect to over-allot a number of Additional Shares, equalling up to approximately (but not more than) 15% of the aggregate number of New Shares and Base Sale Shares sold in the Offering. In order to permit the delivery in respect of over-allotments made, the Managers are expected to be granted the Lending Option, which requires the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of over-allotted Shares (the "**Borrowed Shares**").

Further, pursuant to the Greenshoe Option, the Selling Shareholder is expected to grant to the Managers an option to purchase up to 14,573,750 Additional Shares at the final Offer Price to cover short positions made or created in connection with the Offering as a result of over-allotments. The Greenshoe Option will be exercisable, in whole or in part, by the Stabilisation Manager, on behalf of the Managers, within a 30-day period commencing at the time at which "if issued/if sold" trading in the Shares commences on Oslo Børs on the terms and subject to the conditions described in the Prospectus. To the extent that the Stabilisation Manager has over-allotted Shares in the Offering, the Stabilisation Manager has created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Greenshoe Option.

A stock exchange notice will be made on the first day of trading in the Shares on an "if issued/if sold" basis on Oslo Børs (expected to take place on 17 June 2021) announcing whether the Joint Global Coordinators have over-allotted Shares in connection with the Offering. Any exercise of the Greenshoe Option will be promptly announced by the Stabilisation Manager through Oslo Børs' information system.

17.9.2 Price stabilisation

The Stabilisation Manager may, upon having over-allotted Additional Shares in the Offering, from the first day of the Listing effect transactions with a view to support the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the commencement of "if issued/if sold" trading in the Shares on Oslo Børs.

Any stabilisation activities will be conducted based on the principles as set out in Article 5 of Regulation (EU) No 596/2014 (the Market Abuse Regulation) regarding buy-back programmes and stabilisation of financial instruments.

Any profit or loss resulting from stabilisation activities conducted by the Stabilisation Manager will be for the account of the Selling Shareholder.

Within one week after the expiry of the 30 calendar-day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than what would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

17.10 Publication of information related to the Offering

In addition to press releases at the Company's website, the Company will use Oslo Børs' information system to publish information in respect of the Offering, such as information related to changes to the Indicative Price Range, changes to the timetable of the Offering, including the Bookbuilding Period and the Application Period, number of Offer Shares, allotment percentages and the final Offer Price.

General information about the result of the Offering, including the final Offer Price, the number of Offer Shares allocated and the total amount of the Offering, is expected to be published on or about 16 June through the Oslo Børs' information system.

17.11 The rights conferred by the Offer Shares

The Shares of the Company are created under the Norwegian Public Limited Liability Companies Act. The Sale Shares and the Additional Shares will carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends. The New Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase in the Register of Business Enterprises (see Section 17.2 "Timetable").

For a description of the rights attached to the Shares, please see Section 12 "Corporate information and description of share capital ".

17.12 Norwegian VPS registration

The Sale Shares and the Additional Shares have been, and the New Shares will be, registered in book-entry form with the Norwegian VPS and have ISIN NO 001 1002586. The Company's shareholder register with the Norwegian VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway.

17.13 National Client Identifier and Legal Entity Identifier

In order to participate in the Offering, applicants will need a global identification code. Physical persons will need a so called National Client Identifier ("**NCI**") and legal entities will need a so called Legal Entity Identifier (LEI). Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Offering.

17.13.1 NCI code for physical persons

Physical persons need a NCI code to participate in a financial market transaction. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (*Norwegian*: fødselsnummer). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

17.13.2 LEI code for legal entities

Legal entities need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

17.14 Conditions for completion of the Offering

The Company will on or around 8 June 2021 apply for a Listing of its Shares on Oslo Børs. It is expected that Oslo Børs will approve the Listing application of the Company on or around 11 June 2021, conditional upon (a) the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000, and (b) there being a minimum free float of the Shares of 25%. The Company expects these conditions to be fulfilled through the Offering.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditional on Oslo Børs approving the Company's application for Listing on or about 11 June 2021, on conditions acceptable to the Company and that the any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that Oslo Børs will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional upon (i) the Board of Directors having resolved to issue the New Shares in the Offering; (ii) the Selling Shareholder and the Company, in consultation with the Joint Global Coordinators, having approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process, (iii) the Company, the Selling Shareholder and the Joint Global Coordinators having entered into the Underwriting Agreement, (iv) satisfaction of the conditions precedent contained in the Underwriting Agreement, and (v) the Underwriting Agreement not having been terminated in accordance with its terms (see Section 17.1 "Overview of the Offering"). There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading on an “if issued/if sold” basis of the Shares, including the Offer Shares, on Oslo Børs is expected to be on or about 17 June 2021. The Joint Global Coordinators, the Company and the Selling Shareholder do not accept any responsibility or liability for any loss incurred by any person as a result of a termination of the Offering or (the related) annulment of any transactions on Oslo Børs during the period of conditional trading. The Shares are expected to trade under the ticker code “ELO”.

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 17 June 2021. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell its Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Offering and the Listing, the Shares are not listed on any stock exchange or authorised market place, and no application has been filed for listing on any stock exchanges or regulated market places other than Oslo Børs. Neither the Company nor the Joint Global Coordinators can assure that a liquid trading market for the Shares may be created or sustained. The prices at which the Shares will trade after the Offering may be lower than the Offer Price. The Offer Price may bear no relationship to the market price of the Shares subsequent to the Offering.

17.15 The Selling Shareholder

At the date of this Prospectus, the Selling Shareholder, Ferd AS, holds 250,397,300 Shares in the Company, corresponding to 99.905% of the issued and outstanding Shares. The Selling Shareholder, with LEI-code 5493004ZHCILEMZLBS85, has registered address at Dronning Mauds gate 10, 0250 Oslo. The chairman of the Board of Directors, Jo Olav Lunder, is a paid member of the advisory board of the Selling Shareholder and board member Trond Solberg is employed by the Selling Shareholder. Please see further description in Section 11.12 "Conflict of interests".

The number of Sale Shares to be sold by the Selling Shareholder will, amongst other, be subject to the final Offer Price. The Selling Shareholder is offering to sell up to 76,000,000 Base Sale Shares, and has reserved the right, at its own discretion, to increase the Offering by up to an additional 15,000,000 existing Shares pursuant to the Upsize Option. In addition, the Selling Shareholder is expected to grant to the Managers an option to purchase up to 14,573,750 Additional Shares equal to approximately 15% of the aggregate number of New Shares and Base Sale Shares sold in the Offering. Accordingly, if assuming that the Offer Price is set at the mid-point of the Indicative Price Range, the maximum number of Base Sale Shares are sold, the Offering size is increased in full pursuant to the Upsize Option, and the Greenshoe Option is exercised in full, the Offering will amount to 124,028,518 Offer Shares, representing 46.0% of the Shares following the Offering. The Selling Shareholder will then retain a shareholding in the Company of 53.8% following the Offering.

The Selling Shareholder will retain a shareholding in the Company of at least 53.2% following the Offering (including the New Shares issued by the Company), assuming a final Offer Price at the low-end of the Indicative Price Range, and that the Greenshoe Option and Upsize Option are exercised in full.

The final number of Sale Shares will be determined by the Selling Shareholder and the Company after consultations with the Joint Global Coordinators, following the expiry of the Bookbuilding Period.

17.16 Participation of major existing Shareholders and members of the Company's Management, supervisory and administrative bodies in the Offering

Nippon Paper Industries Co. Ltd (defined herein as "Nippon") has entered into a cornerstone agreement to acquire shares in the Offering, equivalent to 5.0% of the share capital of Elopak ASA, at the final offer price.

Nippon, the largest liquid packaging player in Japan, has shown their support for and belief in Elopak’s business and strategic outlook, building on a relationship spanning more than 30 years. Nippon is both an existing strategic partner through a product licensing agreement signed in March 2016 that allows Nippon to manufacture and sell certain Pure-Pak® products in Japan and also a board supplier to Elopak in the Americas region. Nippon manufactures and sells paper and pulp products, and also operates a wood building material business, logistics, and leisure services. Nippon, headquartered in Tokyo, is listed on the Tokyo Stock Exchange (TYO:3863) and is a Nikkei 225 constituent.

The Company is not aware of whether any major shareholders of the Company or any members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares, or whether any person intends to subscribe for more than 5% of the Offering.

17.17 Expenses related to the Offering

The gross proceeds from the Offering to the Company will be up to EUR 50 million. The Selling Shareholder will pay brokerage fees for any sale of Sale Shares. All other transaction costs related to the New Shares and all other directly attributable costs in connection with the Listing and Offering will be paid by the Company.

Assuming that the Company raises gross proceeds of EUR 50 million, the Company estimates that its expenses in connection with the Offering and the Listing will be approximately EUR 5 million. Accordingly, the net proceeds will be up to approximately EUR 45.6 million. In consideration of the Joint Global Coordinators' commitments under the Underwriting Agreement, the Company and the Selling Shareholder will pay the Joint Global Coordinators' a fixed base commission calculated on the basis of the gross proceeds from the Offering, i.e. the aggregate number of New Shares issued by the Company to be payable by the Company and the aggregate number of Sale Shares and, if applicable, any Additional Shares, sold by the Selling Shareholder to be payable by the Selling Shareholder. In addition to the above, the Joint Global Coordinators may receive a fixed discretionary fee of 1% in connection with the Offering calculated on the basis of the gross proceeds from the Offering determined at the Company's and the Selling Shareholder's sole discretion. The payment of the discretionary fee, if any, shall be divided between the Company and the Selling Shareholder based on the number of New Shares issued by the Company and the number of Offer Shares sold by the Selling Shareholder in the Offering. The estimated expenses above is based on the assumption that the variable discretionary fee becomes fully payable.

No expenses or taxes will be charged by the Company or the Joint Global Coordinators to the applicants in the Offering.

17.18 Lock-up

Pursuant to the Underwriting Agreement, the Selling Shareholder is expected to agree with the Managers, that without the prior written consent of the Joint Global Coordinators, it will not during the period ending 180 days after the first day of trading and official listing of the Offer Shares, (i) offer, pledge, hypothecate, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, cause the Company to issue, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transactions described in clause (i) or (ii) above are to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) submit to the Company's shareholders a proposal to effect any of the foregoing. The foregoing shall not apply to (A) the sale of the Secondary Shares or the Option Shares in the Offering, (B) the lending of any Lending Shares pursuant to Section 4(d) hereof, (C) an acceptance or pre-acceptance of any takeover offer pursuant to the Norwegian Securities Trading Act, (D) the Sale of Offer Shares by the Selling Shareholder to one or more of its Affiliates provided such Affiliates enter into lock-up agreements on the same terms, or (E) the grant of security over any Shares retained by the Selling Shareholder.

Pursuant to the Underwriting Agreement, the Company and members of the Board of Directors and Management are expected to agree, subject to certain exceptions, that without the prior written consent of the Joint Global Coordinators, for a period of 180 days and 360 days, respectively, after the first day of trading and official listing of the Offer Shares, they will not (i) issue, offer, pledge, hypothecate, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transactions described in clause (i) or (ii) above are to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) submit to the Company or to the Company's shareholders a proposal to effect any of the foregoing or (iv) publicly announce or cause to be announced an intention to effect any of the transaction described in (i), (ii) or (iii) above. The foregoing shall not apply to (A) any transfer of Shares upon or following termination of employment or resignation from the Board (to the extent applicable), (B) in respect of any Shares to or by personal representatives of an employee or member of the Board who dies during the lock-up period, or in respect of any transfer of Shares during the permanent disability or interruption in employment of the relevant person for a continuous period of minimum 16 weeks due to disability or illness during the lock-up period; (C) to any transfer of Shares by the undersigned (a) a family member, (b) to any person or persons acting in the capacity of trustee or trustees of a trust created by the undersigned or, upon any change of trustees of a trust so created, to the new trustee or trustees, provided that the trust is established for charitable purposes only or there are no persons beneficially interested under the trust other than the undersigned and his or her family members; (c) by the trustee or trustees of a trust to which paragraph (b) above applies to any person beneficially interested under that trust; (d) to a legal entity wholly owned (directly or indirectly) by the undersigned; (e) by any of the parties referred to in paragraphs (a) to (d) above back to the original holder or to another family member; (D) to an acceptance or pre-acceptance of any takeover offer for more than 1/3 of the Company's shares pursuant to the Norwegian Securities Trading Act; (E) to executing and delivering an irrevocable commitment or undertaking to accept a takeover offer (without any further agreement to transfer or dispose of any Shares or any interest therein) as is referred to in (d) above; (F) to selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company; (G) to transferring or disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under applicable law; (H) to the grant of pledges or other security over any Shares retained by such member; (I) pursuant to the enforcement of any pledge or security entered into pursuant to the previous clause; or (J) in respect of Shares issued pursuant to awards granted under any of the Company's incentive share schemes disclosed in the Company's prospectus published in connection with the Offering, provided that prior to the making of any such transfer of Shares, the transferee shall have agreed to be bound by the restrictions of this Lock-up Undertaking as if it were the transferor by execution and delivery to the Joint Global Coordinators of an agreement substantially in the same form as this Lock-up Undertaking.

17.19 Disparities between the Offer Price and effective cash cost paid for Shares by current members of Management or the Board of Directors

During the last twelve months prior to the date of this Prospectus the following members of the Management have acquired Shares of where there is a material disparity between the subscription price for such Shares, which was NOK 1,319.179 per new Share prior the share split of the Shares (1:50) (taking into consideration the share split the subscription price was NOK 26.4 per new Share), and the effective cash cost paid for the Shares:

Name	Position	Volume[81]
Thomas Körmendi	Chief Executive Officer	95,100
Bent Axelsen	Chief Financial Officer	71,100
Patrick Verhelst	Chief Marketing Officer	30,650
Stephen Naumann	EVP Region Europe North & CIS	64,350
Finn Tørjesen	EVP Region Europe South & New Markets	35,400
Lionel Ettedgui.............................	EVP North America	48,550
Ivar Jevne....................................	EVP Material and Product Supply	66,050
Wolfgang Buchkremer.................	Chief Technology Officer	36,750

The share capital increase related to the issuance of the Shares described above was resolved by the Board of Directors on 8 April 2021.

17.20 Interests of natural and legal persons involved in the Offering

The Joint Global Coordinators or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Joint Global Coordinators do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Joint Global Coordinators will receive a management fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Company may, at its sole discretion, pay to the Joint Global Coordinators an additional discretionary fee in connection with the Offering

The Selling Shareholder will receive the net proceeds from the sale of the Sale Shares.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

17.21 Product governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, and disclaiming all and any liability, which any “manufacturer” (for the purposes of the requirements and measures listed in (a)-(c) above) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for

[81] Number of shares are shown post the share split (1:50).

distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, Distributors should note (A) that the price of the Shares may decline and investors could lose all or part of their investment, (B) that the Offer Shares offer no guaranteed income and no capital protection, and (C) that an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

17.22 Dilution

The issuance of New Shares in the Offering may result in a maximum number of Shares in the Company of minimum 268,009,967 and maximum 272,241,633, which corresponds to a dilution for the existing shareholders of betweem approximately 6.3% and 7.8% (depending on a final Offer Price in the high-end or the low-end of the Indicative Price Range, respectively).

This assumes that none of the existing shareholders subscribes for any New Shares in the Offering. The existing shareholders pre-emption right to subscribe for the New Shares has been deviated from.

17.23 Governing Law and Jurisdiction

The Offering is governed by Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo as legal venue.

18. SELLING AND TRANSFER RESTRICTIONS

18.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

18.2 Selling restrictions

18.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Joint Global Coordinator has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than those it reasonably believes to be QIBs in the United States in accordance with Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act or outside of the United States in offshore transactions in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 18.3.1 "Transfer restrictions—United States".

Any offer or sale in the United States will be made by affiliates of the Joint Global Coordinators who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

18.2.2 United Kingdom

This Prospectus and any other material in relation to the Offering described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Regulation ("**Qualified Investors**") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

18.2.3 European Economic Area

Each person in a Relevant Member State (other than persons in Norway) must represent, warrant and agree that:

a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

18.2.4 Additional jurisdictions

Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Offer Shares. The Offer Shares have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Offer Shares and any representation to the contrary is an offence.

The Offer Shares may not be not offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

a) any offer, sale or distribution of the Offer Shares in Canada may be made only to purchasers that are (i) “accredited investors” (as such term is defined in section 1.1 of National Instrument 45- 106 *Prospectus Exemptions* (“**NI 45-106**”) or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario)) and “permitted clients” (as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*), (ii) purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and (iii) not a person created or used solely to purchase or hold the Offer Shares as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;
b) any entity in the business of trading in securities that is offering and selling the Offer Shares in Canada will either (i) be appropriately registered under applicable Canadian securities laws in each relevant province or territory to distribute the Offer Shares, (ii) such distribution will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such distribution and has agreed to make such distribution in compliance with the representations, warranties and agreements set out herein, or (iii) be qualified to rely on an exemption from the dealer registration requirements under applicable Canadian securities laws; and
c) no offering material in connection with any offering of the Offer Shares, other than this Prospectus, may be distributed or delivered in or to a resident of Canada other than in compliance with applicable Canadian securities laws.

Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

18.2.5 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

18.3 Transfer restrictions

18.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Joint Global Coordinators and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Joint Global Coordinators and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

18.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Joint Global Coordinator and the Company that:

a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

19. ADDITIONAL INFORMATION

19.1 Advisors

The Company has engaged Goldman Sachs International (Plumtree Court 25 Shoe Lane London EC4A 4AU United Kingdom), and Skandiaviska Enskilda Banken AB (publ.), Oslo branch (Filipstad brygge 1, N-0252 Oslo, Norway as Joint Global Coordinators for the Offering and Joint Global Coordinators for the Listing and Offering. ABG Sundal Collier ASA (Munkedamsveien 45E, N-0250 Oslo, Norway), Carnegie AS (Fjordalléen 16, N-0250 Oslo, Norway) and DNB Markets, a part of DNB Bank ASA (Dronning Eufemias gate 30, N-0191 Oslo, Norway) as joint bookunners.

Advokatfirmaet Wiersholm AS (Dokkveien 1, 0250 Oslo, Norway) is acting as Norwegian legal counsel to the Company and Freshfields Bruckhaus Deringer (100 Bishopsgate, London EC2P 2SR, United Kingdom) is acting as international legal counsel to the Company.

Advokatfirmaet Schjødt AS (Ruseløkkveien 14-16, 0251 Oslo, Norway) is acting as Norwegian legal counsel to the Managers, and Linklaters LLP (One Silk Street, London EC2Y 8HQ, United Kingdom) is acting as international legal counsel to the Managers.

19.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Karenslyst allé 53, N-0279 Oslo, Norway during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus.

- The Company's Articles of Association and Certificate of Incorporation.
- The Company's audited annual financial statements for the years ended 31 December 2020, 2019 and 2018.
- The Company's interim financial statements for the three months ended 31 March 2021.
- This Prospectus.

The above documents will also be available at the Company's website www.elopak.com.

20. DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Additional Shares	An over-allotment of a number of additional Shares.
Agent	Skandinaviska Enskilda Banken AB (Publ).
Anti-Money Laundering Legislation	Applicable anti-money laundering legislation, including the Norwegian Money Laundering Act 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324.
APAC	The Asia-pacific region.
APMs	Alternative Performance Measures.
Application Period	The application period for the Retail Offering that will commence at 09:00 CEST on 8 June 2021 and close at 12:00 CEST on 16 June 2021.
Articles of Association	The Company's articles of association.
BASC	The board audit and sustainability committee.
Base Sale Shares	Up to 76,000,000 existing Shares of the Company offered by the Selling Shareholder pursuant to the Offering.
Board	The Company's board of directors.
Board of Directors	The Company's board of directors.
Bookbuilding Period	The offer period for the Institutional Offering that will commence at 09:00 CEST on 8 June 2021 and close at 14:00 CEST on 16 June 2021.
Borrowed Shares	Shares borrowed to the Stabilisation Manager by the Selling Shareholder up to a number of Shares equal to the number of Additional Shares.
Bribery Act	The U.K. Bribery Act 2010.
CAGR	Compound annual growth rate.
CBC	CBC Co., Ltd.
CEO	The chief executive officer.
CIS	The Commonwealth of Independent states.
Company	Elopak ASA.
Consolidated Financial Statements	Elopak's audited consolidated financial statements as of and for the years ended 31 December 2020, 2019 and 2018.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 17 October 2018.
Distribuidora	Distribuidora de Envases Elopak, S.A. de C.V.
DKK	The lawful currency of Denmark, Danish Kroner.
FCPA	The U.S. Foreign Corrupt Practices Act.
Ferd	Ferd AS.
Financial Statements	The Consolidated Financial Statements and the Interim Financial Statements held together.
FMCG companies	Fast-moving consumer goods companies.
EEA	The European Economic Area.
Elopak	The Company.
EMP	Elopak Machine Platform.
Envases Elopak	Envases Elopak, S.A. de C.V.
ENA	Elopak Nampak Africa.
ESL	Extended shelf life.
EU Prospectus Regulation	Prospectus related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
Euro or €	EUR.
EVOH	Ethylene vinyl alcohol.
Existing LTI	The long term incentive scheme the Company had in place prior to the Listing granting members of Group Management a cash amount based on the value adjusted equity of the Group.
Facility Agreement	Facility Agreement for a EUR 400 million multicurrency revolving credit facility arranged by the Lenders with Skandinaviska

	Enskilda Banken AB (Publ) acting as Agent, dated 23 May 2018, as amended on 10 May 2021.
GDPR	The General Data Protection Regulation (EU) 2016/679.
Greenshoe Option	An option to the Joint Global Coordinators, which may be exercised on behalf of the Joint Global Coordinators by the Stabilisation Manager, to purchase a number of Shares equal to the number of Additional Shares to cover any over-allotments made in connection with the Offering.
Group	Elopak ASA together with its consolidated subsidiaries.
HDPE	High-density polyethylene.
IFRS	The International Financial Reporting Standards as adopted by the EU.
Impresora	Impresora Del Yaque, C. por A.
Impresora Shareholders' Agreement	The shareholders agreement dated 29 August 2007 governing the Impresora joint venture.
Indicative Price Range	The price range of between NOK 24 and NOK 30 per Offer Share of which the Offer Price is expected to be.
Institutional Closing Date	The day of the delivery of and payment for Offer Shares on or about 21 June 2021.
Institutional Offering	An offering to persons reasonably believed to be QIBs in the United States as defined in, and in reliance on, Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended.
Interim Financial Statements	The unaudited interim condensed financial statements for the three-month period ended on 31 March 2021 and 2020.
ISIN	International securities identification number.
Joint Bookrunners	The Managers.
Joint Global Coordinators	SEB and Goldman Sachs International.
Joint Ventures	The joint ventures the Group has entered into with Lala in which it holds a 49 % stake in and Impresora in which it owns a 51% stake in, held together.
Lala	Grupo Industrial Lala, S.A. DE C.V. in Mexico.
Lala-Elopak	Lala-Elopak S.A de C.V.
LDPE	Low-density polyethylene.
LEI	Legal Entity Identifier.
Lenders	Danske Bank AS, DNB Bank ASA, Nordea Bank AB (Publ), filial i Norge, Skandinaviska Enskilda Banken Ab (Publ) and BNP Paribas SA, Norway Branch held together.
Lending Option	An option to the Joint Global Coordinators, which may be exercised on behalf of the Joint Global Coordinators by the Stabilisation Manager to borrow a number of Shares equal to the number of Additional Shares.
LEQ	Litre equivalents.
Listing	The admission to listing and trading of the Company's Shares on Oslo Børs, a regulated market operated by Oslo Børs ASA.
Management	The members of the senior management of the Group.
Managers	Goldman Sachs International, and Skandinaviska Enskilda Banken AB, Oslo branch, ABG Sundal Collier ASA, Carnegie AS and DNB Markets, a part of DNB Bank ASA held together.
MAP	Mutual agreement procedure.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation).
Member State	Any member state of the EEA other than Norway.
MENA	The Middle East and North Africa region.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	(a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures held together.
Nampak	Nampak Products Limited.
Nampak Africa	Nampak Southern Africa Holdings Limited.
NCI	National Client Identifier.
NCSD	Non-carbonated soft drinks.
New LTI	A new long-term incentive program for the Company's management and key employees, including the members of Group Management to be implemented in connection with the Listing.

New Shares...	The up to 21,158,333 new shares to be issued to raise gross proceeds of up to EUR 50 million (based on the lowest point of the Indicative Price Range).
Nippon...	Nippon Paper Industries Co. Ltd.
NOK...	The lawful currency of Norway, Norwegian Kroner.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes.
Norwegian Act on Overdue Payments...	The Norwegian Act relating to Interest on Overdue Payments of 17 December 1976 no. 100.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet).
Norwegian Kroner	NOK.
Norwegian Personal Shareholders........	Shareholders who are natural persons resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended.
Norwegian VPS account........................	The applicant's account with the Norwegian VPS for the registration of holdings of securities.
Offering...	The initial public offering of up to 97,158,333 Shares.
Offer Price	The price at which the Offer Shares will be sold.
Offer Shares	The New Shares, the Sale Shares and, unless the context indicates otherwise, the Additional Shares.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Børs	Oslo Børs, a regulated market operated by Oslo Børs ASA.
Payment Date.......................................	On or about 18 June 2021.
PET	Polyethylene terephthalate.
PFIC	Passive foreign investment company
PPWD..	The EU Packaging and Packaging Waste Directive (Directive 94/62/EC, as amended by Directive (EU) 2018/852.
Prospectus	This Prospectus dated 7 June 2021.
PwC..	PricewaterhouseCoopers AS.
QIBs	Qualified institutional buyers in the United States as defined in, and in reliance on, Rule 144A.
Qualified Investors................................	Persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Regulation.
RCF..	EUR 400 million multicurrency revolving credit facility.
Regulation S...	Regulation S under the U.S. Securities Act.
Relevant Persons	All such persons held together who: (A) (i) have professional experience in matters relating to investments falling within Article 19(5) of the Order, (ii) falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018.
Retail Offering	A retail offering to the public in Norway.
Roland Berger Market Study, February 2021	A market study, commissioned by the Company, from Roland Berger, prepared specifically for the Company, which is not publically available, dated 12 February 2021.
RUB..	The lawful currency of Russia, Russian Rubles.
Rule 144A...	Rule 144A of the U.S. Securities Act.
R&D..	Research and development.
Sale Shares..	The existing Shares to be offered by Ferd AS (including the Base Sale Shares and the additional Shares offered in the event the Selling Shareholder increases the Offering pursuant to the Upsize Option).
SEB	Skandinaviska Enskilda Banken AB.
Selling Shareholder	Ferd AS, offering to sell existing Shares in the Offering.
SFA	The Securities and Futures Act, Chapter 289 of Singapore.
Share Registrar	The VPS Registrar.

Shares	All the Company's Shares, including the New Shares.
Shikoku	Shikoku Kakoki Co., Ltd.
Stabilisation Manager	SEB, acting as stabilisation manager in the Offering.
Tenedora	Tenedora Del Yaque C. Por A.
UHT	Ultra-high temperature.
Underwriting Agreement	An underwriting agreement entered into prior to this Prospectus between the Company and its Selling Shareholder, and the Joint Global Coordinators with respect to the Offering of the Offer Shares by the Company and the Selling Shareholder and the Lending Option and the Greenshoe Option by the Selling Shareholder.
United States	United States of America.
Upsize Option	The Selling Shareholder's right to increase the number of Sale Shares in the Offering with 15,000,000 additional shares, on the same terms and conditions as the Base Sale Shares.
U.S	United States of America.
USD	The lawful currency of the United States of America, United States Dollar.
U.S. Dollars or $	USD.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
US-Norway Treaty	The income tax treaty between the United States and Norway.
U.S. Securities Act	The U.S. Securities Act of 1933.
VPS	The Norwegian Central Securities Depository.
VPS Registrar	DNB Bank ASA, the Company's VPS registrar.

APPENDIX A ARTICLES OF ASSOCIATION OF ELOPAK ASA

Vedtekter – Elopak ASA
(sist oppdatert 25. mai 2021)

§ 1

Selskapets navn er Elopak ASA. Selskapet er et allmennaksjeselskap.

§ 2

Selskapets formål er produksjon og salg av emballasje, produksjon og salg av maskiner og utstyr for emballasje, agentur og servicevirksomhet vedrørende emballasjeprodukter og hva dermed står i forbindelse, samt deltakelse i andre selskaper.

§ 3

Selskapets forretningskontor er i Asker kommune.

§ 4

Selskapets aksjekapital er NOK 351 516 620 fordelt på 251 083 300 aksjer, hver pålydende NOK 1,4. Selskapet aksjer skal være registrert i Verdipapirsentralen.

§ 5

Styret består av minst 3 maksimalt 12 medlemmer. Selskapets firma tegnes av styrets leder alene eller av administrerende direktør sammen med et styremedlem. Styret kan meddele prokura.

§ 6

Selskapet skal ha en valgkomité bestående av mellom to og fire medlemmer. Valgkomitéens medlemmer skal være aksjeeiere eller representanter for aksjeeiere. Valgkomitéens medlemmer, herunder dens leder, velges av generalforsamlingen. Tjenestetiden for valgkomitéens medlemmer skal være to år med mindre generalforsamlingen beslutter noe annet. Tjenestetiden regnes fra valget når noe annet ikke er bestemt. Den opphører ved avslutningen av den ordinære generalforsamling i det året tjenestetiden utløper. Selv om tjenestetiden er utløpt, skal medlemmet bli stående i vervet inntil nytt medlem er valgt.

Honorar for valgkomitéens medlemmer skal fastsettes av generalforsamlingen.

Articles of assocation – Elopak ASA
(last updated 25 May 2021)

§1

The company's name is Elopak ASA. The company is a public limited liability company.

§2

The objective of the Company is production and sale of packaging, production and sale of machinery and equipment for packaging, agency and services relating to packaging products and anything connected with this as well as participation in other companies.

§3

The Company's registered office is in the municipality of Asker.

§4

The company's share capital is NOK 351,516,620, divided into 251,083,300 shares, each with a nominal value of NOK 1.40. The shares shall be registered in the Norwegian Central Securities Depository.

§5

The board of directors shall consist of minimum 3 maximum 12 board members. The authority to sign on behalf of the company is held by the chairman of the board alone or by the chief executive officer and one board member, jointly. The board may grant a power of procuration.

§6

The company shall have a nomination committee consisting of between two and four members. The members of the nomination committee shall be shareholders or representatives of shareholders. The members of the nomination committee, including its chairman, are elected by the general meeting. The term of office for the members of the nomination committee shall be two years unless the general meeting decides otherwise. The term of office is calculated from the election if nothing else is decided. It ceases at the end of the annual general meeting in the year in which the term of office expires. Even if the term of office has expired, the member shall remain in office until a new member has been elected.

Remuneration for the members of the nomination committee shall be determined by the general meeting.

Valgkomitéen skal ha følgende oppgaver:

(i) Å avgi innstilling til generalforsamlingen om valg av aksjonærvalgte styremedlemmer

(ii) Å avgi innstilling til generalforsamlingen om honorar for styrets medlemmer

(iii) Å avgi innstilling til generalforsamlingen om valg av medlemmer av valgkomitéen

(iv) Å avgi innstilling til generalforsamlingen om honorar for valgkomitéens medlemmer.

The nomination committee shall have the following tasks:

(i) To submit a recommendation to the general meeting on the election of shareholder-elected board members

(ii) To submit a recommendation to the general meeting on fees for the board members

(iii) To submit a recommendation to the general meeting on the election of members of the nomination committee

(iv) To submit a recommendation to the general meeting on fees for the members of the nomination committee.

Generalforsamlingen kan fastsette nærmere retningslinjer for valgkomitéens arbeid.

The general meeting may lay down further guidelines for the nomination committee's work.

§ 7

Ordinær generalforsamling skal holdes hvert år etter innkallelse fra styrets leder. Generalforsamlingen skal behandle og avgjøre følgende saker:

a) Godkjennelse av årsregnskapet og årsberetningen.
b) Andre saker som etter lov eller vedtekter hører under generalforsamlingen.

Når dokumenter som gjelder saker som skal behandles på generalforsamlinger i selskapet, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, kan styret beslutte at dokumentene ikke skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallinger til generalforsamlinger. En aksjeeier kan i så fall kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen. Selskapet kan ikke kreve noen form for godtgjøring for å sende dokumentene til aksjeeierne.

Ordinær generalforsamling holdes i kommunen hvor selskapet har sitt forretningskontor eller i Oslo kommune.

§7

The annual general meeting shall discuss and decide upon the following:

a) Approval of the annual accounts and annual report, including distribution of dividend.
b) Other matters that according to law or the articles of association are to be decided upon by the general meeting.

When documents concerning matters to be discussed at general meetings in the company have been made available to the shareholders on the Company's web pages, the board may decide that the documents shall not be sent to the shareholders. This also applies to documents which are required by law or by the articles of association to be included in or appended to notices of general meetings. If so, a shareholder may demand that documents concerning matters to be discussed at the general meeting be sent to him or her. The company cannot demand any form of compensation for sending the documents to the shareholders.

General meetings may be held in the municipality in which the Company's registered office is located or in the municipality of Oslo.

Aksjeeiere kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for autentisering av avsender. Styret avgjør om det foreligger en slik metode i forkant av den enkelte generalforsamling. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av generalforsamlings-innkallingen om det er gitt adgang til forhåndsstemming og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

Shareholders may cast a written vote in advance in matters to be discussed at the general meetings of the company. Such votes may also be cast through electronic communication. The access to cast votes in advance is subject to the presence of a safe method of authenticating the sender. The board decides whether such a method exists before each individual general meeting. The notice of general meeting must state whether votes in advance are permitted and which guidelines, if any, that have been issued for such voting.

I innkalling til generalforsamling kan det fastsettes at aksjeeier som vil delta i generalforsamlingen må meddele dette til selskapet innen en bestemt frist. Fristen kan ikke utløpe tidligere enn fem dager før møtet.

The notice of general meeting may state that shareholders wanting to attend the general meeting must notify the company thereof within a certain period. This period cannot expire sooner than five days before the meeting.

APPENDIX B INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

List of Signatures

Item 6 Q1 2021 Consolidated Financial Statements FINAL.pdf

Name	Method	Signed at
Solberg, Trond	BANKID_MOBILE	2021-05-06 12:52 GMT+02
Sveva, Erlend	BANKID_MOBILE	2021-05-06 12:45 GMT+02
Lunder, Jo Olav	BANKID_MOBILE	2021-05-06 12:44 GMT+02
Sanna Mari Suvanto-Harsaae	NEMID	2021-05-06 12:38 GMT+02
Ellingsen, Anette Bauer	BANKID	2021-05-06 12:36 GMT+02
SID JOHARI	BANKID	2021-05-06 17:42 GMT+02
Thomas Ralph Körmendi	BANKID	2021-05-06 16:57 GMT+02
Wiklund, Marius	BANKID_MOBILE	2021-05-06 15:39 GMT+02
Anna Kristina Belfrage	BANKID	2021-05-06 12:55 GMT+02

ELOPAK GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Q1 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

EUR 1.000

	NOTE	Quarter ended 31-Mar 2021	Quarter ended 31-Mar 2020
Revenues	3	222,793	233,047
Other operating income		2	2
Total income	3, 4	222,795	233,049
Raw material expenses and changes in inventory		-138,567	-151,283
Payroll expenses		-41,523	-42,380
Depreciation, amortization and impairment		-13,496	-13,379
Other operating expenses		-12,051	-12,217
Total operating expenses		-205,637	-219,259
Operating profit	4	**17,158**	**13,790**
Financial income and expenses			
Share of net income from joint ventures		882	1,618
Financial income		1,524	3,523
Financial expenses		-3,849	-4,386
Profit before taxes		**15,715**	**14,544**
Income tax expenses (income)		-4,765	1,244
Profit		**10,951**	**15,788**
Profit attributable to:			
Owners of the parent company		10,951	15,788
Basic and diluted earnings per share (in EUR)		2.18	3.15
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net value gains / losses (-) on actuarial benefit plans, net of tax		-30	61
Items reclassified subsequently to net income upon derecognition			
Exchange differences on translation foreign operations		3,289	-6,804
Net value gains / losses (-) on cash flow hedges, net of tax		4,813	-7,644
Other comprehensive income, net of tax		**8,072**	**-14,387**
Total comprehensive income		**19,023**	**1,401**
Total comprehensive income attributable to:			
Owners of the parent company		19,023	1,401

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

EUR 1.000

ASSETS	NOTE	31-Mar 2021	31-Dec 2020
NON - CURRENT ASSETS			
Development cost and other intangible assets		60,150	61,211
Deferred tax assets		22,415	23,544
Goodwill		51,887	52,291
Property, plant and equipment		184,219	188,429
Right-of-use assets	5	66,372	69,270
Investment in joint ventures		28,686	26,956
Other non-current assets		14,757	14,517
Total non - current assets		**428,487**	**436,217**
CURRENT ASSETS			
Inventory		137,542	135,523
Trade receivables		123,448	113,050
Other current assets		62,237	57,889
Cash and cash equivalents		10,536	6,443
Total current assets		**333,763**	**312,906**
Total assets	4	**762,249**	**749,123**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

EUR 1.000

EQUITY AND LIABILITIES	NOTE	31-Mar 2021	31-Dec 2020
EQUITY			
Share capital	6	47,483	47,482
Other paid-in capital		15,332	15,332
Currency translation reserve		-38,642	-41,930
Cash flow hedge reserve		4,810	-3
Retained earnings		175,484	164,564
Attributable to owners of the company		204,467	185,444
Total equity		**204,467**	**185,444**
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liabilities		2,907	2,554
Deferred taxes		12,103	11,994
Non-current liabilities to financial institutions	7	229,142	213,135
Non-current lease liabilities		66,858	69,090
Other non-current liabilities		5,366	5,982
Total non-current liabilities		316,375	302,755
CURRENT LIABILITIES			
Current liabilities to financial institutions	7	13,148	15,552
Trade payables		101,047	114,273
Taxes payable		9,576	8,978
Public duties payable		18,469	20,125
Current lease liabilities		18,791	19,085
Other current liabilities		80,375	82,911
Total current liabilities		241,407	260,923
Total liabilities		**557,782**	**563,678**
Total equity and liabilities		**762,249**	**749,123**

Skøyen, 6th May 2021

Jo Olav Lunder *Chairman*	Trond Solberg *Board member*	Anna Belfrage *Board member*
Sid Mehran Johari *Board member*	Sanna Suvanto-Harsaae *Board member*	Marius Wiklund *Board member*
Erlend Sveva *Board member*	Anette Ellingsen *Board member*	Thomas Körmendi *(CEO)*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

EUR 1.000

	NOTE	Quarter ended 31-Mar 2021	2020
Profit before taxes		15,715	14,544
Interest expenses to financial institutions		808	1,523
Lease liability interest		1,231	1,396
Profit before taxes and interest paid		**17,755**	**17,464**
Other operating cash flows		-21,484	3,264
NET CASH FLOW FROM OPERATIONS		**-3,729**	**20,728**
Purchase of non-current assets		-3,555	-9,944
Proceeds from sales of non-current assets		10	
Proceeds from long term investing activities		1,402	2,272
NET CASH FLOW FROM INVESTING ACTIVITIES		**-2,142**	**-7,671**
Proceeds of loans from financial institutions		232,302	259,672
Repayment of loans from financial institutions		-217,389	-262,844
Interest expenses to financial institutions		-808	-1,523
Lease payments		-5,059	-5,099
NET CASH FLOW FROM FINANCING ACTIVITIES		**9,046**	**-9,794**
Foreign currency translation on cash		918	-4,549
Net increase/ decrease in cash		4,092	-1,286
Cash at beginning of year		6,443	15,507
Cash at end of period		10,536	14,221

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

EUR 1.000

For the three months ended March 31, 2021	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47,482**	**15,332**	**-41,930**	**-3**	**164,564**	**185,444**
Profit for the period					10,951	**10,951**
Other comprehensive income net of tax			3,289	4,813	-30	**8,072**
Total comprehensive income			**3,289**	**4,813**	**10,921**	**19,023**
Total equity 31.03	**47,483**	**15,332**	**-38,642**	**4,810**	**175,484**	**204,467**

For the three months ended March 31, 2020	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47,482**	**13,188**	**-30,932**	**-2,139**	**126,290**	**153,889**
Profit for the period					15,788	**15,788**
Other comprehensive income net of tax			-6,804	-7,644	61	**-14,387**
Total comprehensive income			**-6,804**	**-7,644**	**15,850**	**1,401**
Total equity 31.03	**47,482**	**13,188**	**-37,736**	**-9,783**	**142,140**	**155,290**

Note 1 General information

The Elopak Group consists of Elopak AS and its subsidiaries. Elopak AS is a limited liability company incorporated in Norway. The Group is a leading global supplier of carton packaging and filling equipment for liquid food, catering to both the fresh and ambient markets. The consolidated financial information has not been audited. The consolidated figures for Q1 2021 have been subject to a limited review performed by the independent auditor of the entity.

All numbers are presented in € 1.000 unless otherwise is clearly stated.

The Board of Directors approved the condensed consolidated interim financial statements for the three months ended March 31, 2021 on May 6, 2021.

Note 2 Basis of preparation

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in conjunction with the Group's Annual Report for 2020, which has been prepared according to IFRS as adopted by EU. The accounting policies applied in the preparation of the consolidated interim financial statement are consistent with those applied in the preparation of the annual IFRS financial statement for the year ended December 31, 2020. New standards, amendments to standards, and interpretations that have been published, but not effective as of December 31, 2020, have not been applied in preparing these condensed financial statements. The Group intends to adopt these standards, if applicable, when they become effective.

The preparation of interim financial statements requires the Group to make certain estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated by the company based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2020.

Note 3 Revenues

The Group's revenue consists of revenue from contracts with customers (99%) and rental income from lease of filling equipment (1%). Revenues are primarily derived from sale of cartons and closures, while the remaining is from sale and rental income related to filling equipment and service.

	Quarter ended 31-Mar	
Revenues specified by geographical area	**2021**	**2020**
Germany	36,885	35,535
USA	31,736	37,276
Russia	16,120	18,274
Netherlands	12,486	12,361
Norway	6,589	6,334
Other	118,976	123,267
Total revenues	**222,793**	**233,047**

The revenues are specified by location (country) of the customer.

Revenues by product and operating segment

Quarter ended March 31, 2021	Europe	Americas	Corporate Services	Eliminations	Group
Cartons and closures	158,353	44,600	96	- 393	202,656
Equipment	5,246	8	-	-	5,254
Service	11,114	-	-	- 120	10,993
Other	4,962	378	2,992	- 4,441	3,890
Total revenues	**179,674**	**44,986**	**3,088**	**-4,955**	**222,793**

Quarter ended March 31, 2020	Europe	Americas	Corporate Services	Eliminations	Group
Cartons and closures	161,423	59,027	140	- 7,084	213,507
Equipment	8,288	9	-	- 885	7,413
Service	10,866	298	-	- 6	11,158
Other	2,362	58	3,327	- 4,777	970
Total revenues	**182,939**	**59,393**	**3,468**	**-12,753**	**233,047**

Decrease in cartons and closures in Americas is mainly due to the loss of one customer and a customer bankruptcy.

Note 4 Operating segments

Information reported to the Group's chief operating decision makers, the Group Leadership Team, for the purpose of resource allocation and assessment of segment performance is focused on the two key geographical regions – Europe (including CIS) and Americas. Additionally, corporate services are shown separately. Key figures representing the financial performance of these segments are presented in the following:

Quarter ended March 31, 2021	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	179,676	44,986	3,088	-4,955	222,795
Operating expenses [1]	-151,069	-37,029	-9,000	4,958	-192,141
Depreciation and amortization	-11,446	-1,317	-672	-3	-13,438
Impairment	-59	-	-	-	-59
Operating profit	**17,102**	**6,640**	**-6,584**	-	**17,157**
Total assets	604,789	114,827	264,983	-222,349	762,249
Purchase of non-current assets during the quarter	2,849	191	515	-	3,555

Quarter ended March 31, 2020	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	182,941	59,393	3,468	-12,753	233,049
Operating expenses [1]	-159,470	-51,230	-7,941	12,761	-205,880
Depreciation and amortization	-10,833	-1,427	-925	-8	-13,194
Impairment	-185	-	-	-	-185
Operating profit	**12,453**	**6,736**	**-5,399**	-	**13,790**
Total assets	625,346	123,345	313,394	-296,761	765,324
Purchase of non-current assets during the quarter	7,935	257	1,751	-	9,944

1) Operating expenses includes raw material expenses and changes in inventory, payroll expenses, and other operating expenses.

Note 5 Leases

The Group as lessee

The Group leases several assets including buildings, plants, cars and filling machines. The average lease term is 5 years.

Right-of-use assets

March 31, 2021	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	52 636	27 141	18 231	98 007
Net additions (disposals)	423	- 579	753	597
Cost at 31.03	**53 059**	**26 562**	**18 984**	**98 604**
Accumulated depreciation at 1.1	- 10 133	- 11 496	- 7 108	- 28 737
Current period depreciation charge	- 1 253	- 1 334	- 908	- 3 495
Accumulated depreciation at 31.03	**- 11 386**	**- 12 830**	**- 8 016**	**- 32 232**
Carrying amount at 31.03	**41 673**	**13 732**	**10 968**	**66 372**

December 31, 2020	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	56 375	24 708	13 353	94 436
Net additions (disposals)	- 3 739	2 433	4 878	3 571
Cost at 31.12	**52 636**	**27 141**	**18 231**	**98 007**
Accumulated depreciation at 1.1	- 5 018	- 5 583	- 3 386	- 13 986
Current year depreciation charge	- 5 116	- 5 913	- 3 722	- 14 751
Accumulated depreciation at 31.12	**- 10 133**	**- 11 496**	**- 7 108**	**- 28 737**
Carrying amount at 31.12	**42 502**	**15 645**	**11 123**	**69 270**

The Group has no significant purchase options. Approximately 0.1% of the leases were terminated in the first quarter of 2021 and in 2020. The gross additions to right-of-use assets, excluding adjustments to existing contracts, were EUR 475 in the first quarter of 2021 and EUR 9,111 in 2020. The expired and terminated contracts in 2021 were replaced by new leases for similar underlying assets. In the first quarter of 2021 changes in a closures moulding lease agreement resulted in the negative adjustment in machinery. In 2020 a new office rental agreement was signed for the Mannheim location and office lease extensions for several locations which accounts for a majority of additions. Expenses related to short-term leases are EUR 2 in the first quarter of 2021 and EUR 20 in 2020. In the first quarter of 2021 expenses related to low value assets are EUR 198 and EUR 768 in 2020.

Note 6 Equity and shareholder information

The share capital is NOK 349,665,607 (EUR 47,482,686) and consists of 5,012,707 shares at face value EUR 9.472 per share. There are no changes in share capital from 2020. All shares have equal voting rights.

The company is owned 99.91% by Ferd AS and 0.09% by management.

The Board proposes that a dividend of NOK 20 per share is paid for the financial year 2020. If approved the total dividend payment will be EUR 9.6 million.

Note 7 Interest-bearing loans and borrowings

		31-Mar 2021		31-Dec 2020
Interest-bearing loans and borrowings	**Available**	**Utilised**	**Available**	**Utilised**
Current liabilities to financial institutions	56,617	13,148	56,354	15,552
Non-current liabilities to financial institutions	400,000	229,142	400,000	213,135
Total		**242,290**		**228,687**

Note 8 Financial risk management

Balance sheet management
Elopak manages its balance sheet with a view to optimising Value Adjusted Equity. This is primarily done through an annual budget process where targets for profitability and limits for capital expenditures are defined. Throughout the year, performance versus these targets and limits are monitored closely. Furthermore, the liquidity and balance sheet ratios Net Interest Bearing Debt/EBITDA are monitored to ensure that operating liquidity is sufficient and that bank covenants are met at all times.

Financial risk policy
Elopak is exposed to market risk, credit risk and liquidity risk. Risk management activities are governed by appropriate policies and procedures. Risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There have been no significant changes in the management of risks related to financials during the period.

CATEGORIES OF FINANCIAL RISK TO OPERATIONAL BUSINESS

1. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, and commodity price risk, and interest rate risk. Elopak buys derivatives in order to manage market risks, and seeks to apply hedge accounting in order to manage volatility in profit or loss.

As at March 31, 2021 payments from customers are not significantly impacted by the COVID-19 pandemic.

Derivatives	**Assets**	**Liabilities**	**31-Mar 2021**	**Assets**	**Liabilities**	**31-Dec 2020**
Currency derivatives	3,359	2,906	453	1,871	1,692	179
Commodity derivatives	5,720	-	5 720	267	232	35
Interest rate derivatives	113	3,600	- 3 487	-	4,286	- 4 286
Total	**9,191**	**6,506**	**2 685**	**2,138**	**6,210**	**- 4 072**

The full fair value of a derivative is classified as "Other non-current assets or "Other non-current liabilities" if the remaining maturity of the derivative is more than 12 months and, as a "Other current assets" or "Other current liabilities", if the maturity of the derivative is less than 12 months.

Where eligible, derivatives used for hedging are designated in cash flow hedge accounting relationships.

Note 9 Income Tax

Due to NOK recognition for tax purposes of Group financing, the currency effects in Q1 2021 increased the tax expense by EUR 1,016 and in Q1 2020 decreased the tax expense by EUR 4,338.

Note 10 Subsequent events

There were no significant events that occurred subsequent to the balance sheet date that would have an impact on the interim financial statements.

The annual report for 2020 provides a description of the uncertainties and potential business impact from the COVID-19 pandemic outbreak.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

The Group prepares and reports its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the IASB and as endorsed by the EU ("IFRS"). In addition, the Group presents several Alternative Performance Measures ("APMs").

In accordance with European Securities and Market Authority (ESMA) guidelines dated 10 May 2015, an APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). It should be noted that these measures do not have any standardised meaning prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies.
The APMs are regularly reviewed by the Group's management. The APMs are reported in addition to but are not substitutes for the Group's consolidated financial statements, prepared in accordance with IFRS.

The APMs provide supplementary information to measure the Group's performance and to enhance comparability between financial periods. The APMs also provide measures commonly reported and widely used by investors, lender and other stakeholders as an indicator of the Group's performance. These APMs are among other, used in planning for and forecasting future periods, including assessing our ability to incur and service debt including covenant compliance. APMs are defined consistently over time and are based on the Group's consolidated financial statements (IFRS).

EBITDA
EBITDA is a measure of earnings before interest, taxes, depreciation, amortization and impairments. The Group has presented this APM because management considers it to provide useful supplemental information for understanding the overall picture of profit generation in the Group's operating activities, including the Group's ability to service debt and to fund capital expenditures, as well as comparing its operating performance with that of other companies.

Adjusted EBITDA
Adjusted EBITDA is a measure of EBITDA adjusted for certain items affecting comparability (the "Adjustment items") and further including the Group's Share of net income from joint ventures (less historical Share of net income from joint ventures that have been discontinued) presented as part of Financial income and expenses. The Group has presented this APM because management considers it to be an important supplemental measure for understanding the underlying profit generation in the Group's operating activities (including joint ventures) and comparing its operating performance (including joint ventures) with that of other companies.

Adjusted profit attributable to the Owner of the Company
Adjusted profit attributable to the Owner of the Company represents the Group's profit attributable to the Owner of the Company adjusted for certain items affecting comparability, taking into account the Adjustment items, related estimated calculatory tax effects based on a 23% tax rate and excluding historical Share of net income from joint ventures that have been discontinued. The Group has presented this APM because management considers it to provide useful supplemental information for understanding the Group's profit attributable to the Owner of the Company and for comparability purposes with other companies.

Adjusted basic and diluted earnings per share (Adjusted EPS)
Represents Adjusted attributable to the Owner of the Company divided by weighted average number of ordinary shares – basic and diluted.

Net debt
Net debt is a measure of borrowings (including lease liabilities) less cash and cash equivalents for the period. The Group has presented this APM because management considers it as a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking into account cash and cash equivalents within the Group's business that could be utilized to pay down outstanding borrowings. Net debt is also used for monitoring the Group financial covenants compliance by management.

Net debt / adjusted EBITDA (Leverage ratio)
Leverage ratio is a measure of Net debt divided by Adjusted EBITDA. The Group has presented this APM because management considers it as a useful indicator of the Group's ability to meets its financial obligations. Net debt / adjusted EBITDA is also used for monitoring the Group's financial covenants compliance by management.

Adjusted EBITDA

EUR 1.000

		Quarter ended 31-Mar		Year ended 31-Dec
Items excluded from Adjusted EBITDA	**Type**	**2021**	**2020**	**2020**
Gain on sale of property Speyer	Other income			-5,203
Transaction cost	Cost	820		
Total adjustment items		**820**		**-5,203**
Calculatory tax effect [(1)]		-189		1,197
Total adjusted items net of tax		**631**		**-4,006**
Reconciliation of EBITDA and adjusted EBITDA				
Operating profit		17,158	13,790	70,656
Depreciation, amortization and impairment		13,496	13,379	52,209
EBITDA		**30,654**	**27,169**	**122,866**
Adjustment items		820	-	-5,203
Share of net income from joint ventures (continued operations) [(2)(3)]		882	1,600	4,627
Impairments on joint ventures investment (continued operations) [(2)(3)]		-	-	-
Adjusted EBITDA		**32,357**	**28,769**	**122,290**

1) Calculatory tax effect on adjusted items at 23% affecting net income
2) Share of net income and impairment on investment from joint ventures included in adjusted figures
3) See reconciliation of net income from joint ventures

Adjusted profit attributable to the Owner of the Company

	Quarter ended 31-Mar 2021	Quarter ended 31-Mar 2020	Year ended 31-Dec 2020
Profit	10,951	15,788	47,828
Adjustments net of tax	631	-	- 4,006
Excluding share of net income from joint ventures (discontinued operations)[3]	-	- 18	1,472
Adjusted profit	**11,582**	**15,770**	**45,293**

Net debt and Leverage ratio

	31-Mar 2021	31-Dec 2020
Bank debt	230,009	214,102
Overdraft facilities	13,148	15,552
Lease liabilities	85,650	88,175
Net Debt	**318,271**	**311,385**
Leverage ratio		**2.5**

Adjusted EPS

	Quarter ended 31-Mar 2021	Quarter ended 31-Mar 2020	Year ended 31-Dec 2020
Number of shares	5,012,707	5,012,707	5,012,707
Profit	10,951	15,788	47,828
Adjusted profit	11,582	15,770	45,293
Basic and diluted earning per share (in EUR)	2.18	3.15	9.54
Adjusted basic and diluted earning per share (in EUR)	2.31	3.15	9.04

Reconciliation of net income from joint ventures

Share of net income joint ventures	Quarter ended 31-Mar 2021	Quarter ended 31-Mar 2020	Year ended 31-Dec 2020
Al-Obeikan Elopak factory for Packaging Co	-	18	- 1,472
Lala Elopak S.A. de C.V.	778	912	2,595
Impresora Del Yaque	104	689	2,032
Elopak Nampak Africa Ltd	-	-	-
Total share of net income joint ventures	**882**	**1,618**	**3,155**
Share of net income joint ventures discontinued operations	**-**	**18**	**- 1,472**
Share of net income joint ventures continued operations	882	1,600	4,627
Impairment on joint ventures investment continued operations	0	-	0
Share of net income continued operations	**882**	**1,600**	**4,627**

To the Board of Directors of Elopak Group

Report on Review of Interim Financial Information

Introduction

We have reviewed the condensed consolidated interim financial statements of Elopak Group as of 31 March 2021, the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of changes in equity and the condensed statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 31 March 2021, and its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Oslo, 6 May 2021
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Report on Review of Interim Financial Information

Signers:

Name	*Method*	*Date*
Haglund, Geir	BANKID_MOBILE	2021-05-06 22:17

APPENDIX C AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2020, 2019 AND RESTATED 2018

Item 7.2 Group BoD report and Consolidated Fin Stm 2020.pdf

Signers:

Name	*Method*	*Date*
Wiklund, Marius	BANKID_MOBILE	2021-03-11 14:31 GMT+1
SID JOHARI	BANKID	2021-03-11 14:33 GMT+1
Per Thau	NEMID	2021-03-11 15:26 GMT+1
Solberg, Trond	BANKID_MOBILE	2021-03-11 15:32 GMT+1
Michael Cronin	One-Time-Password	2021-03-11 15:39 GMT+1
Thomas Ralph Körmendi	BANKID	2021-03-11 15:39 GMT+1
Lunder, Jo Olav	BANKID_MOBILE	2021-03-11 19:28 GMT+1
Sveva, Erlend	BANKID_MOBILE	2021-03-11 21:17 GMT+1

ELOPAK GROUP

CONSOLIDATED FINANCIAL STATEMENTS

2020

ELOPAK BOARD OF DIRECTOR`S REPORT 2020

HIGHLIGHTS

- Strengthened focus on sustainable supply chains, further reductions in greenhouse gas emissions and more environmentally friendly product developments.
- Elopak protected employee health through a proactive and professional response to COVID-19 and did not experience any major operational disruptions.
- 2020 was a strong year in terms of financial performance with an increase in EBITDA to EUR 122.9 million, which is the best annual EBITDA result in Elopak history.
- Pure Pak volumes are in line with last year's volume levels, with growth in the aseptic segment and fresh juice compensating for the reduction in fresh dairy volumes.
- The Pure Pak business in Europe showed good performance, supported by a significant reduction of manning and travel costs.
- Purchasing savings on PE and Alu combined with operational improvements contributed to an improved cost position, especially in the Montreal plant.
- Filling machine placements and business development was negatively affected by COVID-19 as customers shifted their focus to more short-term projects and CAPEX reductions.

COMPANY OVERVIEW

Elopak is a leading global supplier of carton packaging and filling machines for liquid food, catering to both the fresh and ambient segments. Elopak was founded in 1957 and is wholly owned by the Ferd Group. The head office is in Oslo, and the Elopak Technology Centre is based in Spikkestad, Norway. Elopak has seven production plants in Europe and the Americas and operates in more than forty countries through market units and associates.

THE MARKETS

In 2020, both our social and cultural activities as well as the world economy have been heavily impacted by COVID-19. Governmental measures have to some extent lessened the COVID-19 impact on the financial and employment situation for many households. In Elopak's core markets we have observed varying degrees of the pandemic's impact; in Northern Europe there is less of an impact while in Southern and Central Europe, households are more severely impacted by the pandemic. Consumers are now giving increasingly more importance to "value for money" products and convenience stores as discounters.

The importance of plastic waste is still a significant challenge in Europe, with an especially strong focus in the Northern European countries. Additionally, we observe that the environmental concerns became more widespread, and concerns about climate change are increasing.

The impact of environmental problems has an increased awareness in the minds of the consumers as the negative effects become increasingly noticeable. While forest fires and melting icebergs appear far away, four out of ten European households already state today that they are personally affected by environmental issues. Consumers have a wide range of purchasing criteria when it comes to sustainability. A key differentiating factor is the question of whether and to what extent plastic is used for packaging. Consumers attach an even greater importance in 2020 to avoiding plastic than in 2019, even though the topic of hygiene was placed very much in the foreground at the Point-Of-Sale during the pandemic.

There are indications that 2020 can be a point-of-change with the market shifting from a PET increase in the past back to cartons. Decreasing revenues of PET filling equipment suppliers underlines the trend towards cartons although investment resulting from the COVID-19 crisis clearly affects that scenario.

PROFIT

FINANCIALS

In Europe, Elopak`s sales volume was 7.5 billion Pure Pak cartons (2019: 7.5 billion). Volumes in the fresh segment declined by 2%, reflecting mature European markets and some loss of customer contracts. In the aseptic segment volumes grew by 14% as a result of the increasing installed base of aseptic filling machines. The juice segment performed well, partly reflecting changes in consumer behavior responding to various consequences of the COVID-19 pandemic. In the Americas, Elopak delivered 1.8 billion cartons, as compared to 1.9 billion the year before. This volume reduction is reflecting Elopak's exposure to the school milk, food service and hotel industries which were all negatively impacted by COVID-19. Elopak also lost volume with a few customers and it was challenging to attract and sign new larger customers due to COVID-19.

Sales of roll-fed packaging materials reached 2.2 billion packs (measured in one-liter equivalents) versus 2.4 billion in 2019. The main reason for the decrease was the loss of sales to a major customer in the Americas. In Europe volumes grew by 4%.

Elopak placed a total of thirty-five filling machines with customers in 2020 (2019: 37) and continues to promote the aseptic Pure-Pak™ filling system. A total of five new filling lines were installed in the aseptic segment. The PPA aseptic Pure-Pak™ system is performing well at the customer sites with the highest standards on sterility and food safety.

Group net sales for 2020 were EUR 914.0 million as compared to EUR 906.5 million in 2019. Income in Europe grew by 3 percent, while income in Americas declined by 9 percent. In Europe the key drivers behind the revenue growth are increased sales of Pure Pak cartons for the aseptic segment and sales of Roll Fed packages. The sale of the building in Speyer at EUR 5 million is included in the European income. In Americas the impact of COVID-19 in the food service segment as well as loss of customer contracts had a negative impact on revenues.

Group EBITDA for 2020 was EUR 122.9 million, compared to EUR 88.3 million for 2019. When adjusting for the closing down of the converting plant in Speyer, EBITDA increased by EUR 21.1 million. Operational labor efficiency in Europe and waste reductions in the Americas both had a significant impact on the reductions to cost of sales. Contribution margins improved based on lower raw material costs, an attractive market and product portfolio mix and the impact of the Company's commercial excellence initiatives. Other expenses declined by EUR 6.8 million mainly as a result of COVID-19 related lower travel activity.

Operating profit for the year was EUR 70.7 million (2019 EUR 36.0 million).

Elopak`s share of net profit from joint ventures was EUR 3.2 million in 2020, versus a negative EUR 1.7 million in 2019. The underlying share of profit from the two American joint ventures was EUR 4.6 million, which is in line with the year before. The 2019 result was impacted by a EUR 6.1 million write down of the investment in Elopak Obeikan, which was finally exited in April 2020. A negative currency translation difference at EUR 1.5 million was recognized upon disposal.

Net financial costs for 2020 were EUR 13.6 million compared to EUR 17.4 million for 2019. The improvement was mainly due to lower interest expense as a result of reduced interest-bearing debt and lower interest rates.

Income tax expense for 2020 was EUR 12.4 million, corresponding to an effective tax rate of 21%. (2019: EUR 7.0 million, or 42%). The expected effective tax rate for the group is approximately 23%, depending on the relative mix of profits and losses taxed at varying rates in the jurisdictions in which Elopak operates. The main reason for the deviation from the expected effective tax rate is the variation in the distribution of taxable profit within the Group and the impact from the differences in local and functional currencies. In 2019 the high effective tax rate is explained by a lost tax credit on withholding taxes related to interest and royalties and an adjustment in respect of previous years' taxes.

During 2020 a total of EUR 9.5 million was paid to the shareholders as dividends, compared to EUR 10.4 million in 2019.

Cash flows from operations were EUR 102.6 million in 2020, an increase of EUR 0.7 million compared to the prior year. The improved cash flow from a higher EBITDA was to a large extent offset by higher cash outflows related to net working capital. This is a consequence of a lower than normal net working capital at the end of 2019. During 2020 average working capital as a percentage of sales improved. Cash flows used in investing activities decreased by EUR 5.2 million, from EUR 40.8 million in 2019 to EUR 35.6 million in 2020. The improved investing cash flow was mainly from the sale of Speyer building. CAPEX spending related to manufacturing facilities, intangible assets and filling machines was EUR 50.2 million. Cash flows used in financing activities increased by EUR 13.8 million, mainly due to higher repayment of loans to financial institutions.

The balance sheet conditions remain satisfactory at year-end 2020. Net interest-bearing bank debt has decreased to EUR 222.2 million from EUR 257.9 million one year earlier. Book equity increased from EUR 153.9 million in 2019 to EUR 185.4 million, mainly as a result of the annual profit of EUR 47.8 million.

For 2020 the proposed dividend is EUR 9.6 million.

The Board confirms that the accounts are presented under a going concern assumption.

OPERATIONS

Operations at the European coating and converting plants were good during 2020. At the largest site in Terneuzen, production was impacted by the onboarding of the configurations previously produced in Speyer. Efficiency was gradually stabilized during the first half of the year, and towards the end of 2020 waste levels were below the average for 2019. All other plants managed to improve on the waste levels, with the largest improvements in Roll Fed production. These results have been achieved through a structured continuous improvement program. Following the capacity reduction in Pure Pak, operations have been run at high utilization contributing to a lower cost of sales.

Roll out of the new business management system (Enterprise resource planning-ERP) progressed as planned in 2020. Go-live was accomplished at two new sites, the filling machine assembly in Germany and the roll fed plant in the Ukraine. In a challenging COVID-19 pandemic context most of the preparation, implementation and support was done remotely. Supplies to customers were uninterrupted.

The converting plant in Montreal delivered strong results in 2020. Waste levels were reduced by more than two percentage points as compared to the prior year. This was achieved through a focused collaboration between sales, production and quality functions. In addition to the reduced consumption of materials, a reduction in the cost of sales was achieved through optimizing the work force. This was accomplished through the optimization of order size and production schedules.

PEOPLE

At the end of 2020, the Elopak Group had 2,132 employees, of which 78% were male and 22% female. The majority of Elopak employees are working in the Netherlands (480), Denmark (311), Canada (295), Germany (255), Russia (191), and Norway (167).

Out of the 2,132 employees, Elopak Group has a diversified workplace consisting of individuals representing more than fifty different nationalities. Elopak recruits employees who actively contribute to our continuous development; people with different backgrounds, skills, culture and experience.

In 2020 we promoted more women to our upper management level and recruited employees aged 55 and above. Elopak has a policy to achieve the same distribution in gender diversity across all hierarchical levels.

HEALTH AND SAFETY

Elopak safety performance has improved in 2020 and the negative safety trend of 2019 has been reversed. All health and safety KPI's show improvement with a reduction of the Lost Time Injury (LTI) rate by 27%, the Total Recordable Injury (TRI) rate by 47% and number of First Aid Injuries (FAI's) by 51%. TRI severity also shows a decrease over recent years and performance in individual plants has demonstrated that zero injury rates are possible. While we are pleased with the development, the current levels are not at a satisfactory level. The Company has set clear targets for 2021. These targets will be achieved through the following common group focus areas:

1. **Technical safety actions**: including consolidation of ISO45001 certification in manufacturing sites, improvements in machine safety and assessment of risks in operational tasks, as well as further development of the Elopak Safety Standard and safety audits.
2. **Behavior based safety actions**: including continued leadership focus, visualization of safety to promote safety awareness and training of line managers in safety impact dialogues.
3. **Integration of safety into the daily improvement agenda:** ensuring that employees at all levels consider safety alongside quality, efficiency and delivery in their day-to-day work, as well as in development and other projects.

Local safety plans are defined to fit with local needs, with the ambition to reduce the incident rates towards zero.

Absence due to sickness has been reduced from 4,1% in 2019 to 3,9% in 2020. Corrective actions with focus on health and safety activities for managing a healthy and proper business environment are carried out in cooperation between the HR/HSE organization, relevant line managers and local health service providers. When relevant, employees are invited to perform alternative tasks or to work part-time as part of a program to get back to work earlier. Management also maintain a close dialogue with the European Works Council as well as local Works Councils about health and safety and preventive actions.

CRISIS MANAGEMENT

Crisis management is an active part of the Company's risk management process. In 2020, the COVID-19 crisis has been a real test of policies and procedures. In addition to handling the pandemic, the Company has performed the following activities within the area of security and crisis management.

Forms and declarations for the employee use of Elopak IT-tools, confidentiality undertaking, and intellectual property have been implemented, signed by employees and is a now part of all legal employment contracts with Elopak.

Digital training for all employees in digital IT-security was repeated in autumn 2020.

Elopak has enforced the training for the Local Data Protection Coordinators and all employees in 2020 in order to comply with the GDPR regulations and conducted a compliance audit during fall 2020.

Elopak has worked out guidelines and country reports for complying with the Posted Workers Directive reflecting the employer's obligation. In addition, guidelines supporting small entities with limited staff function have been established.

European Commission PWD definition:

"A "posted worker" is an employee who is sent by his employer to carry out a service in another EU Member State on a temporary basis, in the context of a contract of services, an intra-group posting or a hiring out through a temporary agency."

Three separate introduction and training sessions were held in the fall of 2020 for the HR Network, Technical Managers and General Managers.

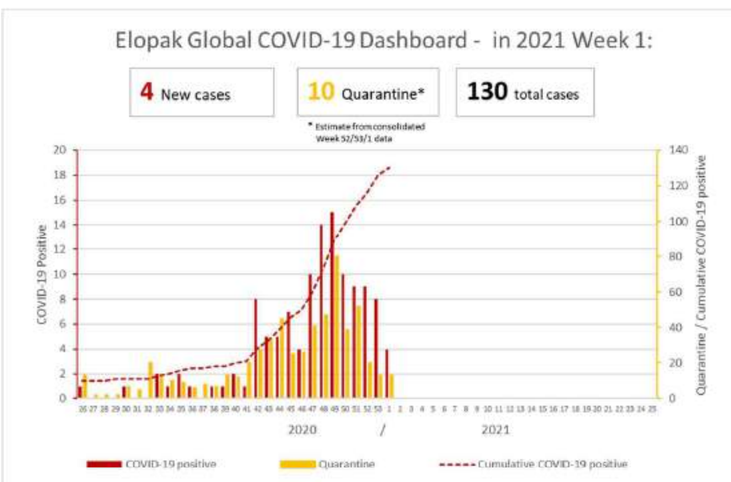
Elopak conducts "Table-Top" crisis management training sessions, which is a theoretical-simulation exercise. The training is a desk-top training based on simulation and involves realistic scenarios relevant for Elopak. This type of exercise is particularly useful for validation purposes, for exploring weaknesses in procedures, developing staff competencies and giving key employees practice in preparation for carrying out their roles when responding to a crisis. Manuals have been developed, reflecting in detail how Elopak shall handle each step in a crisis situation.

In 2020 "Table-Top" training was limited to Service Managers in the region Europe North & CIS due to the COVID-19 pandemic. Training concepts have been prepared for other parts of the organization, including the Group Leadership Team.

HANDLING OF COVID-19 PANDEMIC THROUGHOUT THE ELOPAK GROUP

During 2020, the risk of a COVID-19 infection has been very well managed to protect employee health and safety and to maintain operations.

A few employees were infected in the first COVID-19 wave, while the majority of COVID-19 infections occurred during autumn 2020.



A Corporate Response Team under the lead of CHRO was established in March to align and establish local processes to avoid spreading of the virus and protect against the infection of our employees. Daily, and later weekly, meetings have been held to monitor the development of the rate of COVID-19 infections and take the necessary precautions. Corporate guidelines for handling the pandemic were established and continuously updated throughout 2020 for alignment in Local Response Teams, which were put in operation at all sites. The Local Response Team's main tasks have been to create a COVID-secure workplace, control infection rates and report weekly to the Corporate Response Team.

Elopak has implemented a policy of home office for the majority of the non-manufacturing employees in Elopak units, based on the advice from local governments and health authorities. This action has been taken in order to limit or avoid the spread of infection and for the protection of production and other business critical units.

Travel to customers and own facilities has been limited to travel that is deemed as essential to ensure continuous operations and production, and any essential travel to ensure the safeguarding of critical business operations and growth. The digital roll-out of Teams virtual-meeting application was performed within a few weeks of the COVID-19 pandemic outbreak to enable people to stay connected and avoid non-essential travel throughout the COVID-19 pandemic.

Temperature measurement equipment has been installed at all manufacturing sites and Headquarters.

ETHICS & COMPLIANCE

The basic rules related to employee relations and conditions are embedded in the Code of Conduct and Elopak Anti-Corruption policy, which stipulates the rules and guidelines related to the ethical conduct of business, and equal opportunities, non-harassment and observation of health and safety standards for employees. The Code of Conduct and Anti-Corruption policy is an integral part of the legal employment contract with Elopak for employees and contractors.

All employees are required on an annual basis to complete PureEthics - the Elopak Code of Conduct and Anti-Corruption Policy e-learning training program. This requirement is in order to continuously maintain a focus on ethical behavior and compliance with Elopak policies. A more in-depth dilemma training workshop concept has also been implemented in 2020 for selected target groups.

Possible breaches of the Code of Conduct and the Anti-Corruption policy are required to be reported to line management or through the external whistleblower channel with KPMG, Norway. The whistleblower service provided by KPMG ensures that employees and external stakeholders can report their concerns confidentially and anonymously with no ability to trace the report back to the notifier. Elopak has a policy of no retaliation or adverse action or reprisal against the person who made a report in good faith.

Elopak has developed a Global Supplier Code of Conduct (SCoC) to illustrate and clarify what to expect from the suppliers in the areas of business ethics, human rights, labor practices, health and safety and the environment. The SCoC outlines the minimum compliance standards Elopak requires from its suppliers when doing business with Elopak, in addition to requiring supplier compliance with all applicable laws and regulations. The SCoC is based on the ten principles of the UN Global Compact, the UN Declaration of Human Rights and the core ILO (International Labor Organization) conventions.

During the second half of 2020 Elopak performed a group-wide Ethics & Compliance Survey in order to assess the awareness of our Code of Conduct and Anti-Corruption Policy. In addition, a dedicated ethics and compliance risk analysis was conducted to drive Elopak priorities for 2021. In 2021 the Company strengthened the compliance function with the appointment of a dedicated full-time Chief Compliance Officer. Elopak's objective is to continue to develop a more proactive and risk-based approach while simultaneously increasing the focus on proper ethical behaviors in addition to procedures.

PLANET

In Elopak, sustainability is embedded into the business, and the Company aims to have a leading role in the industry by providing the most sustainable packaging solutions. The sustainability program is broken down into clear targets and strategic initiatives within each business unit. The sustainability program was rolled out across Elopak during 2019 and 2020.

Elopak publishes a complete sustainability report that includes all relevant data and follows the GRI framework. Elopak also reports into several sustainability channels. The Ecovadis platform is becoming a well-known benchmark for sustainability performance, and Elopak improved its score from 60 to 65 points (out of 100) and is ranked in the 93rd percentile. Elopak also reported to the CDP (Carbon Disclosure Project) in 2020 with an overall score of B.

Elopak organized a sustainability challenge in 2020 to boost employee awareness and employee commitment to sustainability. Even though the challenge had to be conducted virtually due to COVID-19, more than 150 sustainability ideas were raised by Elopak's employees. These sustainability suggestions will be internally evaluated during 2021.

Elopak has had a strong environmental focus for many years. The Company is systematically looking for ways to reduce the carbon footprint for its customers and for its value chain. This environmental focus is also directly connected to multiple strategic initiatives under the sustainability program.

SCIENCE BASED TARGETS AND COMMITMENT TO LOW CARBON PACKAGING

2020, Elopak continued its journey to cut greenhouse gas emissions in line with the criteria set by the Science Based Targets (SBT) initiative, aiming to keep the global average temperature increase below 1.5°Celsius. Our commitment is a target of a 55% reduction in Elopak's 2017 level of emissions by the year 2030, in addition to a commitment to continue purchasing renewable electricity, and reduce emissions from the value chain by 16%.

Elopak's scope 1 emissions (own emissions) were reduced by 19% from 2017 to 2020, showing good progress towards the 2030 target of an overall reduction of 55%. For the last five years, since 2016, Elopak has purchased 100% renewable electricity. This will be covered in more detail in the upcoming sustainability report.

Elopak continues to be a carbon neutral company offering CarbonNeutral® Packaging. Sales of CarbonNeutral® Packaging has increased gradually since the launch in 2016 and sales in 2020 were over 400 million cartons. This is an increase of 83% from 2019 and represents a compensation of approximately 14 500 tonnes of CO_2e.

Elopak also launched Pure-Pak® Imagine, the most environmentally friendly carton to date. The new carton is a modern version of the Company's original Pure-Pak® carton, designed with an easy open feature. Several customers have removed the closure of the carton in order to reduce greenhouse gas emissions, and there are examples of customers replacing PET bottles with beverage cartons to improve their environmental performance.

RESPONSIBLE SOURCING

Elopak has entered into an agreement with Ecovadis, which will be used as a risk assessment platform and tool towards suppliers. The first assessment campaign was launched in April 2020 and targeted key suppliers delivering raw materials and selected suppliers of other critical materials and services to the core business. Elopak monitors its suppliers through Corrective Actions Management and continuous follow up of the suppliers' performance and improvements. The Elopak internal due diligence framework, including the Supplier Questionnaire, has been improved to better incorporate social and environmental factors and evaluate suppliers' compliance to Elopak's Supplier Code of Conduct.

Eighty-five percent of all suppliers (by spend) have signed Elopak's Global Supplier Code of Conduct or demonstrated compliance. Elopak is a member of Ethical Trade Norway, a Non-Governmental Organization promoting responsible business conduct in supply chains so that trade helps to secure human rights, worker's rights, society and the environment.

In 2020, 67% of the cartons delivered by Elopak were FSC certified (74% in Europe). One hundred percent of the fibers used in Elopak`s cartons are sourced according to the FSC standards. Renewable PE carton volumes have increased 43% since 2019, while there was a slight reduction in the number of renewable PE closures sold.

CIRCULAR ECONOMY

In 2019, the average carton industry recycling rate in Europe was 51%, up 2% from the previous year. In Canada, the recycling rate was 60%, while in the United States, 61% of households have access to beverage carton recycling.

Recycling efforts need to improve in order to meet the targets established by the EU Packaging and Packaging Waste Directive and Waste Framework Directive and Single Use Plastic Directive, as well as to meet the increasing requirements from core markets. Elopak works through several industry associations both on advocacy and to improve the recycling of beverage cartons. During 2020, initiatives were made through EXTR:ACT to map out strategies and activities specifically focused on the recycling of polymers and aluminum (polyal).

Founded in 2019, the new global beverage carton industry platform called GRACE started its work in 2020. GRACE will support the industry in its drive to ensure that beverage cartons are recognized as net zero-carbon emissions packaging, thus contributing to climate change mitigation and more effective collection and recycling worldwide.

The paper industry's initiative 4Evergreen started several workstreams in 2020 to help boost the contribution of fiber-based packaging in a circular economy.

RISK AND GOVERNANCE

Elopak is exposed to normal operational and financial risks inherent with operating as an international group involved in producing food packaging materials with individual consumers as the end user of our products.

Elopak products are in direct contact with the content that is packaged. Therefore, food safety risks are of critical importance. Elopak executes strict quality controls over the production of the packaging system components and strict controls on the system itself. During 2020, there were no significant non-sterility or food safety issues.

Risks in the production processes are managed through systematic process improvement work, through detailed work safety standards, and through maintenance procedures at the plants. Elopak is covered by insurance that is normal for this type of industry, covering the financial impact of unforeseen events that would cause significant damage to our equipment or products.

Guidelines, manuals and templates regarding cyber-attack and IT-systems have been revised in 2020. A backup intranet site for internal emergency use and the AirScramble SMS solution have been implemented.

Financial risks are related to movements in product prices and raw material costs, as well as to unforeseen operational issues leading to higher costs.

A significant portion of Elopak`s sales are made under contracts of one year or longer in duration, and raw materials are typically purchased under contracts with durations of 2-4 years. Financial hedging market instruments are used to mitigate the risks of adverse price movements for selected raw materials, mainly polyethylene and aluminum.

Elopak is financed through a number of banking agreements. The primary loan facility is a EUR 400 million revolving credit facility made available by a syndicate of five international banks. The unused portion of this facility functions as the liquidity reserve for the Group and is of sufficient size for current requirements.

Board of Directors and management

The Board of Directors had seven meetings in 2020.

OUTLOOK

MARKETS

In 2020, both our society as well as the world economy have been heavily impacted by COVID-19, and the medium to long-term impact is challenging to predict. Elopak is in an industry which has proven to be COVID-19 resilient, as packaging is a part of the food chain and an essential product. "Value-for-money" is expected to continue to be important during financial recovery post the pandemic. Overall economic development impacts the consumption of liquid packaging material and shifting demographics, such as increasing urbanization and a growing upper and middle class will drive higher consumption levels in developing markets.

COVID-19 has contributed to the increased demand for food safety and long shelf life. Increasing environmental awareness is driving the demand for sustainable packaging and waste reduction, resulting in an increased focus on the carbon footprint and recyclability of packaging materials. After a temporarily changed focus in 2020, customers believe sustainability priorities will become more important going forward.

Following the trends described above, and after several years with slightly reduced volumes, the carton market is expected to grow moderately in Europe and Americas. Higher growth rates are expected in Asia / Pacific and Middle East / North Africa following the GDP growth and urbanization trends.

In Elopak's core markets the competition will remain strong for standard products, but with opportunities for improved margins in premium segments that put additional value to food safety, innovation and sustainability.

COMPANY

Elopak is well positioned to address the market opportunities and challenges. Sustainability is embedded in the business strategy and the Company actively pursues the opportunities arising from sustainability awareness and the expected move from plastic to carton.

The Company will continue to focus on executing the growth strategy in the Americas and leverage its fresh Pure-Pak® portfolio and system approach as already successfully deployed in Europe.

The Company will continue to implement its Pure-Pack Aseptic growth roadmap, responding to the need for long shelf life solutions. Key elements are the launch of the Elopak Machine Platform and the introduction of new innovative products.

To strengthen Elopak's position in growth markets the Company will actively pursue business opportunities in the Middle East, Africa, and Asia.

Overall, the Company will continue to drive systematic improvements through commercial excellence, purchasing and value engineering.

The parent Company

The net result of the parent company Elopak AS was EUR 30.8 million.

The Board of Directors proposes a dividend to all shareholders of NOK 20 per share, for a total of EUR 9.6 million.

EUR 21.3 million is proposed to be transferred to retained earnings.

Skøyen 11th March 2021
Board of Directors in Elopak AS

Jo Olav Lunder (Chairman)	Trond Solberg	Michael Francis Cronin
Seyed Mehran Johari	Marius Wiklund	Per Thau
Erlend Sveva		Thomas Körmendi (CEO)

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STATEMENT OF COMPREHENSIVE INCOME **EUR 1.000**

	NOTE	2020	2019
Revenues	4, 14	908 773	906 424
Other operating income	4	5 221	106
Total income	4, 5	913 994	906 530
Raw material expenses and change in inventory		-576 637	-587 630
Payroll expenses	6	-168 573	-177 908
Depreciation, amortization and impairment	11, 12, 13, 14	-52 209	-52 305
Other operating expenses	7, 8	-45 918	-52 687
Total operating expenses		-843 338	-870 529
Operating profit	5	**70 656**	**36 001**
Financial income and expenses			
Share of net income from joint ventures	15	3 155	-1 690
Financial income	9	1 588	2 523
Financial expenses	9	-15 190	-19 936
Profit before taxes		**60 209**	**16 897**
Income tax expenses	10	-12 381	-7 031
Profit for the year		**47 828**	**9 866**
Profit for the year attributable to:			
Owners of the parent company		47 828	9 866
Basic and diluted earnings per share (in EUR)	20	9,54	1,97
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net value gains / losses (-) on actuarial benefit plans, net of tax		-71	247
Items reclassified subsequently to net income upon derecognition			
Exchange differences on translation foreign operations		-10 998	4 431
Net value gains / losses (-) on cash flow hedges, net of tax		2 136	1 334
Joint ventures			270
Other comprehensive income for the year, net of tax		**-8 934**	**6 282**
Total comprehensive income for the year		**38 894**	**16 148**
Total comprehensive income attributable to:			
Owners of the parent company		38 894	16 148

STATEMENT OF FINANCIAL POSITION

EUR 1.000

ASSETS	NOTE	2020	2019
NON - CURRENT ASSETS			
Development cost and other intangible assets	11	61 211	61 101
Deferred tax assets	10	23 544	32 600
Goodwill	12	52 291	51 361
Property, plant and equipment	13	188 429	185 131
Right-of-use assets	14	69 270	80 450
Investment in joint ventures	15, 19	26 956	27 710
Other non-current assets	23	14 517	24 126
Total non - current assets		**436 217**	**462 479**
CURRENT ASSETS			
Inventory	17	135 523	127 387
Trade receivables	18	113 050	113 828
Other current assets	18	57 889	56 339
Cash and cash equivalents		6 443	15 507
Total current assets		**312 906**	**313 061**
Total assets	5	**749 123**	**775 540**

Elopak Group
Consolidated Financial Statements

STATEMENT OF FINANCIAL POSITION

EUR 1.000

EQUITY AND LIABILITIES	NOTE	2020	2019
EQUITY			
Share capital	20	47 482	47 482
Other paid-in capital		15 332	13 188
Currency translation reserve		-41 930	-30 932
Cash flow hedge reserve	24	-3	-2 139
Retained earnings		164 564	126 290
Attributable to owners of the company		185 444	153 889
Total equity		**185 444**	**153 889**
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liabilities	16	2 554	2 958
Deferred taxes	10	11 994	21 147
Liabilities to financial institutions	22	213 135	249 048
Non-current lease liabilities	14	69 090	78 423
Other non-current liabilities		5 982	5 264
Total non-current liabilities		302 755	356 840
CURRENT LIABILITIES			
Liabilities to financial institutions	22	15 552	24 341
Trade payables		114 273	117 630
Taxes payable	10	8 978	5 352
Public duties payable		20 125	15 494
Current lease liabilities	14	19 085	19 587
Other current liabilities	21	82 911	82 408
Total current liabilities		260 923	264 812
Total liabilities		**563 678**	**621 652**
Total equity and liabilities		**749 123**	**775 540**

Skøyen, 11th March 2021

Jo Olav Lunder
(Chairman)

Trond Solberg

Michael Francis Cronin

Seyed Mehran Johari

Marius Wiklund

Per Thau

Erlend Sveva

Thomas Körmendi
(CEO)

Elopak Group
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STATEMENT OF CASH FLOWS **EUR 1.000**

	NOTE	2020	2019
Profit before taxes		60 209	16 897
Interest expenses to financial institutions	9	4 688	10 040
Lease liability interest	9	5 183	5 660
Profit before taxes and interest paid		70 080	32 597
Depreciation, amortization and impairment	11, 12, 13, 14	52 209	52 305
Write-down of financial assets		332	
Net unrealized currency gain(-) / loss		-3 951	-1 674
Income from joint ventures	15	-3 155	1 690
Net gain(-) / loss on sale of non-current assets		-5 220	-14
Taxes paid		-11 508	-7 966
Change in trade receivables		-4 340	5 993
Change in other current assets		4 289	-2 094
Change in inventories		-7 674	8 060
Change in trade payables		-184	2 019
Change in other current liabilities		12 094	11 133
Change in net pension liabilities		-340	-184
NET CASH FLOW FROM OPERATIONS		102 633	101 865
Purchase of non-current assets	11, 13	-50 152	-52 595
Proceeds from sales of non-current assets		6 194	128
Proceeds from sales of business	25	1 500	
Dividend from joint ventures companies	15		4 348
Change in other non-current assets		6 812	7 335
NET CASH FLOW FROM INVESTING ACTIVITIES		-35 647	-40 784
Proceeds of loans from financial institutions	25	960 649	1 102 529
Repayment of loans from financial institutions	25	-1 002 188	-1 121 503
Interest expenses to financial institutions	9	-4 688	-10 040
Dividend paid		-9 480	-10 373
Capital increase	20	2 388	
Lease payments	9, 25	-20 799	-20 874
NET CASH FLOW FROM FINANCING ACTIVITIES		-74 120	-60 261
Foreign currency translation on cash		-1 929	312
Net increase/ decrease in cash		-9 063	1 131
Cash at beginning of year		15 507	14 375
Cash at end of year		6 443	15 507

STATEMENT OF CHANGES IN EQUITY

EUR 1.000

2020	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47 482**	**13 188**	**-30 932**	**-2 139**	**126 290**	**153 889**
Profit for the year					47 828	**47 828**
Other comprehensive income net of tax			-10 998	2 136	-71	**-8 934**
Total comprehensive income			**-10 998**	**2 136**	**47 756**	**38 894**
Provision for shared based bonus		2 388				**2 388**
Dividend paid					-9 480	**-9 480**
Group contribution from owner		865				**865**
Group contribution to owner		-1 109				**-1 109**
Total transactions with owners		**2 144**			**-9 480**	**-7 337**
Total equity 31.12	**47 482**	**15 332**	**-41 930**	**-3**	**164 564**	**185 444**

STATEMENT OF CHANGES IN EQUITY

2019	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47 482**	**15 621**	**-35 363**	**-3 473**	**127 333**	**151 600**
Effect of adoption of IFRS 16 Leases (Note 2 and 14)					-1 055	**-1 055**
Total equity 01.01 (adjusted for IFRS 16)	**47 482**	**15 621**	**-35 363**	**-3 473**	**126 278**	**150 545**
Profit for the year					9 866	**9 866**
Other comprehensive income net of tax			4 431	1 334	517	**6 282**
Total comprehensive income			**4 431**	**1 334**	**10 384**	**16 148**
Dividend paid					-10 373	**-10 373**
Group contribution from owner		8 625				**8 625**
Group contribution to owner		-11 057				**-11 057**
Transactions with owners		**-2 432**			**-10 373**	**-12 805**
Total equity 31.12	**47 482**	**13 188**	**-30 932**	**-2 139**	**126 290**	**153 889**

Elopak Group
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Note 1 General information

The Elopak Group consists of Elopak AS and its subsidiaries as set out in note 19. Elopak AS is a limited liability company incorporated in Norway. The principal activities of the company and its subsidiaries are described in note 5 and 19. The address of its registered office and principal place of business is:

Postal address:	P.O.Box 24 3431 Spikkestad, Norway
Visiting address:	Industriveien 30 3430 Spikkestad, Norway

All numbers are presented in € 1.000 unless otherwise is clearly stated.

The consolidated financial statements were approved by the board of directors and authorized on 11th of March 2021.

Note 2 Significant accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by EU (IFRS). The accounting policies adopted have been applied consistently to all of the years presented.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the companies controlled by Elopak AS. Control is achieved where the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

De facto control is a part of the concept of control and implies an obligation to consolidate. In cases where a Group owns 50% or less of the voting share, and there are no shareholders agreements, the Group assesses whether it has de facto control or not. Control is achieved when the Group has the power to govern the financial and operating policies of another entity.

Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

Interests in joint ventures
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture company are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the equity investee. The statement of comprehensive income reflects the share of the results of operations of the associate (net after tax). Where there have been changes recognised directly in the equity of the associate, its share is recognised when applicable in statement of changes in equity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After application of the equity method the Group determines whether it is necessary to recognise an additional impairment on the individual investments. The Group determines if there are indications of impairment, and if this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of the joint venture and its carrying value.

Where a group entity transacts with a joint venture company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

Goodwill
Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Discontinued operation
A discontinued operation is a component of an entity or an entity that either has been disposed of or is classified as held for sale. Profit / loss for the year from discontinuing operations are presented separately in the statements of comprehensive income, comparatives are re-presented.

Foreign currencies
The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Euro, which is the functional currency of the parent company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions that are entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies).

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the relevant periods, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income and is part of the Group's foreign currency translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to profit and loss. When a subsidiary in a foreign operation repays a quasi-equity loan or repays/returns share capital, but there is no change in the parent's proportionate percentage shareholding, the cumulative translation adjustment is not reclassified from other comprehensive income to profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of the reporting date.

Revenue recognition
The Group is a global supplier of paper-based packaging system solutions for liquid products. Revenue from contracts with customers is derived from sale of filling equipment, Pure-Pak® carton and Roll Fed packaging material (hereby denominated as cartons), closures and related services. Revenue is recognised when control of the goods or services are transferred to the customer and is presented net of returns, trade discounts, volume rebates and other customer incentives. The Group also presents lease income from lease of filling equipment.

Generally, the Group recognises revenue on a point in time basis when the customer takes title to the goods and rewards for the goods. For goods without alternative use where the Group has a legally enforceable right to payment for the goods, the Group recognises revenue over time, which generally is, as the goods are produced.

Sale of cartons and closures
Cartons are printed based on customer specifications and are therefore without alternative use. Cancellation provisions in the customer contracts, combined with background law in the legal jurisdictions give the company an enforceable right to payment for work performed to date as described in IFRS 15. Most of the customer contracts includes cancellation clauses that gives the company sufficient protection to conclude that there is an enforceable right to payment.

Closures are not customised and therefore with alternative use and recognised at point in time.

Sale of filling equipment
Revenue from sale of filling equipment is recognised at the point in time when control of the asset is transferred to the customer, generally when the machine is tested and accepted by the customer. Filling equipment could result in no alternative use if it would incur significant costs to rework the design and function of the machine to direct it to another customer. However, in most cases filling equipment is standard equipment and considered to have alternative use, hence they are recognised at point in time.

Sale of service
The Group offers research and development support, after sales services and technical training and maintenance support. Revenue from support, service and training is recognised over time, as the customer simultaneously receives and consumes the benefit provided to them. The Group uses an input method in measuring progress of the services because there is a direct relationship between the Group's effort/labour hours occurred and the transfer of service to the customer.

Trade discounts, volume rebates and other incentives
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Cartons are often sold with retrospective volume discounts based on aggregate sales over several months. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A refund liability is recognised for the expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

No significant element of financing is deemed present, and the Group had no right of return in the reporting period.

Contract liabilities
Payment for filling equipment are generally made in instalments and a contract liability is recognised when a payment is received or due from a customer before the Group transfers the filling equipment. Contract liabilities are recognised as revenue when control of the filling equipment is transferred to the customer.

Contract assets
Contract assets consist of prepaid support (rebate) to customers which will be offset against contracted future purchases of carton and features. The prepaid support is allocated to the different performance obligations, hereunder filling equipment and cartons/closures.

Internally generated intangible assets, research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised in the statement of financial position only if all of the following conditions are met:

- there are technical feasibilities to complete the intangible asset so that it will be available for use or sale
- there is an intention to complete the intangible asset and an ability to use or sell it
- there are resources to complete the assets
- an asset is created that can be identified
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

After initial recognition the assets are carried at cost less any accumulated amortization and impairment losses. Amortization begins when the development is complete, and the asset is available for use. Internally generated intangible assets are amortized on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. During the period of development, the assets are tested for impairment annually.

Sales rights and IT software
Capitalized sales rights and IT software are measured initially at cost and amortized on a straight-line basis over their estimated useful lives.

Property, plant and equipment
Capitalized property, plant and equipment are reflected at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment, other than land and properties under construction, are depreciated over their estimated useful lives, using the straight-line method and taking into consideration any residual values. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The assets' residual values, useful lives and methods of depreciation are reviewed at year-end and adjusted prospectively if appropriate.

The gain or loss arising on the disposal or retirement of a fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases
The Elopak Group applied IFRS 16 1 January 2019 using the cumulative catch-up approach. Impacts of initial application of IFRS 16 is presented in the Adoption of new and revised IFRS section. The details of accounting policies under IFRS 16 are presented separately below.

<u>The Group as a lessee</u>
The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For short-term leases and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value for the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial costs. Lease liability is subsequently measured at amortised cost and right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of use asset and lease liability is presented as separate lines in the consolidated statement of financial position.

The Group remeasures the lease liability and make corresponding adjustment to the related right-of use asset whenever there is a change in lease term or assessment of exercise of a purchase option, the lease payments change due to changes in an index or rate (or a change in the expected payment under a guaranteed residual value), or there is a modification of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has applied this practical expedient to all classes of right-of-use assets, except for rent of buildings.

<u>The Group as a lessor</u>
The group enters into lease agreements as a lessor with respect to filling machines placed with customers. These leases are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other are operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease with reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis of the lease term.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Impairment of non-financial assets excluding goodwill
At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventory
Inventory is stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs. Finished goods and work in progress also include a proportion of manufacturing overheads based on normal operating capacity that have been incurred in bringing the inventory to its present location and condition. Cost is calculated using the FIFO cost formula for cartons, filling machines and spare parts. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Pensions
Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions. Payments made to public retirement benefit schemes are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit plans, the cost of providing benefits is determined using actuarial valuations at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The plan asset or pension liability recognised in the statement of financial position consist of the net present value of the defined benefit obligation, unrecognised past service cost, and fair value of plan assets.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value, plus any directly attributable transaction costs for instruments not at fair value through profit or loss. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Such purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities falling due within the next reporting period or those which are in the ordinary course of business is classified as current while the others are classified as non-current.

Financial Instruments at amortized cost
Subsequent to initial recognition, non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

Financial Instruments at fair Value
The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above. The statement of cash flows is presented using the indirect method.

Trade and other receivables
Trade and other receivables that are held to collect contractual cash flows only and the contractual cash flows are solely principal and interest are measured at amortised cost using the effective interest method, less any impairment. Short-term receivables are measured at nominal values reduced by appropriate allowances for expected credit losses.
Accounts receivables which are subject to Non-recourse factoring are classified as instruments held to collect contractual cash flows and for sale and are measured at fair value through other comprehensive income until they are derecognised.

Interest bearing loans and borrowings
Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. After initial recognition loans and borrowings are measured at amortized cost using the effective interest rate method.

Trade and other payables
Trade and other payables that contain a significant financing components are measured at amortised cost, otherwise they are measured at nominal value.

Impairment of financial assets
A loss allowance for expected credit losses is recognised for financial asset measured at amortised cost or fair value through OCI, contract assets under IFRS 15, lease receivables under IFRS 16 and certain written loan commitments and financial guarantee contracts. Loss allowance is assessed at each reporting day.

Loss allowances for trade receivables, contract assets and lease receivables that do not contain a significant financing component are measured at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables, contract assets and lease receivables that do contain a significant financing component are measured at an amount equal to the lifetime expected credit losses including interest revenues. When there is no objective evidence of impairment, interest revenues are calculated based on gross carrying amount, otherwise interests are calculated based on the net carrying amount. The amount of the loss is recognised in profit or loss.

In case of changes to expected credit losses in a subsequent period, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

In relation to trade receivables, there is objective evidence of a credit loss (such as the probability of insolvency or significant financial difficulties of the debtor) when the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are de-recognised when they are assessed as uncollectible.

Derivative financial instruments and hedging
The Group enters into derivative financial instruments to manage its exposure to interest rate, foreign exchange rate and raw material risk arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group designates certain derivatives as either hedge of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedge of highly probable forecast transactions or hedge of foreign currency risk of firm commitments (cash flow hedges).

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and, as a current asset or liability, if the maturity of the derivative is less than 12 months.

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of the derivative hedging instrument designated and qualifying as a cash flow hedge are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in the fair value are recognised in profit or loss.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the comprehensive income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in different periods and items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxes are recognised based on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited other comprehensive income or equity, in which case the deferred tax is also recognised in other comprehensive income or equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Adoption of new and revised International Financial Reporting Standards
The Group applied IFRS 16 leases 1 January 2019. IFRS 16 introduced significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

The Group applied IFRS 16 using the cumulative catch-up approach which required the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application. The cumulative catch-up approach does not permit restatement of comparatives, which continued to be presented under IAS 17 and IFRIC 4.

Impact of the new definition of a lease
On transition, the Group reassessed whether the contracts contained a lease under IFRS 16. The change in definition of a lease is mainly related to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The definition of a lease and related guidance set out in IFRS 16 is applied to all lease contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group carried out an implementation project. The project identified one arrangement that was under the scope of IFRS 16, but not within the scope of IAS 17 and IFRIC 4. This arrangement is related to moulding of closures and is included in the effects of implementing IFRS 16. With the exception of the moulding of closure arrangement, the implementation project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

Impact on Lessee Accounting
<u>Former operating leases</u>
IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet. Applying IFRS 16, the Group:

a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii)
b) Recognises depreciation of right-of-use assets and interests on lease liabilities in the consolidated statement or profit or loss;
c) Separates the total amount of cash paid into a principal portion (presented within operating activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other operating expenses' in profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

<u>Former finance leases</u>
For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.
The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

Impact on Lessor Accounting
IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, the Group has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application.

Finance lease receivables are subject to allowances for expected credit losses under IFRS 9.

Financial impact of initial application of IFRS 16
The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 January 2019 is 5.64%. The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

Impact on retained earnings as at 1 January 2019:

Opening balance Right-of-use assets 1st Jan 2019	**93 184**
Operating lease payments 31st Dec 2018	121 390
Short term leases, low value assets and contracts not incl in lease liability under IFRS 16 1st Jan 2019	-7 928
Discounting effects 1st Jan 2019	-24 427
Finance lease as per 31st Dec 2018	221
Contracts under the scope of IFRS 16 (but not reported as an operating or finance lease under IAS 17) 1st Jan 2019 [1]	23 157
Lease liability 1st Jan 2019	**112 413**
Weighted average discount rate is 5.64%	
Lease receivables 31st Dec 2018	4 409
Impact of IFRS 16 1st Jan 2019	16 535
Lease receivables 1st Jan 2019	**20 944**
Opening balance assets effects from IFRS 16 1st Jan 2019	109 719
Opening balance liabilities effects from IFRS 16 1st Jan 2019	-112 192
Effects recognised to PL 1st Jan 2019	0
Implementation effects from prepayments due to linear accounting of variable rent under IAS 17 1st Jan 2019	1 418
Implementation effects to retained earnings 1st Jan 2019	**-1 055**

[1] Contracts under the scope of IFRS 16 but not reported as a operating lease under IAS 17 are related to Moulding production of features.

Note 3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and other non-current assets
Determining whether goodwill and other non-current assets are impaired requires management's judgment in determining the appropriate cash generating units and estimating future cash flows from the relevant cash-generating units. Such values in use calculations imply a degree of uncertainty with respect to the estimated future cash flows, growth and the applied discount rate. The uncertainty related to cash flows are mainly related to carton volumes, sales prices and raw material costs. Goodwill, indefinite intangible assets and intangible assets not ready for use are tested for impairment annually or more often if indicators exist, whereas other assets are tested for impairment when impairment indicators exist. Impairments for goodwill are described in note 12.

Deferred tax assets
Management has exercised judgment in assessing the recognition of tax loss carry forward for the Group's various entities and the resulting deferred tax asset. The judgment is based upon the entities' assessed ability to generate future cash flows, and the events that will enable the entities to do so. The assessments imply a degree of uncertainty relating to such future events. Tax expenses and deferred tax assets are presented in note 10.

Tax disputes
In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedure (MAP) between the affected countries are normally available. A successful MAP procedure as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for the Group. Where a MAP process is available, the Group recognises tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, taxpayers have the right to demand arbitration.

Development costs
The Group capitalizes development costs in accordance with the accounting policy. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project and the expected benefits. The development costs include development of new filling and production machine technology and the success of this technology is dependent on future demand from the customers.

Leasing
Management is estimating the useful life and residual value of filling machines when considering if the lease arrangement is a finance lease or an operational lease.

Note 4 Revenues and other operating income

The Group's revenue consists of revenue from contracts with customers (99%) and rental income from lease of filling equipment (1%). Revenues are primarily derived from sale of cartons and closures, while the remaining is from sale and rental income related to filling equipment and service.

Other operating income is mainly related to gain from sale of property in Speyer (EUR 5,203) due to close down of the plant in 2019. Office functions moved from Speyer to a rented office in Manheim in 2020.

Revenues specified by geographical area

	2020	2019
Germany	151 917	148 782
USA	135 489	139 118
Russia	75 617	71 477
Netherlands	50 371	51 512
Norway	25 875	35 362
Other	469 495	460 067
Total revenues	**908 773**	**906 424**

The revenues are specified by location (country) of the customer.

Revenues by product and operating segment

2020	Europe	Americas	Corporate Services	Eliminations	Group
Cartons and closures	643 557	191 316	2 570	- 12 890	824 553
Equipment	36 215	1 287		- 7 326	30 176
Service	41 834	801		- 27	42 609
Other	19 796	559	10 529	- 19 450	11 435
Total revenues	**741 403**	**193 964**	**13 100**	**-39 693**	**908 773**

2019	Europe	Americas	Corporate Services	Eliminations	Group
Cartons and closures	641 651	208 463	649	- 25 539	825 224
Equipment	31 920	2 842		- 45	34 716
Service	43 282	1 067		- 128	44 220
Other	8 939	761	11 430	- 18 867	2 263
Total revenues	**725 791**	**213 133**	**12 079**	**-44 580**	**906 424**

Note 5 Operating segments

Information reported to the Group's chief operating decision makers, the Group Leadership Team, for the purpose of resource allocation and assessment of segment performance is focused on the two key geographical regions – Europe (including CIS) and Americas. Additionally, corporate services are shown separately. Key figures representing the financial performance of these segments are presented in the following:

2020	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	746 624	193 964	13 100	-39 693	913 994
Operating expenses	-634 440	-164 371	-32 046	39 729	-791 128
Depreciation and amortization	-43 632	-5 191	-3 047	-36	-51 905
Impairment	-249	-6	-50		-304
Operating profit	68 304	24 396	-22 043		70 656
Total assets	600 454	115 672	273 286	-240 289	749 123
Purchase of non-current assets during the year	39 480	2 738	7 934		50 152

2019	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	725 897	213 133	12 079	-44 580	906 530
Operating expenses	-641 051	-191 649	-30 104	44 579	-818 224
Depreciation and amortization	-41 494	-5 617	-3 927		-51 038
Impairment	-1 267				-1 267
Operating profit	42 085	15 867	-21 951		36 001
Total assets	645 557	117 900	302 124	-290 040	775 540
Purchase of non-current assets during the year	41 215	4 236	7 144		52 595

Note 6 Payroll expenses, numbers of employees, benefits etc.

Payroll expenses	2020	2019
Salary	135 176	144 012
Social security	21 997	22 752
Pension benefit plans (see note 16)	-196	77
Pension contribution plans (see note 16)	9 405	9 184
Other benefits	2 192	1 883
Total	**168 573**	**177 908**
Man-year Elopak employees (excl equity investees)	1 998	2 068

Salaries and remunerations to the Group management

	2020				2019			
	Salaries	Bonus [1), 2)]	Other benefits [2)]	Pensions	Salaries	Bonus [1), 2)]	Other benefits [2)]	Pensions
Group chief executive	434	120	16	20	417	122	17	20
Other members of the Group Management	2 247	643	127	171	2 200	392	559	177
Total	**2 681**	**763**	**143**	**191**	**2 617**	**514**	**576**	**197**

The numbers shown are salaries, bonus ([1)] annual bonus paid out in 2020), other benefits and pensions paid during the year.

[1)] The members of the Group Leadership Team (Group Management) are included in an annual bonus scheme. Performance targets are related to the overall return on value adjusted equity of the Elopak Group as well as individual targets incl. EBITDA for respective Business Areas. Targets are reviewed annually. Maximum achievement within a financial year equal 50% of an annual base salary. In addition to the annual bonus scheme the members of the Group Leadership Team are also included in a long term incentive scheme based on the value adjusted equity of Elopak Group. The long term incentive scheme did not result in any payments in 2020. The bonuses are expensed and recognised as a liability in the year of achievement.

[2)] 1 GLT member left the Group in 2020, but received benefits in 2020. 1 GLT member received sign-on bonus in 2020.

Other related party transactions
Loans to employees were EUR 28 in 2020 and EUR 37 in 2019. No guarantees has been provided.

Note 7 Other operating expenses

	2020	2019
Sales and administration expenses	5 673	7 473
Occupancy and maintenance expenses	5 449	6 032
Travel expenses	5 363	11 445
Losses and changes in allowance for bad debt	586	1 645
Consultants, auditors, lawyers, etc	10 579	9 182
IT expenses	13 296	12 322
Other expenses	4 972	4 588
Total	45 918	52 687

Note 8 Fees to external auditors

PWC was elected as the principal auditor for 2019, while some group companies are audited by other audit firms.

Expensed fees	Audit fee	Other assurance services	Tax services	Other non-audit services	Total
2020					
PWC	582	35	50	50	717
Others	63	14	116	13	207
Total	**645**	**49**	**166**	**63**	**924**
2019					
PWC	324	13	30	17	385
Others	303	90	775	8	1 176
Total	**627**	**103**	**805**	**25**	**1 561**

Note 9 Specification of financial income and expenses

Financial income	2020	2019
Interest income from bank deposits	331	378
Other interest income	17	359
Net currency gain	61	789
Finance lease revenues / interest	637	753
Other financial income	541	244
Total	**1 588**	**2 523**

Financial expenses	2020	2019
Interest expenses to financial institutions	4 688	10 040
Other interest expenses	518	257
Lease liability interest	5 183	5 660
Other financial expenses	4 801	3 978
Total	**15 190**	**19 936**

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Note 10 Income tax

Income tax expense	**2020**	**2019**
Current income tax		
Current income tax charge	12 988	7 183
Adjustments in respect of current income tax of previous year	- 196	- 47
Withholding tax	443	1 024
Total current income tax	**13 234**	**8 160**
Deferred tax		
Deferred tax	- 2 097	- 1 662
Adjustments in respect of changes to tax rate and deferred tax of previous year	1 244	534
Total deferred tax	**- 853**	**- 1 128**
Income tax expense reported in the statement of profit or loss	**12 381**	**7 031**

Payable tax	**2020**	**2019**
Payable tax opening balance	- 865	- 968
Current income tax	13 234	8 160
Net tax paid	- 11 886	- 8 057
Payable tax closing balance	**482**	**- 865**

Reconciliation of tax expense	**2020**	**2019**
Profit before income tax	60 209	16 897
Expected tax cost calculated with 23% tax rate [1)]	13 848	3 886
Adjustments in respect of different local tax rates	396	350
Non-taxable income / expenses	0	72
Share of results of joint ventures	-726	29
Adjustments in respect of current income tax of previous years	126	487
Withholding tax, non-refundable	443	1 024
Adjustments in respect of changes to tax rates and regulations	281	270
Currency translation effects	-1 666	1 786
Other differences	-322	-872
Income tax expense at effective income tax rate	**12 381**	**7 031**
Effective income tax rate	**20,6 %**	**41,6 %**

[1)] The effective tax rate of 23% is based on an estimate of where the Group taxes its profits and the corresponding applicable tax rates

Current and deferred taxes recognized in other comprehensive income or equity	**2020**	**2019**
Remeasurement gain/loss on actuarial gains and losses	259	88
Cash flow hedging	605	367
Group contribution	259	- 2 433
Equity transactions	- 368	- 565
Total current and deferred tax recognized directly in other comprehensive income or equity	**755**	**- 2 543**

Deferred tax	**2020**	**2019**
Revaluation of inventories	9 892	2 308
Payables/receivables	9 416	18 061
Fixed assets	- 8 213	- 9 133
Other non-current assets	- 8 153	- 11 543
Other current assets	- 1 473	- 110
Losses available for offsetting against future taxable income	3 365	5 006
Other differences	6 716	6 863
Total deferred tax	**11 550**	**11 453**
Deferred tax assets	23 544	32 600
Deferred tax liabilities	11 994	21 147
Net deferred assets/liabilities	**11 550**	**11 452**

Deferred tax assets are evaluated at each balance sheet date, and recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilites are measured at the tax rates that are expected to apply in the period when the liability shall be settled or the asset to be realized, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Specification of tax losses carried forward - country and year of expiry	2021	2022	After 2022	Indefinite	Total
Germany				1 361	1 361
United States			7 081	1 967	9 048
United Kingdom				4 592	4 592
Spain			670	537	1 207
Other				980	980
Total			**7 751**	**9 437**	**17 188**

Tax losses carried forward of EUR 28,342 are not recognized as a basis for calculating unused tax losses carried forward in net deferred assets/liabilities. The amount not recognized is mainly related to the United Kingdom.

In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedure (MAP) between the affected countries are normally available. A successful MAP procedure as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for the Group. Where a MAP process is available, the Group recognizes tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, tax payers have the right to demand arbitration.

The estimated effect of a MAP procedure related to the tax audit in Denmark per 31st December 2020 is EUR 3,463, which is unchanged from last year.

Note 11 Development cost and other intangible assets

2020	Development costs	IT-software	Total
Cost at 1.1	38 677	79 285	117 962
Additions	2 213	7 903	10 116
Disposals		- 4 005	-4 005
Reclassification		67	67
Currency translation		-163	-163
Cost at 31.12	40 890	83 088	123 978
Acc. amortization and impairment losses at 1.1	14 606	42 255	56 861
Current year amortization charge	3 457	6 659	10 116
Amortization disposals		- 4 061	-4 061
Impairment disposals		0	0
Reclassification		0	0
Currency translation amortization		-148	-148
Accumulated amortization at 31.12	18 062	44 421	62 484
Net accumulated impairment at 31.12		284	284
Carrying amount 31.12	**22 828**	**38 383**	**61 211**
Economic life	5-10 years	3-7 years	
Amortization method	Linear	Linear	

2019	Development costs	IT-software	Total
Cost at 1.1	36 446	74 151	137 269
Additions	2 231	7 213	9 445
Disposals		- 1 217	-3 214
Reclassification		- 911	-911
Currency translation		40	5
Cost at 31.12	38 677	79 276	142 593
Acc. amortization and impairment losses at 1.1	11 391	38 016	76 069
Current year amortization charge	3 231	6 320	9 553
Amortization disposals	- 17	-1 072	-3 085
Impairment disposals		-145	-145
Reclassification		-904	-904
Currency translation amortization		39	4
Accumulated amortization at 31.12	14 606	41 971	81 207
Net accumulated impairment at 31.12		284	284
Carrying amount 31.12	**24 071**	**37 021**	**61 101**

The additions under development costs relates to the development of new filling and production machine technology.

The majority of IT-software are additions related to investments in IT system for management of materials flow and finances. The system roll out started in 2017 and continued during 2018 to 2020.

Research and development
The cost of research and development not eligible for capitalization which have been expensed in 2020 amounts to EUR 13,902. Comparable amount in 2019 was EUR 14,106.

Note 12 Goodwill

In accordance with IFRS 3 Business combinations, the net assets of acquired companies have been assessed at fair value at the acquisition date. The remaining part of the consideration after the purchase price has been allocated to identifiable assets and liabilities, is recognized as goodwill. The table below shows the cost value, additions, disposals, impairment charges and carrying value for the various goodwill items in the Group.

2020	**Europe**
Cost at 1.1	57 564
Currency translation	947
Cost at 31.12	58 511
Acc. amortization at 1.1	6 203
Currency translation	17
Net accumulated impairment at 31.12	6 220
Carrying amount 31.12	**52 291**

2019	**Europe**
Cost at 1.1	57 956
Currency translation	- 392
Cost at 31.12	57 564
Acc. amortization at 1.1	6 205
Currency translation	- 2
Net accumulated impairment at 31.12	6 203
Carrying amount 31.12	**51 361**

Impairment test for goodwill:

Goodwill is allocated to the Group's cash generating units, and is tested for impairment annually or more frequently if there are indications of impairment. Testing for impairment involves the determination of the recoverable amount of the cash generating unit. The recoverable amount is determined by discounting future expected cash flows, based on the business plans for the cash generating units.

The discount rate applied to the future cash flow is based on the Group's weighted average cost of capital (WACC), adapted to the market's apprehension of the risk factors for each cash generating unit. Growth rates are used to project cash flows beyond the periods covered by the business plans.

Cash generating units
The goodwill items specified above are related to the Elopak Group. Goodwill related to acquisition of Elopak Denmark A/S, Elopak AB, Elofin OY and Variopak are all allocated to the cash generating unit Europe, which consist of Elopak's European markets, including the internal production and supply organization. In accordance with the tables above, these goodwill items have a carrying value of EUR 52,291 as of December 31, 2020 (EUR 51,361 as of December 31, 2019).

The basis to consider Europe as one cash generating unit is the inherent structure of the market. Customers are merging across borders and are increasingly treating Europe as one market. The historical requirement from customers to source from specific plants is no longer present. Elopak is adapting to this trend by allocating production flexibly to the European plants in order to optimize logistics and production cost. According to this development, the margins along Elopak's value chain will be subject to change from one year to another, and therefore the appropriate way to assess indicators for impairment for the European business is as one unit.

Impairment test and assumptions
Recoverable amount for the cash generating unit, Europe, is calculated based on value in use. The cash flows that are basis for the impairment test are based on assumptions about future sales volume, selling prices and direct costs. These are uncertain factors. These assumptions are based on historical experience from the European market, adopted budgets and the Group's expectations of market changes. Upon completion of the impairment tests in 2019 and 2018 the Group does not expect significant changes in current trade. This implies that expected future cash flows are mainly a continuation of observed trends. Determined cash flow is discounted with the discount rates presented in the table below.

Calculated recoverable amounts in the impairment tests are higher than carrying amounts, and based on the tests, it is concluded that there is no impairment in 2020 or 2019.

Detailed description of the assumptions used:

	Discount rate after tax		Discount rate before tax		Growth rate 2-5 years		Long-term growth rate	
	2020	2019	2020	2019	2020	2019	2020	2019
Elopak Europe	5,1 %	5,1 %	6,5 %	6,5 %	0,0 %	0,0 %	0,0 %	0,0 %

The discount rate reflects the current markets assessment of the risk specific to the cash generating unit. The rate is estimated based on the weighted average cost of capital for similar assets in the market. This rate has been further adjusted to reflect the specific risk factors related to the cash generating unit, which have not been reflected in the cash flow.

Average growth rate for the future 2 to 5 years period is based on Elopak Group's expectations for the market development that the business operates in. When estimating future cash flows committed operating efficiency improvement measures are taken into account. Changes in the outcomes for these initiatives may influence future estimated cash flows.

Investment costs necessary to meet expected future growth are taken into account. Based on management's assessment, the estimated investment costs do not include investments that improves the assets performance. The related cash flows are treated correspondingly.

Management believes that there is no reasonably possible change in any of the key assumption that would cause the carrying value of the unit to materially exceed its recoverable amount. Sensitivity analysis have been performed based on a 0.5% increase and decrease of the discount rate and perpetual growth. The value in the low end of the range is higher than the carrying amount, hence the sensitivity analysis shows no indication of impairment.

Note 13 Property, plant and equipment

2020	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	47 233	512 956	20 397	580 586
Additions	302	39 360	375	40 037
Disposals	-10 205	-13 335	-2 157	-25 697
Transfer to inventory / reclassification	4 098	-10 303	1 383	-4 822
Currency translation	-121	-8 082	-498	-8 701
Cost at 31.12	41 307	520 596	19 501	581 404
Acc. depreciation and impairment losses at 1.1	34 297	344 036	17 123	395 456
Current year depreciation charge	1 326	24 383	1 329	27 038
Current year impairment charge	78	210	17	304
Depreciation disposals	-9 158	-13 065	-1 874	-24 097
Impairment disposals	172	-432	-18	-278
Depreciation transferred to inventory / reclassification	629	-1 288	13	-646
Currency translation	-72	-4 389	-339	-4 800
Accumulated depreciation at 31.12	27 270	345 247	16 214	388 731
Net accumulated impairment at 31.12	0	4 208	36	4 244
Acc. depreciation and impairment losses at 31.12	27 270	349 455	16 250	392 975
Carrying amount 31.12	**14 037**	**171 141**	**3 250**	**188 429**

Useful life	0-40 years	3-15 years	3-12 years	
Depreciation method	Linear	Linear	Linear	

2019	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	45 055	504 395	22 461	571 911
Additions	1 183	41 423	545	43 152
Disposals	-3 394	-31 140	-3 740	-38 274
Transfer to inventory / reclassification	4 312	-4 618	918	612
Currency translation	77	2 896	214	3 187
Cost at 31.12	47 233	512 956	20 397	580 586
Acc. depreciation and impairment losses at 1.1	34 510	349 899	19 010	403 419
Current year depreciation charge	1 115	25 047	1 337	27 499
Current year impairment charge		1 246	21	1 267
Depreciation disposals	-2 704	-28 068	-3 666	-34 438
Impairment disposals	-335	-3 100	-13	-3 449
Depreciation transferred to inventory / reclassification	1 654	-2 411	309	-448
Currency translation	57	1 423	125	1 605
Accumulated depreciation at 31.12	34 546	339 517	17 086	391 148
Net accumulated impairment at 31.12	-250	4 520	38	4 308
Acc. depreciation and impairment losses at 31.12	34 297	344 036	17 123	395 456
Carrying amount 31.12	**12 937**	**168 920**	**3 274**	**185 131**

The lease revenues and commitments for Carton filling machines rented to customers as well as the lease expenses and commitments for equipments leased and used in our production are disclosed in note 14.

The company has not pledged property, plant and equipment as security for liabilities.

Property, plant and equipment specified by geographical area [1]	2020	2019
Canada	21 301	24 752
Denmark	31 870	34 991
Germany	74 167	64 700
Netherlands	40 271	37 747
Norway	5 166	3 953
Russia	6 157	8 528
Ukraine	9 290	9 725
United Kingdom	1	475
Other	207	262
	188 429	**185 131**

[1] The split by geographical area is based on the jurisdiction of legal owner.

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Note 14 Leases, commitments and contingencies

1. The Group as lessor - operating lease commitments
The Group leases out filling machines under operating leases. Rental income was EUR 8,516 in 2020 and comparable amount in 2019 was EUR 7,884. Implementation of IFRS 16 resulted in a reclassification of lease agreements in sublease arrangements from operating lease til finance lease, representing revenues in 2019 of EUR 4,576. Lease terms are between 1 year to 10 years. Options to extend the lease term or purchase the leased asset reflects market conditions at the time of exercising the option.

At the reporting date the Group has future minimum lease receivables as follows:	2020	2019
Falling due for payment within one year	8 156	7 799
Falling due for payment within 2 years	6 081	6 240
Falling due for payment within 3 years	2 521	5 020
Falling due for payment within 4 years	1 325	3 147
Falling due for payment within 5 years	867	1 695
Falling due for payment after 5 years	49	2 207
Total	19 000	26 109

Amounts are undiscounted figures

2. The Group as lessor - finance lease receivables
The group leases out filling machines under finance leases and finance lease receivables increased in 2019 as a result of reclassification of operating lease contracts related to subleases. The reclassification was recognised in 2019 opening balance as a result of IFRS 16 implementation. In general, lease terms are between 5 years to 8 years. Options to extend or purchase the leased asset will normally reflect market pricing.

Amounts (undiscounted) receivable under finance leases:	2020	2019
Falling due for payment within 1 year	5 535	5 979
Falling due for payment within 2 years	4 252	5 464
Falling due for payment within 3 years	1 611	4 099
Falling due for payment within 4 years	688	1 471
Falling due for payment within 5 years	385	552
Falling due for payment after 5 years	413	492
Total receivables under finance leases	**12 883**	**18 057**
Unearned finance income	364	- 1 534
Total receivables under finance leases	**13 247**	**16 524**

There is no impairment loss allowance related to the finance lease receivables in 2020 and 2019. Credit risk related to the filling machine lease agreements is considered very low Credit risk is considered insignificant due to right to require return of the machine in case of default.
The average effective interest rate contracted is approximately 4.06% per annum.

3. The Group as lessee

The Group leases several assets including buildings, plants, cars and filling machines. The average lease term is 5 years.

Right-of-use assets

2020	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	56 375	24 708	13 353	94 436
Net additions	- 3 739	2 433	4 878	3 571
Cost at 31.12	**52 636**	**27 141**	**18 231**	**98 007**
Accumulated depreciation at 1.1	- 5 018	- 5 583	- 3 386	- 13 986
Current year depreciation charge	- 5 116	- 5 913	- 3 722	- 14 751
Accumulated depreciation at 31.12	**- 10 133**	**- 11 496**	**- 7 108**	**- 28 737**
Carrying amount at 31.12	**42 502**	**15 645**	**11 123**	**69 270**

2019	Property and buildings	Machinery	Office and transport	Total
Cost at 1.1	58 519	24 381	11 568	94 468
Net additions	- 2 144	327	1 785	- 32
Cost at 31.12	**56 375**	**24 708**	**13 353**	**94 436**
Accumulated depreciation at 1.1				
Current year depreciation charge	- 5 018	- 5 583	- 3 386	- 13 986
Accumulated depreciation at 31.12	**- 5 018**	**- 5 583**	**- 3 386**	**- 13 986**
Carrying amount at 31.12	**51 357**	**19 125**	**9 967**	**80 450**

The Group has no significant purchase options. The net additions to right-of-use assets of EUR 3,571 in 2020 and EUR -32 in 2019. In 2020 a new office rental agreement was signed for the Mannheim location and office lease extensions for several locations which account for a majority of additions. The expired and terminated contracts in 2019 were replaced by new leases for similar underlying assets. Expense related to short-term leases are EUR 20 in 2020 and EUR 302 in 2019, reflecting that the Group elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application. In 2020 expenses related to low value assets are EUR 768 and EUR 521 in 2019.

Lease liabilities

Lease liabilities	2020	2019
Current Lease liabilitites	19 085	19 587
Non-current lease liabilities	69 090	78 423
Total	**88 175**	**98 010**

At the reporting date the Group has (undiscounted) lease liabilities as follows:	2020	2019
Falling due for payment within 1 year	19 562	20 280
Falling due for payment within 2 years	16 453	18 917
Falling due for payment within 3 years	13 156	15 174
Falling due for payment within 4 years	14 407	10 813
Falling due for payment within 5 years	7 211	9 216
Falling due for payment after 5 years	47 503	64 955
Total	**118 293**	**139 355**

Amounts are undiscounted figures

4. Other off-balance sheet commitments and contingencies	2020	2019
Commitments for the acquisition of property, plant and equipment	4 485	1 113
Commitments for the acquisition of goods	7 283	4 284
Guarantees issued in relation to operational activities	5 562	4 531
Total	**17 329**	**9 928**

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Note 15 Investment in joint ventures

The investment in the joint ventures specified below have been accounted for in accordance with the equity method of accounting. Lala Elopak S.A. de C.V. is a carton production plant in Mexico selling cartons to Americas. Impresora Del Yaque is a carton production facility in the Dominican Republic also selling cartons to Americas. Elopak Nampak Africa Limited is a sales centre in Kenya, established in 2020, selling cartons to Africa. The investments are joint ventures because the investement partners have the same rights and control in the companies. The Al-Obeikan Elopak factory for Packaging Co is a carton production facility in Saudi-Arabia selling cartons to customers in Middle East and North Africa and was a joint venture until the sale in 2020.

2020	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Elopak Nampak Africa Ltd	Total
Ownership - and votingshare	49 %	49 %	51 %	50 %	
Carrying amount 1.1	1 500	18 687	7 524		27 710
Income from joint venture companies [1)]	-1 472	2 595	2 032		3 155
Dividend received					
Recognized to equity	-25	-25			-50
Currency translation	51	-2 435	-1 420		-3 804
Disposal of foreign operation	-54				-54
Carrying amount 31.12	**0**	**18 822**	**8 135**		**26 957**

[1)] The net investment in Al-Obeikan Elopak factory for Packaging Co was sold in 2020. An impairment loss of EUR 173 is recognized in 2020 as part of the result from the joint venture. Upon disposal, EUR -1,446 in currency translation differences that has previously been recognized in equity, has been reclassified to profit and loss.

2019	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Total
Ownership - and votingshare	49 %	49 %	51 %	
Carrying amount 1.1	7 504	18 358	6 685	32 547
Income from joint venture companies [1)]	-6 385	2 702	1 994	-1 690
Dividend received		-3 464	-885	-4 348
Recognized to equity	257	-65		192
Currency translation	124	1 156	-271	1 009
Carrying amount 31.12	**1 500**	**18 687**	**7 524**	**27 710**

[1)]The net investment in Al-Obeikan Elopak factory for Packaging Co was impaired in 2019. An impairment loss of SAR 25,533 (EUR 6,064) was recognised in 2019 as a part of the result from the joint venture.

2020	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresoria Del Yaque	Elopak Nampak Africa Ltd	Total
Revenue	8 524	52 575	17 036		78 135
Operating profit	513	7 925	3 646		12 084
Profit after tax (loss)	299	5 296	3 985		9 580
Other comprehensive income that may be reclassified to net income	105	-5 021	-2 785		-7 701
Total comprehensive income	404	275	1 200		1 879
Group's share of profit after tax (loss)	147	2 595	2 032		4 774
Current assets		28 217	14 578		42 796
Non-current assets		12 862	3 677		16 539
Current liabilities		5 776	2 304		8 080
Non-current liabilities		2 074	0		2 074
Equity		33 230	15 951		49 181

2019	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Total
Revenue	32 501	60 748	20 551	113 800
Operating profit	436	8 310	4 157	12 903
Profit after tax (loss)	-463	5 514	3 909	8 960
Other comprehensive income that may be reclassified to net income	254	2 202	-530	1 925
Total comprehensive income	-209	7 716	3 379	10 885
Group's share of profit	-227	2 702	1 994	4 469
Current assets	17 727	25 411	12 678	55 815
Non-current assets	6 343	15 840	4 326	26 509
Current liabilities	10 813	7 354	2 239	20 406
Non-current liabilities	1 418	1 725	13	3 156
Equity	11 839	32 171	14 752	58 762

Voting share, sales and receivables/ liabilities

	Ownership/ votingshare		Sales from joint ventures to Elopak		Elopak's current receivables / - liabilities net to joint ventures	
	2020	2019	2020	2019	2020	2019
Al-Obeikan Elopak factory for Packaging Co	0 %	49 %		32	1 000	1 135
Lala Elopak S.A. de C.V.	49 %	49 %	17 374	18 866	- 719	- 700
Impresora Del Yaque	51 %	51 %	22	40	84	31
Elopak Nampak Africa Limited	50 %	0 %				
Total			**17 396**	**18 938**	**364**	**466**

Note 16 Employee retirement benefit plans

Defined contribution plans

The Group operates defined contribution pension plans where the plans are held separately from those of the Group in funds under control of trustees. The only obligation of the Group is to make the specified contributions. The plans cover 1,443 persons.

Defined benefit plans

The Group also runs pension plans that grant the employees a right to defined future benefits. These defined benefit plans include in total 9 persons, which is one person less than for 2019. The benefits are mainly dependent on years of service, the level of salary at age of retirement and size of contributions from the national insurance. The obligations are partly covered through insurance companies.

Elopak has unfunded retiree medical insurance plans for certain of its employees located in the United States.

	2020	2019
Defined benefit obligations	-2 583	-4 026
Fair value of plan assets	28	1 069
Net pension liability	-2 554	-2 958

Pension expense	2020	2019
Defined benefit plans net	-196	77
Defined contribution plans	9 404	9 184
Total pension expenses	9 208	9 261

Defined benefit plans are subject to actuarial calcuations. The estimated pension cost for pension benefit plans in 2020 is EUR 99.

Note 17 Inventory

2020	Raw materials	Work in progress	Finished goods	Total
Cost 31.12	25 484	49 458	67 551	142 493
Write down 01.01.	3 220	26	4 632	7 879
Realized	- 3 220	493	-1 423	-4 151
Write down	3 028	0	214	3 242
Write down per 31.12.	3 028	519	3 423	6 970
Carrying amount 31.12	**22 456**	**48 939**	**64 129**	**135 523**

2019	Raw materials	Work in progress	Finished goods	Total
Cost 31.12	15 661	63 563	56 043	135 266
Write down 01.01.	142	1 891	5 523	7 557
Realized	-142	-1 865	-2 239	-4 246
Write down	3 220		1 348	4 568
Write down per 31.12.	3 220	26	4 632	7 879
Carrying amount 31.12	**12 441**	**63 536**	**51 411**	**127 387**

Note 18 Trade receivables and Other current assets

Trade receivables	2020	2019
Accounts receivable, gross	116 884	117 802
Allowances	-3 834	-3 974
Carrying amount 31.12	**113 050**	**113 828**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables 2020	Gross carrying amount	Loss rate	Expected credit loss
Current	98 671	0,09 %	88
Up to 30 days	9 527	0,66 %	63
30-60 days	1 589	13,85 %	220
60-90 days	776	4,77 %	37
Over 90 days	6 322	54,19 %	3 426
Total	**116 884**	**3,28 %**	**3 834**

Trade receivables 2019	Gross carrying amount	Loss rate	Expected credit loss
Current	97 076	0,39 %	377
Up to 30 days	6 967	1,26 %	88
30-60 days	4 039	8,81 %	356
60-90 days	440	41,10 %	181
Over 90 days	9 279	32,01 %	2 970
Total	**117 802**	**3,37 %**	**3 974**

Movement in the allowance for expected credit losses of trade receivables:	2020	2019
As at 1 January	3 974	2 521
Provision for expected credit losses	-425	1 678
Write-off	-70	-54
Foreign exchange movement	353	-172
As at 31 december	**3 834**	**3 974**

Credit loss allowances are mainly based on individual assessment.

Other current assets	2020	2019
Prepayments	6 053	6 622
VAT and tax receivables	28 104	25 390
Derivatives (note 24)	2 053	1 381
Current finance lease receivables (note 14)	5 347	1 740
Contract assets (note 23)	2 408	2 870
Other current assets	13 925	18 335
Carrying amount 31.12	**57 889**	**56 339**

Contract assets consist of prepaid rebates to customers which will be offset against contracted future purchases of carton and closures. Total of prepaid support was EUR 8,435 in 2020 and EUR 10,344 in 2019. Based on customer knowledge and experience of very few losses, the credit risk related to contract assets is considered insignificant.

Note 19 Shares in subsidiaries and joint ventures

The following companies are consolidated as subsidiaries in Elopak Group:

Company	Percentage owned	Year of acquisition	Country	Principal activity
Elopak AB	100 %	1961	Sweden	Trading
Elopak BV	100 %	1968	Netherlands	Manufacturing
Elopak GmbH	100 %	1968	Germany	Trading and manufacturing
Elopak SpA	100 %	1981	Italy	Trading
Elopak OY	100 %	1982	Finland	Trading
Elopak Systems AG	100 %	1984	Switzerland	Trading
Elopak Inc.	100 %	1987	USA	Trading and manufacturing
Elopak Denmark A/S	100 %	1988	Denmark	Trading and manufacturing
Elopak GesmbH	100 %	1989	Austria	Trading
OJSC Elopak Fastiv	99 %	1994	Ukraine	Trading and manufacturing
Elopak S.A.	100 %	1994	Poland	Trading
Elopak Israel AS	100 %	1998	Norway	Holding
ZAO Elopak Russia	100 %	1999	Russia	Trading and manufacturing
Elopak Canada Inc	100 %	2000	Canada	Trading and manufacturing
Elofill GmbH	100 %	2000	Germany	Holding
Elopak s.r.o.	100 %	2001	Czechia	Trading
Elopak UK Ltd	100 %	2004	UK	Trading
Elopak BS d.o.o	100 %	2017	Serbia	Trading and manufacturing
Elopak Kft	100 %	2006	Hungary	Trading
Elopak EOOD	100 %	2009	Bulgaria	Trading
Elopak Tunisie SARL	100 %	2017	Tunisia	Trading
Elopak Egypt LLC	100 %	2017	Egypt	Trading
Elopak Algerie SARL	49 %	2018	Algeria	Trading

The following joint ventures are accounted for in accordance with the equity method:

Company	Percentage owned	Year of acquisition	Country	Principal activity
Lala Elopak S.A. de C.V.	49 %	1998	Mexico	Trading and manufacturing
Impresora Del Yaque	51 %	2007	Dominican Republic	Trading and manufacturing
Elopak Nampak Africa Ltd	50 %	2020	Kenya	Trading

Note 20 Equity and shareholder information

The share capital is NOK 349,665,607 (EUR 47,482,686) and consists of 5,012,707 shares at face value EUR 9.472 per share. There are no changes in share capital from 2019. All shares have equal voting rights.

The company is owned 99.91% by Ferd AS and 0.09% by management.

Basic and diluted earnings per share (in EUR)	2020	2019
Earnings		
Net profit attributable to equity holders of parent	47 827 552	9 866 143
Number of shares		
Weighted average number of ordinary shares	5 012 707	5 012 707
Basic earnings per share	**9,54**	**1,97**

Elopak currently has no share-based compensation that results in a dilutive effect on earnings per share.

Note 21 Other current liabilities

	2020	2019
Provisions [1]	663	923
Accrued expenses	62 251	62 429
Derivatives (note 24)	1 212	2 459
Prepaid from customers	18 784	16 599
Total other current liabilities 31 December	**82 911**	**82 408**

Provisions

[1] Provisions include provisions for customer claims of EUR 0.6m in 2019. The majority of this has been realized during 2020. New provisions for customer claims of EUR 0.1m have been included in the total of provisions EUR 0.7m at the end of 2020.

Note 22 Interest-bearing loans and borrowings

		2020		2019
Interest-bearing loans and borrowings	**Available**	**Utilized**	**Available**	**Utilized**
Bank overdrafts	56 354	15 552	56 821	24 341
Long term loans	400 000	213 135	400 000	249 048
Total		**228 687**		**273 388**

Repayment profile	**2020**	**2019**
2020		24 341
2021	15 552	
2022		
2023	214 102	249 048
2024		
Total	**229 654**	**273 388**

The values above are nominal amounts.

Weighted average interest rates on long term loans			2020		2019
	Rate	**in Ccy**	**in EUR**	**in Ccy**	**in EUR**
EUR	0,49 %	195 000	195 000	220 000	220 000
NOK	0,89 %	200 000	19 102	300 000	30 414
Total			**214 102**		**250 414**

The values above are gross amounts excluding amortised borrowing costs.

The long term loans are drawn under a EUR 400,000 multi currency revolving credit facility. The facility is available until May 2023. Amounts are shown net of prepaid transaction costs. Changes to the Groups debt profile reflect changes in the functional currency of entities within the Group.

Elopak has several bank covenants related to the syndicate loan facility. The main covenants are: i) Net Interest Bearing Debt divided by 12 month rolling EBITDA, and ii) Nominal Equity. Elopak is in compliance with all covenants as of 31 December 2020, and expects to be compliant with all bank covenants under the syndicate loan agreement for the foreseeable future.

		2020		2019
Accounts receivables factoring facilities	**Available**	**Utilized**	**Available**	**Utilized**
Non-recourse	130 167	37 613	143 868	54 172
Total		**37 613**		**54 172**

Elopak factors its receivables in the ordinary course of business.

Note 23 Other non-current assets

Other non-current assets	**2020**	**2019**
Contract assets (note 18)	6 028	7 474
Non-current finance lease receivables (Note 14)	6 479	14 784
Other non-current assets	2 010	1 868
Carrying amount 31.12	**14 517**	**24 126**

Elopak Group
Consolidated Financial Statements

Note 24 Financial risk management

Balance sheet management
Elopak manages its balance sheet with a view to optimizing Value Adjusted Equity. This is primarily done through an annual budget process where targets for profitability and limits for capital expenditures are defined. Throughout the year, performance versus these targets and limits are monitored closely. Furthermore, liquidity and balance sheet ratios, like Net Interest Bearing Debt/EBITDA, are monitored to ensure that operating liquidity is sufficient and that bank covenants are met at all times.

Financial risk policy
Elopak is exposed to market risk, credit risk and liquidity risk. Risk management activities are governed by appropriate policies and procedures. Risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There has been no significant change in the management of risks related to financials during the period.

CATEGORIES OF FINANCIAL RISK TO OPERATIONAL BUSINESS

1. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, and commodity price risk, and interest rate risk. Elopak buys and sells derivatives in order to manage market risks, and seeks to apply hedge accounting in order to manage volatiliy in profit or loss.

			2020			2019
Derivatives	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivatives	1 871	1 692	179	1 629	832	796
Commodity derivatives	267	232	35		2 941	- 2 941
Interest derivatives		4 286	- 4 286		3 336	- 3 336
Total	2 138	6 210	- 4 072	1 629	7 109	- 5 480

The full fair value of a derivative is classified as "Other non-current assets or "Other non-current liabilities" if the remaining maturity of the derivative is more than 12 months and, as a "Other current assets" or "Other current liabilities", if the maturity of the derivative is less than 12 months.

Where eligible, derivatives used for hedging are designated in cash flow hedge accounting relationships.

Currency risk
Elopak's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, financing of foreign operations and the Group's net investments in foreign subsidiaries.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

			2020			2019
Currency	**Assets**	**Liabilities**	**Net assets**	**Assets**	**Liabilities**	**Net assets**
BGN	25	28	-3	80	80	0
CAD	40 799	66 919	-26 119	17 454	51 263	-33 809
CHF	3 173	3 187	-15	2 991	3 117	-127
CZK	43 275	42 581	694	100 331	93 171	7 160
DKK	1 657 099	1 660 107	-3 008	1 593 638	1 547 484	46 153
DOP			0	15 198	8 765	6 433
DZD		3 542	-3 542		877	-877
EUR	11 823	14 714	-2 891	166 860	154 436	12 424
GBP	14 343	15 230	-887	8 700	9 513	-812
HUF	593 633	293 100	300 534	651 741	305 853	345 888
NIS	1 542	1 538	5	1 408	1 406	2
JPY	3 752 711	3 765 324	-12 613	2 973 771	2 973 780	-9
MXN	65 548	63 248	2 300	635 672	367 194	268 478
NOK	1 327 056	1 280 621	46 436	859 619	981 553	-121 934
PLN	30 752	32 763	-2 011	26 894	34 925	-8 031
RUR	2 274 239	2 304 275	-30 036	1 424 001	1 428 147	-4 146
SEK	47 370	53 251	-5 880	17 919	12 128	5 791
TND		52	-52		32	-32
UAH	98 951	17	98 935	130 538	451	130 087
USD	72 817	72 550	267	67 891	58 644	9 246

Foreign exchange risk from operating activities such as salaries and personnel tax are managed by hedging transactions that are highly probable to occur within periods out 18 months by entering into foreign currency contracts. The Group employs a layering policy in which the nearest calendar quarter is hedged up to 90% with coverage decreasing in steps to 15% at 18 months out.

Currency exposures related to purchase of filling machines are hedged at a one-to-one basis (100% coverage at the specified date of payment).

Hedge accounting is applied to all currency derivatives, except for cross-currency interest rate swaps which are recognised as financial income or financial expense in profit or loss. Hedge accounting is dedesignated at the date of recognition of the hedged item, however the derivatives are due at the date of expected payment. At dedesignation, the fair value of the hedging derivatives is recycled from Hedge reserve in equity to the hedged item (i.e. filling machine recognised in inventory) and to profit or loss to the same accounting line and at the same time as the hedged item is recognised to profit or loss.

Outstanding derivatives

Notional amount		2020		2019
Currency	**Ccy**	**EUR**	**Ccy**	**EUR**
CAD	6 159	3 940	5 219	3 575
EUR	- 58 483	- 58 483	- 38 183	- 38 183
JPY	4 595 387	36 330	3 058 083	25 079
NOK	256 425	24 491	200 422	20 319
USD	- 8 329	- 6 788	- 10 752	- 9 571
Total nominal value		-510		1 220
Total fair value		179		796

Positive numbers represent purchases

Elopak Group
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Interest risk

Elopak's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. To manage this risk, the Group maintains a portion of it's borrowings at fixed rates of interest by entering into interest rate swaps. These swaps are designated to hedge underlying debt obligations, however they are not subject to hedge accounting.

Outstanding derivatives			**2020**		**2019**
		Notional	**Fair**	**Notional**	**Fair**
Notional amounts and fair values	**Currency**	**EUR**	**value**	**EUR**	**value**
	EUR	150 000	- 4 286	150 000	- 3 336
Total			- 4 286		- 3 336

Positive numbers represent derivative assets

Commodity price risk

Elopak's operating activities require a continous supply of aluminium and polyethylene. Based on a 12-month forecast of requirements the Group manages the commodity price risk by hedging the purchase price of the commodity with the use of commodity price swaps. Hedge accounting is applied for all commodity derivatives. As per 31st December 2020 the hedged amount of Polyethylene derivatives is 60% of expected purchase for the next 12 months and approximately 20% of the expected purchase for months 12 to 24. The hedged amount of Aluminum is 30% of expected purchase for the next 12 months.

Outstanding derivatives		**2020**		**2019**
	Metric			
Notional amounts and fair values	**Tonnes Fair**	**value**	**Metric Tonnes**	**Fair value**
Polyethylene	30 000	81	32 400	- 2 898
Aluminum	1 800	- 46	3 300	- 42
Total		35		- 2 941

Positive numbers represent derivative assets

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates (for foreign exchange contracts), commodity prices (for commodity swaps) and interest rates (for interest rate swaps) with all other variables being held constant. The impact on the Group's equity is due to changes in the fair value of derivatives designated as cash flow hedges.

			2020		**2019**
		Effect on	**Effect on**	**Effect on**	**Effect on**
Numbers are before tax	**Movement**	**profit**	**equity**	**profit**	**equity**
Foreign exchange contracts	+5%		- 3 760		- 1 207
	-5%		- 1 009		3 166
Commodity swaps	+5%		2 998		2 141
	-5%		- 2 124		- 2 751
Interest rate swaps	+1%	5 093	5 093	5 790	5 790
	-1%	- 5 385	- 5 385	- 6 145	- 6 145

Positive numbers represent derivative assets

2. Liquidity risk

Elopak's objective is to maintain a balance between continuity of funding, and flexibility through the use of bank loans and overdraft facilities.

The maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments is summarised below. The tables only show balance sheet items classified as financial instruments and do not include other balance sheet items affecting liquidity, such as inventories. Also, off-balance sheet items such as unused credit facilities are not included. The derivative instruments may be settled gross or net with the relevant protocol being reflected in the tables.

31 December 2020

Financial assets		Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total Nominal
Cash and cash equivalents		6 443	6 443				6 443
Accounts receivables	Note 18	113 050	113 050				113 050
Financial leases	Note 14	13 247	5 535	5 863	1 073	413	12 883
Other receivables		12 459	11 601		7	852	12 459
Derivatives		2 138	2 053	85			2 138
Total		**147 337**	**138 682**	**11 810**	**2 159**	**2 529**	**146 973**
Financial liabilities							
Loans and borrowings	Note 22	228 687	15 552	214 102			229 654
Accounts payable		114 273	114 273				114 273
				14 087	11 944		
				10 866	5 236	9 727	
Other liabilities		147 923	78 802	24 953	17 180	9 727	130 661
Derivatives		6 210	1 212	2 515	2 455	27	6 210
Total		**497 093**	**209 839**	**241 570**	**19 635**	**9 754**	**480 798**

31 December 2019

Financial assets		Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total Nominal
Cash and cash equivalents		15 507	15 507				15 507
Accounts receivables	Note 18	113 828	113 828				113 828
Financial leases	Note 14	16 524	5 979	9 563	2 023	492	18 057
Other receivables		14 228	14 110	100	15	2	14 228
Derivatives		1 629	1 381	248			1 629
Total		**161 715**	**150 806**	**9 911**	**2 038**	**494**	**163 249**
Financial liabilities							
Loans and borrowings	Note 22	273 388	24 341		249 048		273 388
Accounts payable		117 630	117 630				117 630
Other liabilities		143 302	87 649	12 802	10 266	10 098	120 815
Derivatives		7 109	2 459	2 558	2 073	19	7 109
Total		**541 430**	**232 078**	**15 360**	**261 387**	**10 117**	**518 942**

The fair value of all financial assets and liabilities approximates their carrying value. The fair value estimation of derivative financial instruments has been arrived at by applying a level 2 valuation methodology which uses inputs other than unadjusted quoted prices for identical assets and liabilities.

3. Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Elopak has adopted a policy of only being exposed to credit-worthy counterparties, based upon independent credit analysis for all counterparties, where available. In the cases where this is not available, Elopak uses other publicly available financial information and its own trading records to assess creditworthiness. Outstanding receivables are monitored regularly.

4. Hedge accounting

Cash flow hedge accounting is applied to hedges of foreign currency risk and commodity price risk. The interest rate hedges were subject to cash flow hedge accounting until hedge accounting was stopped at 1 July 2017. Hedge reserves from the interest rate hedges are recycled to profit or loss over the lifetime of the hedged risks. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair values of cash flow hedging instruments related to hedged transactions that have not yet occurred. Movements in the cash flow hedge reserve are detailed in the table below:

			2020			**2019**
Contracts	Opening position	Movement	**Closing position**	Opening position	Movement	**Closing position**
Commodity price hedges	- 2 941	2 976	**35**	- 3 875	934	**- 2 941**
Currency hedges	289	- 280	**9**	- 351	640	**289**
Interest rate hedges	- 45	45		- 183	138	**- 45**
Currency translation	1	- 1		12	- 11	**1**
Tax effect	557	- 605	**- 48**	924	- 367	**557**
Total	- 2 139	2 136	-3	- 3 473	1 334	- 2 139

The movement in the hedge reserve includes gains/(losses) transferred from the cash flow hedge reserve into the income statement during the period. These are included in the following line items in the income statement:

	2020	**2019**
Sales		15
Cost of goods sold	3 285	198
Other operating expenses	1 127	101
Net financial items	45	- 138
Total	**4 457**	**176**
Movement in hedge reserve due to changes in fair values	- 2 321	1 158
Total movement in hedge reserve	**2 136**	**1 334**

Due to Elopak hedging policy, hedges are entered into based on highly probable future transactions, either per transaction or by applying base layers. All hedges have a hedge ratio 1:1 and hedge in-effectivess is only related to minor differences in timing of settlement. Hence the total hedge in-effectiveness is insignificant and is not recognised directly to profit os loss.

Note 25 Change in obligations from financial activities

2020	**Interest-bearing loans and borrowings (Note 22)**	**Lease liabilities (Note 14)**	**Total**
1/1/2020	273,388	98,010	371,399
Cash Flows			
Proceeds of loans from financial institutions	960,649		960,649
Repayment of loans from financial institutions	-1,002,188		-1,002,188
Interest expenses to financial institutions	-4,688		-4,688
Lease payments		-20,799	-20,799
Non-cash effects			
Interest expensed	5,088	5,183	10,271
New lease liabities recognized		5,781	5,781
Other non-cash items	-3,562		-3,562
12/31/2020	**228,687**	**88,175**	**316,861**
Non-current	213,135	69,090	
Current	15,552	19,085	

2019	**Interest-bearing loans and borrowings (Note 22)**	**Lease liabilities (Note 14)**	**Total**
1/1/2019	289,450	112,636	402,086
Cash Flows			
Proceeds of loans from financial institutions	1,102,529		1,102,529
Repayment of loans from financial institutions	-1,121,503		-1,121,503
Interest expenses to financial institutions	-10,040		-10,040
Lease payments		-20,874	-20,874
Non-cash effects			
Interest expensed	10,440	5,660	16,100
New lease liabities recognized		588	588
Other non-cash items	2,512		2,512
12/31/2019	**273,388**	**98,010**	**371,398**
Non-current	249,048	78,423	
Current	24,341	19,587	

To the General Meeting of Elopak Group

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elopak Group, which comprise:

- The consolidated financial statements of Elopak Group and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 11 March 2021
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

(This document is signed electronically)

Revisjonsberetning Elopak Group 2020

Signers:

Name	*Method*	*Date*
Haglund, Geir	BANKID_MOBILE	2021-03-11 23:29

admincontrol

Item 6 Restated Group BoD report and Cons Fin Stm 2019.pdf

Signers:

Name	*Method*	*Date*
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ELOPAK GROUP

CONSOLIDATED FINANCIAL STATEMENTS

RESTATED

2019

ELOPAK BOARD OF DIRECTOR`S REPORT 2019

Highlights

- In 2019, Elopak strengthened the focus on sustainability, and updated the sustainability strategy. Elopak was one out of 87 companies, and the first packaging company, to lead the way towards a 1.5°C future at UN Climate Action Summit. This implies to set climate targets across operations and value chain aligned with limiting global temperature rise to 1.5°C above pre-industrial levels and reaching net-zero emissions by no later than 2050. A set of goals and strategic initiatives were anchored in the BoD and several projects have been initiated in various business units.
- The traditional core business of Elopak, fresh gable top cartons in Europe, showed a good performance in 2019, despite a challenging market with slightly declining consumption. Operations performed well in all production plants.
- In June 2019 the Board of Directors approved a close-down of the production facilities in Speyer, Germany. A total of 62 employees were let go by the end of the year, and production of approximately 300m Pure Pak cartons have been successfully transferred to Elopak's other European converting plants.
- The Roll Fed business continued to grow, both in Europe and Americas, with 24% increase in volume, measured in liter equivalents.
- In North America, sale of Pure-Pak™ cartons continued to grow, with a 5% volume growth year-on-year. The focus in 2019 has been on developing a new strategy based on system sales and building a strong organization for future growth.
- Elopak is rolling out a new business management system (Enterprise resource planning- ERP) starting in late 2017, and roll-out progressed as planned in 2019.

Financials

Group net sales for 2019 were EUR 906 million vs 910 million in 2018. Revenue from sale of Roll Fed packages increased by EUR 23 million, or 20%. Volume growth in the Americas Pure Pak business, and in the European aseptic dairy business led to a further revenue growth of EUR 16m, offset by volume reductions in the European fresh dairy business. Revenue from sale of Pure Pak cartons in Europe, excluding aseptic dairy, declined by EUR 18m. Compared to 2018, reported revenue from rental of equipment was reduced by EUR 7m, of which EUR 5m is related to implementation of IFRS 16 and EUR 2m is related to reclassification of contracts from operating lease to finance lease.

Group EBITDA for 2019 was EUR 88.3m, compared to EUR 75.3 million for 2018. Implementation of IFRS 16 had a positive impact on reported EBITDA of EUR 16.2m. Adjusting for this, EBITDA was reduced by EUR 4.6m. The main reasons for the weaker result were the restructuring costs related to the close down of Speyer, the declining volume in the European fresh Pure-Pak business and cost increases for certain raw materials. This was to a large extent offset by growth in Americas and in the aseptic business.

Operating profit for the year was EUR 36.0m (2018 EUR 38.3m).

Elopak`s share of net profit from joint ventures was EUR -1.7m in 2019, versus EUR 5.7m the year before. The investment in Elopak Obeikan has been valued at EUR 1.5m at year end, leading to a write down of EUR 6.1m. The underlying share of net income from JVs was EUR 4.5m. The reduction from last year was caused by lower sales volumes in the two largest joint ventures, Elopak Obeikan and Envases Elopak, due to a difficult market situation.

Net financial costs for 2019 were EUR 17.4m compared to EUR 11.6m for 2018. The increase was mainly due to EUR 5.7m higher interest cost from lease liabilities following implementation of IFRS 16. Tax costs for 2019 were EUR 7.0m, corresponding to an effective tax rate of 42%. (2018 EUR 4.4 m, or 14%). The expected effective tax rate for the group is approximately 25%, depending on the allocation of the profits between jurisdictions with different tax rates. With a profit before taxes at EUR 16.9m, the difference between 25% and 42% is a tax cost at EUR 2.8m. The main reason for the high cost in 2019 is lost tax credit on withholding tax related to interest and royalties and an adjustment in respect of previous years related to the investment in the Dominican Republic. The investment is considered a Norwegian-controlled company in low tax country (NOKUS). In relation to the NOKUS, tax credit recognized for previous years was expensed due to limitation in the Norwegian tax credit rules. In 2019 tax authorities in Spain, France and Italy have performed audits of the income years 2014-2015, leading to income adjustments that have been expensed by EUR 0.5m. Finally, the tax cost in EUR is negatively impacted by differences in local and functional currency.

During 2019 a total of EUR 10.4m was paid to the shareholders as dividends.

The balance sheet conditions remain satisfactory at year end 2019. Net interest-bearing bank debt has decreased to EUR 258m from EUR 275m one year earlier. Implementation of IFRS 16 as per 1. January 2019 led to an increase of lease liabilities of EUR 112m. Book equity was increased from EUR 152m to EUR 154m, mainly as a result of annual profit at EUR 9.9m and the 2019 dividend payments.

For 2019, the proposed dividend is EUR 10.2m.

The Board confirms that the accounts are presented under a going concern assumption.

The markets

The long-term consumption trends in the European market continued. Management estimates that on average the fresh dairy segment is declining by 1-2% p.a. Competition is strong in dairy, as in certain geographies local non-system suppliers are establishing, while PET in some markets still gains market share against carton. Elopak's sale of fresh dairy volumes in Europe declined somewhat more than the market in 2019, driven by timing effect from customers building inventory at the end of 2018 before roll out of the new ERP platform to the converting plant in Aarhus . The fresh juice market continues to be challenging due to health concerns and plastic growth, and Elopak's sales of cartons declined by 19%. In the aseptic juice market, Elopak managed to grow the volumes by 1%, supported by growing sales of aseptic cartons on the Pure-Pak™ Aseptic (PPA) platform.

The packaging industry is completely focused in its sustainability approach after the increased public concern on plastic littering and climate change. The anti-plastic trend represents a relevant opportunity for carton based packages, nevertheless due to consumer habits, plastic installed base and easy to recycle image of PET the conversion from plastic to carton is still slow.

In Europe, Elopak`s sales volume was 6.3 billion PurePak cartons, vs 6.7 billion in 2018. Sales in Russia stabilized around 1.1 billion cartons and showed a slight increase, despite continued difficult macroeconomic development. In the Americas, Elopak delivered 1.9 billion cartons, vs 1.8 billion the year before. The growth was achieved in a declining market, and as such based on increased market share. The increase was predominantly with the two largest existing dairy customers.

Sales of roll-fed packaging materials reached 2.4 billion packs (measured in one-liter equivalents) vs 1.9 billion in 2019. 1/3 of the growth was with a large customer in Americas while the rest of the growth took place with several medium sized customers in the European markets. Growth in adjacent markets or with new customers was below expectation.

Elopak placed a total of 37 filling machines with customers in 2019 (2018: 35), and continues to promote the aseptic Pure-Pak™ filling system and installed 4 new filling lines in the aseptic dairy market in 2019. The PPA aseptic Pure-Pak™ system is performing well at the customer sites with the highest standards on sterility and food safety.

Operations

An important activity in 2019 was the close of the Speyer converting plant. The basis for the decision is to maintain capacity utilization in the European plants. Operational improvements over the last years have improved the production capacity by more than 0.5bn cartons. All configurations previously produced in Speyer has been produced at the receiving plants with no significant delivery or quality issues.

Operations at the European coating and converting plants were good in 2019. All plants managed to improve the waste levels, with the largest improvements in Roll Fed productions. Aarhus and Fastiv roll fed plants managed to absorb 24% volume growth with good delivery performance.

The plant in Montreal delivered a 5% increase in production, but waste reductions and delivery performance were not according to expectation. Following a challenging 2018, with strike in the plant, focus in 2019 has been on stabilization operations and re-building the organization. During the year Elopak has qualified juice boards which is an important step in preparing for future growth in a new segment. In the last quarter of 2019 three key positions have been filled; Executive President Region Americas, Vice President of Sales and Vice President of Operations.

People

Health and safety

Elopak`s continued effort to improve safety in the operation has not shown the expected results. Underlying factors include increased compliance with reporting and organizational changes. The LTI rate (showing the number of lost-time incidents per million working hour) was 4.1 for 2019, compared to 1.2 for 2018. While the European plants combined passed one calendar year without any LTI in January 2019, several accidents with lost time took place throughout the year.

The TRI rate, measuring total recordable incidents per million working hour, also increased from 6.9 in 2018 to 12.8 in 2019. The focus on improving safety continues and all managers in the operational organization are measured and remunerated according to safety performance. Common focus areas are:

- Systematic assessments of risks in operational tasks
- Further development of procedures for how to handle running machineries, and to physically lock machineries for unintentional startup during maintenance
- Strengthen the interface between leaders and operator / Field Service Engineer to build a better safety culture
- Make safety visible by signs, markings and articles, and consequent reactions on lack of adherence to safety procedures
- Perform safety audits against the internal safety standard and local safety plans

In addition to common group focus areas, local safety plans are defined to fit with local needs, with the ambition to reduce the incident rates towards zero.

Absence due to sickness has raised from 3% in 2018 to 4% in 2019 due to flu and some high long-term leave. Focus on follow-up and general prevention activities have been ongoing through the year.

Corrective actions with focus on health and safety activities for managing a healthy and proper business environment are carried out in cooperation between the HR/HSE organization, relevant line managers and local health service providers. When relevant, employees are invited to perform alternative tasks or to work part-time as part of a program to get back to work earlier. Management also maintain a close dialogue with the European Works Council as well as local Works Councils about health and safety and preventive actions.

Safety on Business Travels

Elopak's employer liability spans from "door to door" when employees are on business travels and safety is our number one concern. Elopak aims to protect employee safety when travelling while also making it possible for the company to operate in conflict areas and have therefore entered into a global agreement with Falck/SCR/AIG. The group wide travel insurance program includes travel assistance service world-wide 24/7.

Crisis Management

Elopak has also conducted "table top" crisis management training sessions which is a theoretical exercise. The training is a desk training based on simulation in a single room and involves a realistic scenario relevant for Elopak.

This type of exercise is particularly useful for validation purposes, for exploring weaknesses in procedures, developing staff competence and giving relevant people practice in carrying out their roles when responding to crisis. Manuals have been developed, reflecting in details how Elopak shall handle each step in case of a crisis. The manuals are describing the process from discovery and classification, activation of crisis management teams, assessment and decisions and the crisis communication needed to contain a crisis situation.

General

At the end of 2019, the Elopak Group had 2 232 employees, of which 78.5 % were male, 21.5 % female. The largest numbers of Elopak employees are found in the Netherlands (473), Denmark (329), Canada (324), Germany (302), Russia (191), and Norway (159).

Elopak is committed to conducting business in a socially and environmentally responsible manner. The basic rules related to employee relations and conditions are embedded in the Code of Conduct and Elopak Anti-Corruption policy, which stipulates rules and guidelines related to ethical conduct of business, equal opportunities, non-harassment and observation of health and safety standards. The Code of Conduct and Anti-Corruption policy is an integral part of the legal employment contract with Elopak for employees and contractors.

All employees receive an invitation to do PureEthics; our Code of Conduct and Anti-Corruption Policy e-learning program in order to continuously focus on ethical behavior and compliance. Elopak requires all employees to perform the program every year.

A more in-depth dilemma training workshop concept has also been worked out for selected target groups; upper management group in legal units, employees in sales, marketing, purchasing and controllers.

Possible breaches of the Code of Conduct and the Anti-Corruption policy are to be reported in the line management or through the external whistleblower channel with KPMG, Norway. The service provided by KPMG ensures that our employees and external stakeholders can report their concerns confidentially and anonymously with no ability to trace back to the notifier.

Accordingly, Elopak has developed a Global Supplier Code of Conduct (SCoC) to illustrate and clarify what to expect from the suppliers in the areas of business ethics, human rights, labor practices, health and safety and the environment. The SCoC outlines the minimum standards Elopak requires its suppliers to comply with when doing business with Elopak in addition to applicable laws and regulations.

Elopak has also conducted nano training for all employees in order to comply with the GDPR regulations. The compliance activity has been handed over from a project phase to the operational organization and a Global Data Protection Officer and Local Data Protection Coordinators have been appointed.

In 2019 Elopak trained 170 employees at the Aarhus production site in Denmark, 16 employees in the Nordic Market units (Estonia, Finland, Latvia and Lithuania) and 25 employees in the Southern European Market units (Italy, Spain and France) to ensure successful roll out of SAP to these areas.

In 2019 Elopak continued to train line managers in Situational Leadership and in My PDP, the Performance and Development People management tool.

Planet

Sustainability is embedded into the Elopak strategy, as the company aims to be a part of the solution for sustainable packaging. The company is systematically looking for new solutions aimed to reduce carbon footprint for its customers and for its own value chain.

Sustainability performance can be measured in various ways, and Elopak report into multiple channels. The Ecovadis platform is becoming a well-known benchmark for sustainability performance, and Elopak improved the score from 50 to 60 points (of 100 in total), in the 88^{th} percentile. Several improvement points have been identified within the key areas “Labor &Human Rights”, “Ethics”, “Sustainable Procurement” and “Environment”, many of which will be implemented during 2020.

Elopak’s environmental focus has been strong for many years, with a number of achievements so far. In 2019, this focus was further strengthened through Science Based Targets and increased focus on sustainable supply chains, as well as recycling initiatives.

Science Based Targets and commitment to low carbon packaging

In 2019, Elopak was one of the first companies in the world to formally pledge to cut greenhouse gas emissions in line with the new criteria set by Science Based Targets (SBT) initiative, aiming to keep the global average temperature increase below 1.5°C. This new commitment aims for a 55% reduction in Elopak’s 2017 level of emissions by the year 2030, in addition to a commitment to continue purchasing renewable electricity, and to reduce emissions from the value chain by 16%.

In 2018 Elopak reported a 70% reduction in greenhouse gas (GHG) emissions. With the new Science Based Targets, reporting structure changes and from 2019 Elopak reports against a 2017 baseline. The target for direct company emissions is a 1 % reduction in GHG emissions from 2017 to 2019.

Carbon footprint of a typical 1 liter fresh milk carton with cap in Europe has been reduced by 7.5% since 2017.

In line with the push for *net zero,* Elopak continue to be a CarbonNeutral® Company offering CarbonNeutral® Packaging. Sales of CarbonNeutral® Packaging has increased gradually since the launch in 2016 and sales in 2019 was 220 million cartons. This represents a compensation of 8 800 tonnes of CO2e.

Responsible sourcing

85% of all suppliers have signed Elopak’s Global Supplier Code of Conduct, and 50% of supplier contracts include clauses on environment, labor, human rights and ethical requirements. In 2019, Elopak became members of Ethical Trade Norway, a Non-Governmental Organization aiming to secure sustainable supply chains and products.

In 2019, 58% of the cartons delivered by Elopak were FSC certified. 100% of the fiber used in Elopak`s cartons is sourced according to the FSC standards. Renewable PE volumes have increased more than 50% since 2018, and represented 8% of the sales volume in Europe in 2019. Renewable closures increased 75% since 2018 and represent 11% of closure sales in Europe. Since the launch of renewable PE in Elopak, 12 000 tonnes of CO2e has been saved.

Circular Economy

In 2018, the average carton industry recycling rate in Europe was 49%, up 1% on the previous year. In Canada, the recycling rate was 60%, while in the US, 61% of households have access to beverage carton recycling (only 16% is recycled).

Recycling efforts need to improve in order to meet the targets laid in the EU Packaging and Packaging Waste Directive and Waste Framework Directive and Single Use Plastic Directive, as well as increasing requirements from core markets. The industry's recycling association EXTR:ACT works to improve the recycling of beverage cartons and to map initiatives especially focused on recycling the polymers and aluminum (polyal).

On 4 October 2019, the CEOs of ACE member companies formally agreed to set up a new global beverage carton industry platform called GRACE that will support the industry in its drive to ensure that beverage cartons are recognized as net zero-carbon emissions packaging contributing to climate change mitigation and are effectively collected and recycled worldwide.

In addition, the paper industry has set up an initiative called 4EverGreen, which works across the entire value chain to boost the contribution of fibre-based packaging in a circular economy.

Financial and operational risk and risk management

Elopak is exposed to normal financial risk inherent in being an international company involved in producing food packaging materials with individual consumers as end customers.

The main long-term risk is related to the consumer`s acceptance of and preference for the carton package for liquid food. During 2019, Elopak has seen increased consumer awareness around sustainability matters and also increased regulatory risk related to how packaging waste and single-use plastic directives will be implemented in Europe. Management expect this trend to continue with increased force during 2020. Elopak view this trend as a major opportunity, but also a risk. Management therefore aim to reinforce the position of the carton, and in particular the PurePak carton, in the marketplace by continuous product development, by improving production processes to make the product even more attractive, and by reinforcing the positive environmental properties of the product.

Our product is in direct contact with the content that are packaged, milk, juice etc. Therefore, food safety issues are of critical importance. Elopak is executing strict quality control over the production of the packaging system components and on the system itself. During 2019, there were no significant non-sterility or food safety issues.

Risks in the production processes are managed through systematic process improvement work, through detailed work safety standards, and through maintenance procedures at the plants. Elopak is covered by insurance normal for this type of industry, which will cover the financial impact of unforeseen events leading to significant damage on equipment or products.

Financial risks are mainly related to movements in product prices or raw material costs, and to unforeseen operational issues leading to higher costs.

A high portion of Elopak`s sales are made under contract of 1 year or longer duration, and the main raw materials are purchased under contracts with typically 2-4 year duration. For some raw materials, mainly polyethylene and aluminum, financial hedging markets are used to mitigate the risks of adverse price movements.

Elopak is financed through a number of banking agreements, the min being a EUR 400m revolving credit facility made available by a syndicate of 5 international banks. The unused portion of this facility is the main liquidity reserve for the Group and is of sufficient size for current requirements.

Board of Directors and management

The Board of Directors had 6 meetings in 2019.

Harry Salonaho, board member since 2010, resigned from the Board in July 2019. The BoD wishes to express its appreciation for the efforts and dedication shown by Mr. Salonaho during his tenure.

Per Thau, board member since 2017, returned from leave of absence from the work of the Board in September 2019.

Erlend Sveva and Marius Wiklund were re-elected as board members representing the employees in July 2019.

Outlook

The long-term consumption trends in Elopak`s main markets are expected to continue, with a slow decline in consumption in the main mature economies. However, the stronger public focus on anti-plastic, recycling and climate change is expected to give more market opportunities for carton-based packaging.

Elopak intends to leverage this trend by increasing further the efforts on renewable raw materials, by developing new and upgraded products, like cartons without cap or cartons without aluminum foil. Elopak is actively pursuing growth in three dimensions:

- Existing geographies where market share is low, like in US.
- New geographies with inherent market growth.
- New categories in existing geographies where carton packaging offers a competitive and sustainable alternative to plastics.

Executing the growth strategy in America will be a high priority in 2020. Investments in business development activities will increase in 2020.

The parent company

The net result of the parent company Elopak AS was EUR 10.1m.

The Board of Directors proposes a dividend to all shareholders of NOK 20 per share. In addition, the Board proposes that an additional dividend of NOK 2,7 per share is distributed to the minority shareholders, to compensate for the value of the tax asset transferred to the majority shareholder through group contribution. Ferd owns 99.89% of the shares, while management owns 0.11%. The total dividend will be EUR 10.2m.

Furthermore, the Board declares a group contribution to Ferd AS of NOK 66m without tax effect.

A total of EUR 0.1m is proposed to be transferred from retained earnings, being the net result adjusted for dividends and for the EUR 6.7m net effect of group contributions.

Skøyen 11th March 2021
Board of Directors in Elopak AS

Jo Olav Lunder (Chairman)	Trond Solberg	Michael Francis Cronin
Seyed Mehran Johari	Marius Wiklund	Per Thau
Erlend Sveva		Thomas Körmendi (CEO)

Elopak Group
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STATEMENT OF COMPREHENSIVE INCOME - RESTATED EUR 1.000

	NOTE	2019	2018
Revenues	**4, 5**	906 530	909 247
Raw material expenses and change in inventory		-587 630	-608 016
Payroll expenses	**6**	-177 908	-171 002
Depreciation, amortization and impairment	**11, 12, 13, 14**	-52 305	-36 980
Other operating expenses	**7, 8**	-52 687	-54 962
Total operating expenses		-870 529	-870 960
Operating profit	**5**	**36 001**	**38 287**
Financial income and expenses			
Share of net income from joint ventures	**15**	-1 690	5 669
Financial income	**9**	2 523	1 343
Financial expenses	**9**	-19 936	-12 908
Profit before taxes		**16 897**	**32 391**
Income tax expenses	**10**	-7 031	-4 421
Profit for the year		**9 866**	**27 970**
Profit for the year attributable to:			
Owners of the parent company		9 866	27 970
Basic and diluted earnings per share (in EUR)	**20**	1,97	5,58
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net value gains / losses (-) on actuarial benefit plans, net of tax		247	141
Items reclassified subsequently to net income upon derecognition			
Exchange differences on translation foreign operations		4 431	-1 469
Net value gains / losses (-) on cash flow hedges, net of tax		1 334	-3 175
Joint ventures		270	
Other comprehensive income for the year, net of tax		**6 282**	**-4 503**
Total comprehensive income for the year		**16 148**	**23 467**
Total comprehensive income attributable to:			
Owners of the parent company		16 148	23 467

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STATEMENT OF FINANCIAL POSITION - RESTATED **EUR 1.000**

ASSETS	**NOTE**	**2019**	**2018**	**OB 2018**
NON - CURRENT ASSETS				
Development cost and other intangible assets	**11**	61 101	61 201	54 842
Deferred tax assets	**10**	32 600	29 323	33 345
Goodwill	**12**	51 361	51 751	52 681
Property, plant and equipment	**13**	185 131	168 492	167 686
Right-of-use assets	**14**	80 450		
Investment in joint ventures	**15, 19**	27 710	32 547	32 113
Other non-current assets	**23**	24 126	13 787	14 489
Total non - current assets		**462 479**	**357 101**	**355 154**
CURRENT ASSETS				
Inventory	**17**	127 387	132 082	134 007
Trade receivables	**18**	113 828	117 807	122 082
Other current assets	**18**	56 339	51 453	34 529
Cash and cash equivalents		15 507	14 374	14 903
Total current assets		**313 061**	**315 716**	**305 521**
Total assets	**5**	**775 540**	**672 818**	**660 676**

Elopak Group
Consolidated Financial Statements

STATEMENT OF FINANCIAL POSITION - RESTATED

EUR 1.000

EQUITY AND LIABILITIES	**NOTE**	**2019**	**2018**	**OB 2018**
EQUITY				
Share capital	**20**	47 482	47 482	47 438
Other paid-in capital		13 188	15 621	19 383
Currency translation reserve		-30 932	-35 363	-33 894
Cash flow hedge reserve	**24**	-2 139	-3 473	-298
Retained earnings		126 290	127 333	159 718
Attributable to owners of the company		153 889	151 600	192 346
Total equity		**153 889**	**151 600**	**192 346**
LIABILITIES				
NON-CURRENT LIABILITIES				
Pension liabilities	**16**	2 958	3 447	11 405
Deferred taxes	**10**	21 147	16 456	18 659
Liabilities to financial institutions	**22**	249 048	275 121	198 537
Non-current lease liabilities	**14**	78 423	74	
Other non-current liabilities		5 264	2 967	2 628
Total non-current liabilities		356 840	298 065	231 229
CURRENT LIABILITIES				
Liabilities to financial institutions	**22**	24 341	14 329	17 163
Trade payables		117 630	114 052	100 665
Taxes payable	**10**	5 352	3 610	12 221
Public duties payable		15 494	15 060	12 447
Current lease liabilities	**14**	19 587	149	
Other current liabilities	**21**	82 408	75 952	94 604
Total current liabilities		264 812	223 151	237 100
Total liabilities		**621 652**	**521 217**	**468 329**
Total equity and liabilities		**775 540**	**672 818**	**660 676**

Skøyen, 11th March 2021

Jo Olav Lunder
(Chairman)

Trond Solberg

Michael Francis Cronin

Seyed Mehran Johari

Marius Wiklund

Per Thau

Erlend Sveva

Thomas Körmendi
(CEO)

STATEMENT OF CASH FLOWS - RESTATED

EUR 1.000

	NOTE	2019	2018
Profit before taxes		16 897	32 391
Depreciation, amortization and impairment	11, 12, 13, 14	52 305	36 981
Net unrealized currency gain(-) / loss		-1 674	1 260
Income from joint ventures	15	1 690	-5 669
Net gain(-) / loss on sale of non-current assets		-14	-271
Taxes paid		-7 966	-16 302
Change in trade receivables		5 993	2 927
Change in other current assets		-2 094	-16 595
Change in inventories		8 060	5 814
Change in trade payables		2 019	14 628
Change in other current liabilities		11 133	-16 108
Change in net pension liabilities		-184	-8 090
NET CASH FLOW FROM OPERATIONS		86 165	30 966
Purchase of non-current assets	11, 13	-52 595	-45 283
Proceeds from sales of non-current assets		128	2 011
Dividend from joint ventures companies	15	4 348	6 739
Change in other non-current assets		7 335	500
NET CASH FLOW FROM INVESTING ACTIVITIES		-40 784	-36 033
Change in long term loans and liabilities	25	-28 986	67 427
Change in current liabilities to financial institutions	25	10 012	-2 834
Dividend paid		-10 373	-60 496
Capital increase	20		723
Payment of principal portion of lease liabilities		-15 214	
NET CASH FLOW FROM FINANCING ACTIVITIES		-44 562	4 819
Foreign currency translation on cash		312	-280
Net increase/ decrease in cash		1 131	-527
Cash at beginning of year		14 375	14 903
Cash at end of year		15 507	14 375

STATEMENT OF CHANGES IN EQUITY - RESTATED

EUR 1.000

2019	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47 482**	**15 621**	**-35 363**	**-3 473**	**127 333**	**151 600**
Effect of adoption of IFRS 16 Leases (Note 2 and 14)					-1 055	**-1 055**
Total equity 01.01 (adjusted for IFRS 16)	47 482	15 621	-35 363	-3 473	126 278	**150 545**
Profit for the year					9 866	**9 866**
Other comprehensive income net of tax			4 431	1 334	517	**6 282**
Total comprehensive income			4 431	1 334	10 384	**16 148**
Dividend paid					-10 373	**-10 373**
Group contribution from owner		8 625				**8 625**
Group contribution to owner		-11 057				**-11 057**
Total transactions with owners		**-2 432**			**-10 373**	**-12 805**
Total equity 31.12	**47 482**	**13 189**	**-30 932**	**-2 139**	**126 289**	**153 889**

STATEMENT OF CHANGES IN EQUITY

2018	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01.2018	**47 438**	**19 383**	**-33 894**	**-298**	**154 116**	**186 744**
Effect of change in accounting policy for IFRS 15					5 603	5 603
Total equity 01.01.2018	**47 438**	**19 383**	**-33 894**	**-298**	**159 718**	**192 346**
Profit for the year					27 970	**27 970**
Other comprehensive income net of tax			-1 469	-3 175	141	**-4 503**
Total comprehensive income			**-1 469**	**-3 175**	**28 111**	**23 467**
Share capital increase	44	679				**723**
Dividend paid					-60 496	**-60 496**
Group contribution from owner		14 867				**14 867**
Group contribution to owner		-19 308				**-19 308**
Transactions with owners	**44**	**-3 762**			**-60 496**	**-64 214**
Total equity 31.12	**47 482**	**15 621**	**-35 363**	**-3 473**	**127 333**	**151 600**

Elopak Group
Consolidated Financial Statements

Note 1 General information

The Elopak Group consists of Elopak AS and its subsidiaries as set out in note 19. Elopak AS is a limited liability company incorporated in Norway. The principal activities of the company and its subsidiaries are described in note 5 and 19. The address of its registered office and principal place of business is:

Postal address:	P.O.Box 24
	3431 Spikkestad, Norway
Visiting address:	Industriveien 30
	3430 Spikkestad, Norway

All numbers are presented in € 1.000 unless otherwise is clearly stated.

These consolidated financial statements replaces the previous reported financial statement as set out in Note 2 - Restated IFRS 15 revenue recognition in 2019 Consolidated Financial Statements.

These consolidated financial statements were approved by the board of directors and authorized on 11th of March 2021.

Note 2 Significant accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by EU (IFRS). The accounting policies adopted have been applied consistently to all of the years presented.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the companies controlled by Elopak AS. Control is achieved where the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

De facto control is a part of the concept of control and implies an obligation to consolidate. In cases where a Group owns 50% or less of the voting share, and there are no shareholders agreements, the Group assesses whether it has de facto control or not. Control is achieved when the Group has the power to govern the financial and operating policies of another entity.

Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

Interests in joint ventures
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture company are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the equity investee. The statement of comprehensive income reflects the share of the results of operations of the associate (net after tax). Where there have been changes recognised directly in the equity of the associate, its share is recognised when applicable in statement of changes in equity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After application of the equity method the Group determines whether it is necessary to recognise an additional impairment on the individual investments. The Group determines if there are indications of impairment, and if this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of the joint venture and its carrying value.

Where a group entity transacts with a joint venture company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

Goodwill
Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Discontinued operation
A discontinued operation is a component of an entity or an entity that either has been disposed of or is classified as held for sale. Profit / loss for the year from discontinuing operations are presented separately in the statements of comprehensive income, comparatives are re-presented.

Foreign currencies
The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Euro, which is the functional currency of the parent company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions that are entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies).

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the relevant periods, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income and is part of the Group's foreign currency translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to profit and loss. When a subsidiary in a foreign operation repays a quasi-equity loan or repays/returns share capital, but there is no change in the parent's proportionate percentage shareholding, the cumulative translation adjustment is not reclassified from other comprehensive income to profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of the reporting date.

Revenue recognition
The Group is a global supplier of paper-based packaging system solutions for liquid products. Revenue from contracts with customers is derived from sale of filling equipment, Pure-Pak® carton and Roll Fed packaging material (hereby denominated as cartons), closures and related services. Revenue is recognised when control of the goods or services are transferred to the customer and is presented net of returns, trade discounts, volume rebates and other customer incentives. The Group also presents lease income from lease of filling equipment.

Generally, the Group recognises revenue on a point in time basis when the customer takes title to the goods and rewards for the goods. For goods without alternative use where the Group has a legally enforceable right to payment for the goods, the Group recognises revenue over time, which generally is, as the goods are produced.

Sale of cartons and closures
Cartons are printed based on customer specifications and are therefore without alternative use. Cancellation provisions in the customer contracts, combined with background law in the legal jurisdictions give the company an enforceable right to payment for work performed to date as described in IFRS 15. Most of the customer contracts includes cancellation clauses that gives the company sufficient protection to conclude that there is and enforceable right to payment.

Closures are not customised and therefore with alternative use and recognised at point in time.

Sale of filling equipment
Revenue from sale of filling equipment is recognised at the point in time when control of the asset is transferred to the customer, generally when the machine is tested and accepted by the customer. Filling equipment could result in no alternative use if it would incur significant costs to rework the design and function of the machine to direct it to another customer. However, in most cases filling equipment is standard equipment and considered to have alternative use, hence they are recognised at point in time.

Sale of service
The Group offers research and development support, after sales services and technical training and maintenance support. Revenue from support, service and training is recognised over time, as the customer simultaneously receives and consumes the benefit provided to them. The Group uses an input method in measuring progress of the services because there is a direct relationship between the Group's effort/labour hours occurred and the transfer of service to the customer.

Trade discounts, volume rebates and other incentives
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Cartons are often sold with retrospective volume discounts based on aggregate sales over several months. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A refund liability is recognised for the expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

No significant element of financing is deemed present, and the Group had no right of return in the reporting period.

Contract liabilities
Payment for filling equipment are generally made in instalments and a contract liability is recognised when a payment is received or due from a customer before the Group transfers the filling equipment. Contract liabilities are recognised as revenue when control of the filling equipment is transferred to the customer.

Contract assets
Contract assets consist of prepaid support (rebate) to customers which will be offset against contracted future purchases of carton and features. The prepaid support is allocated to the different performance obligations, hereunder filling equipment and cartons/closures.

Internally generated intangible assets, research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised in the statement of financial position only if all of the following conditions are met:

- there are technical feasibilities to complete the intangible asset so that it will be available for use or sale
- there is an intention to complete the intangible asset and an ability to use or sell it
- there are resources to complete the assets
- an asset is created that can be identified
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

After initial recognition the assets are carried at cost less any accumulated amortization and impairment losses. Amortization begins when the development is complete, and the asset is available for use. Internally generated intangible assets are amortized on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. During the period of development, the assets are tested for impairment annually.

Sales rights and IT software
Capitalized sales rights and IT software are measured initially at cost and amortized on a straight-line basis over their estimated useful lives.

Property, plant and equipment
Capitalized property, plant and equipment are reflected at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment, other than land and properties under construction, are depreciated over their estimated useful lives, using the straight-line method and taking into consideration any residual values. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The assets' residual values, useful lives and methods of depreciation are reviewed at year-end and adjusted prospectively if appropriate.

The gain or loss arising on the disposal or retirement of a fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases
The Elopak Group applied IFRS 16 1 January 2019 using the cumulative catch-up approach. Impacts of initial application of IFRS 16 is presented in the Adoption of new and revised IFRS section. The details of accounting policies under IFRS 16 are presented separately below.

<u>The Group as a lessee</u>
The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For short-term leases and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value for the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial costs. Lease liability is subsequently measured at amortised cost and right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of use asset and lease liability is presented as separate lines in the consolidated statement of financial position.

The Group remeasures the lease liability and make corresponding adjustment to the related right-of use asset whenever there is a change in lease term or assessment of exercise of a purchase option, the lease payments change due to changes in an index or rate (or a change in the expected payment under a guaranteed residual value), or there is a modification of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has applied this practical expedient to all classes of right-of-use assets, except for rent of buildings.

<u>The Group as a lessor</u>
The group enters into lease agreements as a lessor with respect to filling machines placed with customers. These leases are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other are operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease with reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis of the lease term.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Impairment of non-financial assets excluding goodwill
At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventory
Inventory is stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs. Finished goods and work in progress also include a proportion of manufacturing overheads based on normal operating capacity that have been incurred in bringing the inventory to its present location and condition. Cost is calculated using the FIFO cost formula for cartons, filling machines and spare parts. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Pensions
Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions. Payments made to public retirement benefit schemes are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit plans, the cost of providing benefits is determined using actuarial valuations at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The plan asset or pension liability recognised in the statement of financial position consist of the net present value of the defined benefit obligation, unrecognised past service cost, and fair value of plan assets.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value, plus any directly attributable transaction costs for instruments not at fair value through profit or loss. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Such purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities falling due within the next reporting period or those which are in the ordinary course of business is classified as current while the others are classified as non-current.

Financial Instruments at amortized cost
Subsequent to initial recognition, non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

Financial Instruments at fair Value
The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above. The statement of cash flows is presented using the indirect method.

Trade and other receivables
Trade and other receivables that are held to collect contractual cash flows only and the contractual cash flows are solely principal and interest are measured at amortised cost using the effective interest method, less any impairment. Short-term receivables are measured at nominal values reduced by appropriate allowances for expected credit losses.
Accounts receivables which are subject to Non-recourse factoring are classified as instruments held to collect contractual cash flows and for sale and are measured at fair value through other comprehensive income until they are derecognised.

Interest bearing loans and borrowings
Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. After initial recognition loans and borrowings are measured at amortized cost using the effective interest rate method.

Trade and other payables
Trade and other payables that contain a significant financing components are measured at amortised cost, otherwise they are measured at nominal value.

Impairment of financial assets
A loss allowance for expected credit losses is recognised for financial asset measured at amortised cost or fair value through OCI, contract assets under IFRS 15, lease receivables under IFRS 16 and certain written loan commitments and financial guarantee contracts. Loss allowance is assessed at each reporting day.

Loss allowances for trade receivables, contract assets and lease receivables that do not contain a significant financing component are measured at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables, contract assets and lease receivables that do contain a significant financing component are measured at an amount equal to the lifetime expected credit losses including interest revenues. When there is no objective evidence of impairment, interest revenues are calculated based on gross carrying amount, otherwise interests are calculated based on the net carrying amount. The amount of the loss is recognised in profit or loss.

In case of changes to expected credit losses in a subsequent period, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

In relation to trade receivables, there is objective evidence of a credit loss (such as the probability of insolvency or significant financial difficulties of the debtor) when the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are de-recognised when they are assessed as uncollectible.

Derivative financial instruments and hedging
The Group enters into derivative financial instruments to manage its exposure to interest rate, foreign exchange rate and raw material risk arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group designates certain derivatives as either hedge of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedge of highly probable forecast transactions or hedge of foreign currency risk of firm commitments (cash flow hedges).

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and, as a current asset or liability, if the maturity of the derivative is less than 12 months.

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of the derivative hedging instrument designated and qualifying as a cash flow hedge are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in the fair value are recognised in profit or loss.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the comprehensive income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in different periods and items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxes are recognised based on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited other comprehensive income or equity, in which case the deferred tax is also recognised in other comprehensive income or equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Adoption of new and revised International Financial Reporting Standards
The Group applied IFRS 16 leases 1 January 2019. IFRS 16 introduced significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

The Group applied IFRS 16 using the cumulative catch-up approach which required the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application. The cumulative catch-up approach does not permit restatement of comparatives, which continued to be presented under IAS 17 and IFRIC 4.

Impact of the new definition of a lease
On transition, the Group reassessed whether the contracts contained a lease under IFRS 16. The change in definition of a lease is mainly related to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The definition of a lease and related guidance set out in IFRS 16 is applied to all lease contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group carried out an implementation project. The project identified one arrangement that was under the scope of IFRS 16, but not within the scope of IAS 17 and IFRIC 4. This arrangement is related to moulding of closures and is included in the effects of implementing IFRS 16. With the exception of the moulding of closure arrangement, the implementation project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

Impact on Lessee Accounting
Former operating leases
IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet. Applying IFRS 16, the Group:

a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii)
b) Recognises depreciation of right-of-use assets and interests on lease liabilities in the consolidated statement or profit or loss;
c) Separates the total amount of cash paid into a principal portion (presented within operating activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other operating expenses' in profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Former finance leases
For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.
The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, the Group has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application.

Finance lease receivables are subject to allowances for expected credit losses under IFRS 9.

Financial impact of initial application of IFRS 16
The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 January 2019 is 5.64%. The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

Impact on retained earnings as at 1 January 2019:

Opening balance Right-of-use assets 1st Jan 2019	**93 184**
Operating lease payments 31st Dec 2018	121 390
Short term leases, low value assets and contracts not incl in lease liability under IFRS 16 1st Jan 2019	-7 928
Discounting effects 1st Jan 2019	-24 427
Finance lease as per 31st Dec 2018	221
Contracts under the scope of IFRS 16 (but not reported as an operating or finance lease under IAS 17) 1st Jan 2019 [1)]	23 157
Lease liability 1st Jan 2019	**112 413**
Weighted average discount rate is 5.64%	
Lease receivables 31st Dec 2018	4 409
Impact of IFRS 16 1st Jan 2019	16 535
Lease receivables 1st Jan 2019	**20 944**
Opening balance assets effects from IFRS 16 1st Jan 2019	109 719
Opening balance liabilities effects from IFRS 16 1st Jan 2019	-112 192
Effects recognised to PL 1st Jan 2019	0
Implementation effects from prepayments due to linear accounting of variable rent under IAS 17 1st Jan 2019	1 418
Implementation effects to retained earnings 1st Jan 2019	**-1 055**

[1)] Contracts under the scope of IFRS 16 but not reported as a operating lease under IAS 17 are related to Moulding production of features.

Restated IFRS 15 revenue recognition in 2019 Consolidated Financial Statements
Revenue recognition from sale of cartons is changed from point in time to over time for printed cartons where the Group has an enforceable right to payment for performance completed to date. The change follows from an updated assessment for customer contracts related to sale of cartons. The cartons are printed based on customer specifications and are therefore without alternative use. Based on the assessment, management can confirm that the cancellation provisions in the contracts, combined with background law in different countries, give the company an enforceable right to payment for work performed to date as described in IFRS 15. Hence, management has concluded that most of the contracts includes cancellation clauses that gives the company sufficient protection to conclude that there is an enforceable right to payment, and that this has also been the situation in previous years. Because of the revised conclusion, prior periods have been restated in accordance with IAS 8.42

The following table summarise the impact of the prior period policy change on the Financial Statements of the Group:

RESTATED OPENING BALANCE 2018

2018	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Equity 01.01.2018	**47 438**	**19 383**	**-33 894**	**-298**	**154 116**	**186 744**
Effect of change in accounting policy for IFRS 15					5 603	5 603
Equity 01.01.2018 - As restated	**47 438**	**19 383**	**-33 894**	**-298**	**159 718**	**192 346**

RESTATED STATEMENT OF COMPREHENSIVE INCOME	2019	2018
Revenues	-4 196	4 812
Raw material expenses and change in inventory	3 008	-4 439
Total operating expenses	3 008	-4 439
Operating profit	**-1 188**	**373**
Income tax expenses	285	-90
Profit for the year	**-903**	**283**

RESTATED STATEMENT OF FINANCIAL POSITION	2019	2018	OB 2018
Inventory	-30 587	-33 595	-29 156
Trade receivables	37 144	41 340	36 528
Total current assets	**6 557**	**7 745**	**7 372**
EQUITY			
Retained earnings	4 983	5 886	5 603
Total equity	**4 983**	**5 886**	**5 603**
Deferred tax assets	-1 574	-1 859	-1 769
Total Non-current assets	**-1 574**	**-1 859**	**-1 769**

Note 3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and other non-current assets
Determining whether goodwill and other non-current assets are impaired requires management's judgment in determining the appropriate cash generating units and estimating future cash flows from the relevant cash-generating units. Such values in use calculations imply a degree of uncertainty with respect to the estimated future cash flows, growth and the applied discount rate. The uncertainty related to cash flows are mainly related to carton volumes, sales prices and raw material costs. Goodwill, indefinite intangible assets and intangible assets not ready for use are tested for impairment annually or more often if indicators exist, whereas other assets are tested for impairment when impairment indicators exist. Impairments for goodwill are described in note 12.

Deferred tax assets
Management has exercised judgment in assessing the recognition of tax loss carry forward for the Group's various entities and the resulting deferred tax asset. The judgment is based upon the entities' assessed ability to generate future cash flows, and the events that will enable the entities to do so. The assessments imply a degree of uncertainty relating to such future events. Tax expenses and deferred tax assets are presented in note 10.

Tax disputes
In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedure (MAP) between the affected countries are normally available. A successful MAP procedure as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for the Group. Where a MAP process is available, the Group recognises tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, taxpayers have the right to demand arbitration.

Development costs
The Group capitalizes development costs in accordance with the accounting policy. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project and the expected benefits. The development costs include development of new filling and production machine technology and the success of this technology is dependent on future demand from the customers.

Leasing
Management is estimating the useful life and residual value of filling machines when considering if the lease arrangement is a finance lease or an operational lease.

Note 4 Revenues and other operating income

The Group's revenue consists of revenue from contracts with customers (99%) and rental income from lease of filling equipment (1%). Revenues are primarily derived from sale of cartons and closures (91%), while the remaining is from sale and rental income related to filling equipment (7%) and service (2%).

Revenues and other operating income specified by geographical area	**2019**	**2018**
Austria	40 439	46 716
Belgium	26 690	21 411
Canada	52 614	50 345
Czech Republic	17 293	15 237
Denmark	32 831	37 612
Finland	25 606	30 773
France	21 640	25 818
Germany	148 782	156 269
Greece	3 488	3 982
Hungary	6 458	8 230
Ireland	8 961	7 941
Israel	10 038	11 101
Italy	13 807	15 428
Netherlands	51 512	52 455
Norway	35 362	27 057
Mexico	26 281	15 716
Poland	9 875	11 277
Russia	71 477	71 703
Spain	35 919	33 254
Sweden	38 759	43 613
Saudi Arabia	3 285	4 637
Ukraine	11 767	11 792
United Kingdom	24 955	23 676
USA	139 118	125 841
Other [1)]	49 572	57 363
Total revenues	**906 530**	**909 246**

The revenues are specified by location (country) of the customer.
1) Other includes restated revenues of EUR -4,196 in 2019 and EUR 4,812 in 2018. See note 2 for further information of the restatement.

Note 5 Operating segments

Information reported to the Group's chief operating decision makers, the Group Leadership Team, for the purpose of resource allocation and assessment of segment performance is focused on the two key geographical regions – Europe (including CIS) and Americas. Additionally, corporate services are shown separately. Key figures representing the financial performance of these segments are presented in the following:

2019	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	725 897	213 133	12 079	-44 580	906 530
Operating expenses	-641 051	-191 649	-30 104	44 579	-818 224
Depreciation and amortization	-41 494	-5 617	-3 927		-51 038
Impairment	-1 267				-1 267
Operating profit	42 085	15 867	-21 951		36 001
Share of income from joint ventures	-6 385	4 695			-1 690
Total assets	645 557	117 900	302 124	-290 040	775 540
- thereof investments in joint ventures	1 500	26 210			27 710
Purchase of non-current assets during the year	41 215	4 236	7 144		52 595

2018	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	748 563	187 798	9 362	-36 476	909 247
Operating expenses	-668 149	-173 497	-28 811	36 476	-833 980
Depreciation and amortization	-28 932	-4 310	-2 789		-36 032
Impairment	-948				-948
Operating profit	50 534	9 992	-22 238		38 287
Share of income from joint ventures	274	5 395			5 669
Total assets	526 100	107 965	274 010	-235 258	672 817
- thereof investments in joint ventures	7 504	25 042			32 547
Purchase of non-current assets during the year	31 498	2 418	10 959		44 875

Note 6 Payroll expenses, numbers of employees, benefits etc.

Payroll expenses	**2019**	**2018**
Salary	144 012	138 055
Social security	22 752	21 937
Pension benefit plans (see note 16)	77	-156
Pension contribution plans (see note 16)	9 184	9 248
Other benefits	1 883	1 918
Total	**177 908**	**171 002**
Man-year Elopak employees (excl equity investees)	2 068	2 099

Salaries and remunerations to the Group management

	2019				2018			
	Salaries	Bonus 1), 2)	Other benefits 2)	Pensions	Salaries	Bonus	Other benefits	Pensions
Group chief executive	417	122	17	20	313		15	28
Other members of the Group Management	2 200	392	559	177	2 112	2 266	134	222
Total	**2 617**	**514**	**576**	**197**	**2 425**	**2 266**	**149**	**250**

The numbers shown are salaries, bonus (1) annual bonus and long term incentive plan paid out in 2019), other benefits and pensions paid during the year.

1) The members of the Group Leadership Team (Group Management) are included in an annual bonus scheme. Performance targets are related to the overall return on value adjusted equity of the Elopak Group as w ell as individual targets incl. EBITDA for respective Business Areas. Targets are review ed annually. Maximum achievement w ithin a financial year equal 50% of an annual base salary. In addition to the annual bonus scheme the members of the Group Leadership Team are also included in a long term incentive scheme based on the value adjusted equity of Elopak Group. The bonuses are expensed and recorded as a liability in the year of achievement.

2) Tw o GLT members left the Group in 2018, but received benefits in 2019. Tw o GLT members left and w as replaced during 2019 and tw o more members w ere included. These changes resulted in a reduction of bonuses and an increase of ther benefits due to pay after termination of employment and sign-on fees.

Other related party transactions
Loans to employees w ere EUR 37 in 2019 and EUR 10 in 2018. No guarantees has been provided.

Note 7 Other operating expenses

	2019	**2018**
Sales and administration expenses	7 473	6 398
Occupancy and maintenance expenses	6 032	11 253
Travel expenses	11 445	13 635
Losses and changes in allow ance for bad debt	1 645	201
Consultants, auditors, law yers, etc	9 182	6 651
IT expenses	12 322	12 210
Other expenses	4 588	4 615
Total	52 687	54 962

Note 8 Fees to external auditors

PWC was elected as the principal auditor for 2019, while some group companies are audited by other audit firms. EY was the principal auditor in 2018.

Expensed fees	**Audit fee**	**Other assurance services**	**Tax services**	**Other non-audit services**	**Total**
2019					
PWC	324	13	30	17	385
Others	303	90	775	8	1 176
Total	**627**	**103**	**805**	**25**	**1 561**
2018					
EY	735	57	127		919
Others	29	50	55	39	173
Total	**764**	**107**	**182**	**39**	**1 092**

Note 9 Specification of financial income and expenses

Financial income	2019	2018
Interest income from bank deposits	378	919
Other interest income	359	333
Net currency gain	789	
Finance lease revenues / interest	753	
Other financial income	244	91
Total	**2 523**	**1 343**

Financial expenses	2019	2018
Interest expenses to financial institutions	10 040	6 860
Other interest expenses	257	494
Net currency loss		2 104
Lease liability interest	5 660	
Other financial expenses	3 978	3 451
Total	**19 936**	**12 908**

Note 10 Income tax

Income tax expense	2019	2018
Current income tax		
Current income tax charge	7 183	6 066
Adjustments in respect of current income tax of previous year	- 47	- 111
Withholding tax	1 024	138
Total current income tax	**8 160**	**6 092**
Deferred tax		
Relating to origination and reversal of temporary differences	- 1 662	- 773
Adjustments in respect of changes to tax rate and deferred tax of previous year	534	- 898
Total deferred tax	**- 1 128**	**- 1 671**
Income tax expense reported in the statement of profit or loss	**7 031**	**4 421**

Payable tax	2019	2018
Payable tax opening balance	- 968	10 544
Current income tax	8 160	6 092
Net tax paid	- 8 057	- 17 573
Translation effects		- 31
Payable tax closing balance	**- 865**	**- 968**

Reconciliation of tax expense	2019	2018
Accounting profit before income tax	16 897	32 391
At Elopak AS's statutory income tax rate of 23%	3 886	7 450
Adjustments in respect of different local tax rates	350	500
Non-taxable income / expenses	72	-716
Share of results of joint ventures	29	-1 304
Adjustments in respect of current income tax of previous years	487	-1 009
Withholding tax, non-refundable	1 024	138
Adjustments in respect of changes to tax rates and regulations	270	-89
Other differences	914	-548
Income tax expense at effective income tax rate	**7 031**	**4 421**
Effective income tax rate	**41,6 %**	**13,6 %**

Current and deferred taxes recognized in other comprehensive income or equity	2019	2018
Remeasurement gain/loss on actuarial gains and losses	88	255
Cash flow hedging	557	925
Group contribution	- 2 433	- 4 441
Equity transactions	- 565	- 229
Total current and deferred tax recognized directly in other comprehensive income or equity	**- 2 353**	**- 3 491**

Deferred tax	2019	2018
Revaluation of inventories	2 308	1 528
Payables/receivables	18 061	4 999
Non-current assets	- 11 543	2 233
Fixed assets depreciations	- 9 133	- 7 731
Liquid assets	- 110	- 63
Losses available for offsetting against future taxable income	5 006	10 966
Other differences	6 863	936
Total deferred tax	**11 453**	**12 867**
Deferred tax assets	32 599	29 323
Deferred tax liabilities	21 147	16 456
Net deferred assets/liabilities	**11 453**	**12 867**

Deferred tax assets are evaluated at each balance sheet date, and recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilites are measured at the tax rates that are expected to apply in the period when the liability shall be settled or the asset to be realized, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Specification of tax losses carried forward - country and year of expiry	2020	2021	After 2021	Indefinite	Total
Germany				4 814	4 814
United States			9 456	2 148	11 604
United Kingdom				4 471	4 471
Spain				421	421
Norway				3 086	3 086
Other				515	515
Total			**9 456**	**15 455**	**24 911**

Tax losses carried forward of EUR 31,113 are not recognized as a basis for calculating unused tax losses carried forward in net deferred assets/liabilities. The amount not recognized is mainly related to the United Kingdom.

In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedure (MAP) between the affected countries are normally available. A successful MAP procedure as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for the Group. Where a MAP process is available, the Group recognizes tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, tax payers have the right to demand arbitration.

The estimated effect of a MAP procedure related to the tax audit in Denmark per 31st December 2019 is EUR 3,463, which is unchanged from last year.

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Note 11 Development cost and other intangible assets

2019	Sales rights	Development costs	IT-software	Total
Cost at 1.1	26 673	36 446	74 151	137 269
Additions		2 231	7 213	9 445
Disposals	- 1 997		- 1 217	-3 214
Reclassification			- 911	-911
Currency translation	-35		40	5
Cost at 31.12	24 640	38 677	79 276	142 593
Acc. amortization and impairment losses at 1.1	26 662	11 391	38 016	76 069
Current year amortization charge	1	3 231	6 320	9 553
Amortization disposals	- 1 997	- 17	- 1 072	-3 085
Impairment disposals			-145	-145
Reclassification			-904	-904
Currency translation amortization	-35		39	4
Accumulated amortization at 31.12	24 631	14 606	41 971	81 207
Net accumulated impairment at 31.12			284	284
Carrying amount 31.12	**9**	**24 071**	**37 021**	**61 101**
Economic life	5-10 years	5-10 years	7 years	
Amortization method	Linear	Linear	Linear	

2018	Sales rights	Development costs	IT-software	Total
Cost at 1.1	26 798	34 438	62 695	123 930
Additions	6	2 008	11 711	13 725
Disposals			-296	-296
Currency translation	-131		41	-90
Cost at 31.12	26 673	36 446	74 151	137 269
Acc. amortization and impairment losses at 1.1	26 791	8 361	33 936	69 088
Current year amortization charge	2	3 029	4 653	7 684
Amortization disposals			-616	-616
Currency translation amortization	-131		43	-87
Accumulated amortization at 31.12	26 662	11 391	37 586	75 639
Net accumulated impairment at 31.12			429	429
Carrying amount 31.12	**11**	**25 055**	**36 135**	**61 201**

The additions under development costs relates to the development of new filling and production machine technology.

The majority of IT-softw are are additions related to investments in IT system for management of materials flow and finances. The system roll out started in 2017 and continued during 2018 and 2019.

Research and development
The cost of research and development not eligible for capitalization w hich have been expensed in 2019 amounts to EUR 14,106. Comparable amount in 2018 w as EUR 11,268.

Note 12 Goodwill

In accordance with IFRS 3 Business combinations, the net assets of acquired companies have been assessed at fair value at the acquisition date. The remaining part of the consideration after the purchase price has been allocated to identifiable assets and liabilities, is recognized as goodwill. The table below shows the cost value, additions, disposals, impairment charges and carrying value for the various goodwill items in the Group.

2019	**Europe**
Cost at 1.1	57 956
Currency translation	- 392
Cost at 31.12	57 564
Acc. amortization at 1.1	6 205
Currency translation	- 2
Net accumulated impairment at 31.12	6 203
Carrying amount 31.12	**51 361**

2018	**Europe**
Cost at 1.1	58 899
Currency translation	- 943
Cost at 31.12	57 956
Acc. amortization at 1.1	6 218
Currency translation	- 13
Net accumulated impairment at 31.12	6 205
Carrying amount 31.12	**51 751**

Impairment test for goodwill:

Goodwill is allocated to the Group's cash generating units, and is tested for impairment annually or more frequently if there are indications of impairment. Testing for impairment involves the determination of the recoverable amount of the cash generating unit. The recoverable amount is determined by discounting future expected cash flows, based on the business plans for the cash generating units.

The discount rate applied to the future cash flow is based on the Group's weighted average cost of capital (WACC), adapted to the market's apprehension of the risk factors for each cash generating unit. Growth rates are used to project cash flows beyond the periods covered by the business plans.

Cash generating units

The goodwill items specified above are related to the Elopak Group. Goodwill related to acquisition of Elopak Denmark A/S, Elopak AB, Elofin OY and Variopak are all allocated to the cash generating unit Europe, which consist of Elopak's European markets, including the internal production and supply organization. In accordance with the tables above, these goodwill items have a carrying value of EUR 51,361 as of December 31, 2019 (EUR 51,751 in 2018).

The basis to consider Europe as one cash generating unit is the inherent structure of the market. Customers are merging across borders and are increasingly treating Europe as one market. The historical requirement from customers to source from specific plants is no longer present. Elopak is adapting to this trend by allocating production flexibly to the European plants in order to optimize logistics and production cost. According to this development, the margins along Elopak's value chain will be subject to change from one year to another, and therefore the appropriate way to assess indicators for impairment for the European business is as one unit.

Impairment test and assumptions

Recoverable amount for the cash generating unit, Europe, is calculated based on value in use. The cash flows that are basis for the impairment test are based on assumptions about future sales volume, selling prices and direct costs. These are uncertain factors. These assumptions are based on historical experience from the European market, adopted budgets and the Group's expectations of market changes. Upon completion of the impairment tests in 2019 and 2018 the Group does not expect significant changes in current trade. This implies that expected future cash flows are mainly a continuation of observed trends. Determined cash flow is discounted with the discount rates presented in the table below.

Calculated recoverable amounts in the impairment tests are higher than carrying amounts, and based on the tests, it is concluded that there is no impairment in 2019 or

Detailed description of the assumptions used:

	Discount rate after tax		Discount rate before tax		Growth rate 2-5 years		Long-term growth rate	
	2019	2018	2019	2018	2019	2018	2019	2018
Elopak Europe	5,1 %	5,0 %	6,5 %	6,5 %	0,0 %	0,0 %	0,0 %	0,0 %

The discount rate reflects the current markets assessment of the risk specific to the cash generating unit. The rate is estimated based on the weighted average cost of capital for similar assets in the market. This rate has been further adjusted to reflect the specific risk factors related to the cash generating unit, which have not been reflected in the cash flow.

Average growth rate for the future 2 to 5 years period is based on Elopak Group's expectations for the market development that the business operates in. When estimating future cash flows committed operating efficiency improvement measures are taken into account. Changes in the outcomes for these initiatives may influence future estimated cash flows.

Management believes that there is no reasonably possible change in any of the key assumption that would cause the carrying value of the unit to materially exceed its recoverable amount. Sensitivity analysis have been performed based on a 0.5% increase and decrease of the discount rate and perpetual growth. The value in the low end of the range is higher than the carrying amount, hence the sensitivity analysis shows no indication of impairment.

Note 13 Property, plant and equipment

2019	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	45 055	504 395	22 461	571 911
Additions	1 183	41 423	545	43 151
Disposals	-3 394	-31 140	-3 740	-38 274
Transfer to inventory / reclassification	4 312	-4 618	918	612
Currency translation	77	2 896	214	3 187
Cost at 31.12	47 233	512 956	20 397	580 586
Acc. depreciation and impairment losses at 1.1	34 510	349 899	19 010	403 419
Current year depreciation charge	1 115	25 047	1 337	27 499
Current year impairment charge		1 246	21	1 267
Depreciation disposals	-2 704	-28 068	-3 666	-34 438
Impairment disposals	-335	-3 100	-13	-3 449
Depreciation transferred to inventory / reclassification	1 654	-2 411	309	-448
Currency translation	57	1 423	125	1 605
Accumulated depreciation at 31.12	34 546	339 517	17 086	391 148
Net accumulated impairment at 31.12	-250	4 520	38	4 308
Acc. depreciation and impairment losses at 31.12	34 297	344 036	17 123	395 456
Carrying amount 31.12	**12 937**	**168 920**	**3 274**	**185 131**

Useful life	0-40 years	3-15 years	3-12 years	
Depreciation method	Linear	Linear	Linear	

2018	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	44 916	478 062	21 747	544 726
Additions	541	30 122	893	31 558
Disposals	-167	-3 829	-370	-4 366
Transfer to inventory / reclassification	-210	275	289	354
Currency translation	-26	-236	-99	-361
Cost at 31.12	45 055	504 395	22 461	571 911
Acc. depreciation and impairment losses at 1.1	33 500	325 467	18 075	377 041
Current year depreciation charge	1 199	25 837	1 314	28 349
Current year impairment charge		948		948
Depreciation disposals	-161	-2 118	-263	-2 542
Depreciation transferred to inventory / reclassification	-5	-238	-52	-295
Currency translation	-23	-5	-63	-91
Accumulated depreciation at 31.12	34 431	343 551	18 981	396 962
Net accumulated impairment at 31.12	79	6 348	30	6 457
Acc. depreciation and impairment losses at 31.12	34 510	349 899	19 010	403 419
Carrying amount 31.12	**10 545**	**154 496**	**3 451**	**168 492**

The lease revenues and commitments for Carton filling machines rented to customers as w ell as the lease expenses and commitments for equipments leased and used in our production are disclosed in note 14.

The company has not pledged property, plant and equipment as security for liabilities.

Property, plant and equipment specified by geographical area [1]	2019	2018
Canada	24 752	24 029
Denmark	34 991	37 397
Germany	64 700	34 196
Hungary	4	901
Netherlands	37 747	34 204
Norw ay	3 953	1 789
Russia	8 528	7 942
Spain	73	15 551
Ukraine	9 725	10 427
United Kingdom	475	1 544
Other	184	512
	185 131	**168 492**

[1] The split by geographical area is based on the jurisdiction of legal ow ner.

Note 14 Leases, commitments and contingencies

1. The Group as lessor - operating lease commitments

The Group leases out filling machines under operating leases. Rental income w as EUR 7,884 in 2019 and comparable amount in 2018 w as EUR 15,158. Implementation of IFRS 16 resulted in a reclassification of lease agreements in sublease arrangements from operating lease til finance lease, representing revenues in 2019 of EUR 4,576.
Lease terms are betw een 1 year to 10 years. Options to extend the lease term or purchase the leased asset reflects market conditions at the time of exercising the option.

At the reporting date the Group has future minimum lease receivables as follows:	2019	2018
Falling due for payment w ithin one year	7 799	10 513
Falling due for payment w ithin 2 years	6 240	8 335
Falling due for payment w ithin 3 years	5 020	6 063
Falling due for payment w ithin 4 years	3 147	3 387
Falling due for payment w ithin 5 years	1 695	1 401
Falling due for payment after 5 years	2 207	4 788
Total	26 109	34 487

Amounts are undiscounted figures

2. The Group as lessor - finance lease receivables

The group leases out filling machines under finance leases and finance lease receivables increased in 2019 as a result of reclassification of operating lease contracts related to subleases. The reclassification w as recognised in 2019 opening balance as a result of IFRS 16 implementation.
In general, lease terms are betw een 5 years to 8 years. Options to extend or purchase the leased asset w ill normally reflect market pricing.

Amounts (undiscounted) receivable under finance leases:		2019	2018
Falling due for payment w ithin 1 year		5 979	979
Falling due for payment w ithin 2 years		5 464	900
Falling due for payment w ithin 3 years		4 099	717
Falling due for payment w ithin 4 years		1 471	573
Falling due for payment w ithin 5 years		552	480
Falling due for payment after 5 years		492	760
Total receivables under finance leases		**18 057**	**4 409**
Unearned finance income	-	1 534	
Total receivables under finance leases		**16 524**	**3 672**

There is no impairment loss allow ance related to the finance lease receivables in 2019 and 2018. Credit risk related to the filling machine lease agreements is considered very low Credit risk is considered insignificant due to right to require return of the machine in case of default.
The average effective interest rate contracted is approximately 5.45% per annum.

3. The Group as lessee

The Group leases several assets including buildings, plants, cars and filling machines. The average lease term is 5 years.

Right-of-use assets

Right-of-use assets	Property and buildings	Machinery	Office and transport	Total
Cost				
At 1st Jan 2019	58 519	24 381	11 568	94 468
Additions	7 366	327	1 785	9 478
Terminated leases	- 9 510			- 9 510
At 31st Dec 2019	**56 375**	**24 708**	**13 353**	**94 436**
Accumulated depreciation				
At 1st Jan 2019				
Charge for the year	- 5 018	- 5 583	- 3 386	- 13 986
At 31st Dec 2019	**- 5 018**	**- 5 583**	**- 3 386**	**- 13 986**
Carrying amount				
At 31st Dec 2019	**51 357**	**19 125**	**9 967**	**80 450**

The Group has no significant purchase options. Approximately 20% of the leases expired in the current financial year. The expired and terminated contracts w ere replaced by new leases for similar underlying assets. This resulted in additions to right-of-use assets of EUR 7,366.
Expense related to short-term leases w as EUR 1,803 in 2019, reflecting that the Group elected not to recognise right-of-use assets and lease liabilities to leases for w hich the lease term ends w ithin 12 months of the date of initial application. In 2019 expenses related to low value assets w as EUR 521.

Lease liabilities

Lease liabilities	**2019**	**2018**
Current Lease liabilitites	19 587	149
Non-current lease liabilities	78 423	74
Total	**98 010**	**223**

At the reporting date the Group has (undiscounted) lease liabilities as follows:	**2019**	**2018**
Falling due for payment within 1 year	20 280	17 733
Falling due for payment within 2 years	18 917	14 894
Falling due for payment within 3 years	15 174	13 273
Falling due for payment within 4 years	10 813	11 844
Falling due for payment within 5 years	9 216	7 826
Falling due for payment after 5 years	64 955	56 134
Total	**139 355**	**121 705**

Amounts are undiscounted figures

4. Other off-balance sheet commitments and contingencies	**2019**	**2018**
Commitments for the acquisition of property, plant and equipment	1 113	5 695
Commitments for the acquisition of goods [1)]	4 284	32 249
Contingent liabilities		985
Guarantees issued in relation to operational activities	4 531	3 173
Total	**9 928**	**42 102**

[1)] Commitments; Elopak has entered into agreements with three different suppliers of closures. The agreements cover different types of closures and run for periods up to 6 years and more. The supply agreements include clauses on minimum purchase requirements. Should Elopak fail to meet these requirements, purchase prices may be changed to effectively cover certain product specific investments undertaken by the suppliers, and thus represent the commitment of Elopak if no further purchases were made. These agreements fall under the scope of IFRS 16 Leasing and is treated accordingly from the date of implementation of IFRS 16 1st January 2019.

Note 15 Investment in joint ventures

The investment in the joint ventures specified below have been accounted for in accordance with the equity method of accounting. The Al-Obeikan Elopak factory for Packaging Co is a carton production facility in Saudi-Arabia selling cartons to customers in Middle East and North Africa. Lala Elopak S.A. de C.V. is a carton production plant in Mexico selling cartons to Americas. Impresora Del Yaque is a carton production facility in the Dominican Republic also selling cartons to Americas. The investments are joint ventures because the two investement partners have the same rights and control in the companies.

2019	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Total
Ownership - and votingshare	49 %	49 %	51 %	
Carrying amount 1.1	7 504	18 358	6 685	32 547
Income from joint venture companies [1)]	-6 385	2 702	1 994	-1 690
Dividend received		-3 464	-885	-4 348
Recognized to equity	257	-65		192
Currency translation	124	1 156	-271	1 009
Carrying amount 31.12	**1 500**	**18 687**	**7 524**	**27 710**

[1)] The net investment in Al-Obeikan Elopak factory for Packaging Co is impaired in 2019. An impairment loss of SAR 25,533 (EUR 6,064) is recognised as a part of the result from the joint venture.

2018	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Total
Ownership - and votingshare	49 %	49 %	51 %	
Carrying amount 1.1	7 960	18 385	5 768	32 113
Share of income from joint venture companies	285	3 641	1 744	5 669
Dividend received	-1 147	-4 706	-886	-6 739
Recognized to equity	1	24		25
Currency translation	405	1 014	60	1 479
Carrying amount 31.12	**7 504**	**18 358**	**6 685**	**32 547**

2019	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresoria Del Yaque	Total
Operating revenue	15 926	29 767	10 481	56 173
Operating profit	214	4 072	2 120	6 406
Profit after tax	-227	2 702	1 994	4 469
Total assets	11 794	20 213	8 672	40 679
Total liabilities	5 993	4 449	1 148	11 591

Amounts are the Elopak share

2018	Al-Obeikan Elopak factory for Packaging Co	Lala Elopak S.A. de C.V.	Impresora Del Yaque	Total
Operating revenue	18 217	32 166	9 305	59 688
Operating profit	603	4 824	1 902	7 330
Profit after tax	243	3 641	1 744	5 628
Total assets	12 907	18 687	7 982	39 577
Total liabilities	7 217	3 075	1 297	11 590

Amounts are the Elopak share

Voting share, sales and receivables/ liabilities

	Ownership/ votingshare	Sales from joint ventures to Elopak		Elopak's current receivables / -liabilities net to joint ventures	
	2019 and 2018	**2019**	**2018**	**2019**	**2018**
Al-Obeikan Elopak factory for Packaging Co	49 %	32		1 135	523
Lala Elopak S.A. de C.V.	49 %	18 866	22 210	- 700	- 351
Impresora Del Yaque	51 %	40	193	31	48
Total		**18 938**	**22 404**	**466**	**220**

Note 16 Employee retirement benefit plans

Defined contribution plans
The Group operates defined contribution pension plans w here the plans are held separately from those of the Group in funds under control of trustees. The only obligation of the Group is to make the specified contributions. The plans cover 1,266 persons.

Defined benefit plans
The Group also runs pension plans that grant the employees a right to defined future benefits. These defined benefit plans include in total 11 persons, w hich is the same as for 2018. The benefits are mainly dependent on years of service, the level of salary at age of retirement and size of contributions from the national insurance. The obligations are partly covered through insurance companies.

In 2018 Elopak Inc transferred the pension plan in the United States to an external party and the plan expired. Elopak Inc recognised a settlement gain of 469 keur in 2018.

Elopak has unfunded retiree medical insurance plans for certain of its employees located in the United States.

	2019	2018
Defined benefit obligations	-4 026	-4 515
Fair value of plan assets	1 069	1 067
Net pension liability	-2 958	-3 447

Pension expense	2019	2018
Defined benefit plans net	77	-156
Defined contribution plans	9 184	9 248
Total pension expenses	9 261	9 092

The estimated pension cost for pension benefit plans in 2019 is EUR 151k

DEFINED BENEFIT PLANS

Specification of the recognized liability	2019	2018
Present value of unfunded pension obligations	-2 149	-2 570
Present value of w holly or partly funded obligations	-1 572	-1 580
Total present value of defined benefit obligations	-3 722	-4 150
Fair value of plan assets	1 069	1 067
Payroll tax on defined benefit obligations	-305	-364
Net defined benefit obligation recognized in the statement of financial position	-2 958	-3 447

Specification of net pension assets (+) and net pension liabilties (-) per geographical area	2019	2018
Norw ay	-2 468	-2 945
Sw itzerland	-226	-219
United States	-264	-283
Total net assets and liabilities	**-2 958**	**-3 447**

Pension costs recognized in profit and loss	2019	2018
Service cost	8	-9
Interest expenses	59	476
Expected return on plan assets	-1	-163
Payroll tax	9	10
Total pension costs recognized in profit and loss	77	-156

Changes in defined benefit obligations	2019	2018
Defined benefit obligation at 01.01	-4 515	-28 877
Service cost	-8	
Interest expenses	-59	-476
Actuarial gains / -losses demographic assumptions	482	29
Actuarial gains / -losses financial assumptions	-73	151
Payroll tax	13	18
Pension settlement		469
Pension arrangement phased out		23 884
Contribution from employer	23	26
Benefits paid	147	623
Currency translation	-35	-362
Defined benefit obligation at 31.12	-4 026	-4 515

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Change in fair value of plan assets	**2019**	**2018**
Fair value of plan assets at 01.01.	1 067	17 473
Expected return from pension assets	1	163
Actuarial gains / -losses demographic assumptions		-32
Actuarial gains / -losses financial assumptions	1	-11
Contributions from employer		7 574
Pension arrangement phased out		-24 348
Currency translation	-1	248
Fair value of plan assets at 31.12.	1 069	1 067

Movement in actuarial gain / -loss recognized in other comprehensive income	**2019**	**2018**
Actuarial gains / -losses on pension obligations	360	179
Actuarial gains / -losses on plan assets	1	-43
Increase / -decrease in payroll tax	49	3
Net change in actuarial gains / -losses	409	139
Change in deferred tax relating to actuarial gains / -losses	-87	-5
Recognition of previously unrecognised deferred tax assets		797
Currency translation	-75	-790
Total actuarial gain / -loss recognized in other comprehensive income	247	141

	2019		**2018**	
Plan assets include the following	**Quoted**	**Unquoted**	**Quoted**	**Unquoted**
Equity instruments		36		36
Debt instruments		806		806
Property		141		141
Bank deposits		7		7
Other assets		76		76
Total plan assets		1 069		1 067

Significant weighted average assumptions at 31 December in percentages	**2019**	**2018**
Discount rate	0,60-2,83	0,60-2,00
Expected return on plan assets	0,00-4,2	0,00-3,6
Expected wage growth	0,00-2,50	0,00-2,50
Future expected pension regulation	0,00-1,75	0,00-1,75

The discount rate in Norway is based on corporate bonds.
The weighted average duration of the defined benefit obligation at the end of the current financial year is 10 years.

Expected Maturity	**2019**	**2018**
1-5 years	1 916	1 474
6-10 years	1 091	1 394
11-20 years	1 019	1 647
Total	4 026	4 515

Historical information Pension liabilities	**2019**	**2018**	**2017**	**2016**	**2015**
Present value of defined benefit obligations	-3 762	-4 232	-28 550	-44 817	-54 515
Fair value of plan assets	1 069	1 067	17 471	31 180	41 045
Net deficit in the scheme	-2 693	-3 165	-11 079	-13 637	-13 470

Historical information in the US	**2019**	**2018**	**2017**	**2016**	**2015**
Present value of US Health insurance liabilities	-264	-283	-328	-419	-449

Sensitivity analysis, actuarual assumptions	**2019**	**2018**
Present value of pension obligation if discount rate was 0.5% higher	-2 015	-3 909
Present value of pension obligation if expected wage growth was 0.5% higher	-500	-1 546

Note 17 Inventory

2019	**Raw materials**	**Work in progress**	**Finished goods**	**Total**
Cost 31.12	15 661	63 563	56 043	135 266
Write down 01.01.	142	1 891	5 523	7 557
Realized	- 142	- 1 865	-2 239	-4 246
Write down	3 220	0	1 348	4 568
Write down per 31.12.	3 220	26	4 632	7 879
Carrying amount 31.12	**12 441**	**63 536**	**51 411**	**127 387**

2018	**Raw materials**	**Work in progress**	**Finished goods**	**Total**
Cost 31.12	37 645	51 350	50 644	139 640
Write down 01.01.	655	1 499	5 034	7 189
Realized	-550	-1 482	-2 387	-4 419
Write down	37	1 874	2 876	4 787
Write down per 31.12.	142	1 891	5 523	7 557
Carrying amount 31.12	**37 503**	**49 459**	**45 121**	**132 082**

Note 18 Trade receivables and Other current assets

Trade receivables	2019	2018
Accounts receivable, gross	117 802	120 328
Allowances	-3 974	-2 521
Carrying amount 31.12	**113 828**	**117 807**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables 2019	Gross carrying amount	Loss rate	Expected credit loss
Current	97 076	0,39 %	377
Up to 30 days	6 967	1,26 %	88
30-60 days	4 039	8,81 %	356
60-90 days	440	41,10 %	181
Over 90 days	9 279	32,01 %	2 970
Total	**117 802**	**3,37 %**	**3 974**

Trade receivables 2018	Gross carrying amount	Loss rate	Expected credit loss
Current	96 116	0,08 %	78
Up to 30 days	12 029	0,50 %	60
30-60 days	2 692	2,19 %	59
60-90 days	1 112	4,49 %	50
Over 90 days	8 379	27,14 %	2 274
Total	**120 328**	**2,10 %**	**2 521**

Movement in the allowance for expected credit losses of trade receivables:	2019	2018
As at 1 January	2 521	2 704
Provision for expected credit losses	1 678	591
Write-off	-54	-793
Foreign exchange movement	-172	19
As at 31 december	**3 974**	**2 521**

Other current assets	2019	2018
Prepayments	6 622	4 059
VAT and tax receivables	25 390	25 171
Derivatives (note 24)	1 381	1 051
Current finance lease receivables (note 14)	1 740	1 359
Contract assets (note 23)	2 870	3 282
Other current assets	18 335	16 531
Carrying amount 31.12	**56 339**	**51 453**

Contract assets consist of prepaid rebates to customers which will be offset against contracted future purchases of carton and closures. Total of prepaid support was EUR 10,300 in 2019 and 11,200 in 2018. Based on customer knowledge and experience of very few losses, the credit risk related to contract assets is considered insignificant.

Note 19 Shares in subsidiaries and joint ventures

The follow ing companies are consolidated as subsidiaries in Elopak Group:

Company	Percentage owned	Year of acquisition	Country	Principal activity
Elopak AB	100 %	1961	Sweden	Trading
Elopak BV	100 %	1968	Netherlands	Manufacturing
Elopak GmbH	100 %	1968	Germany	Trading and manufacturing
Elopak SpA	100 %	1981	Italy	Trading
Elopak OY	100 %	1982	Finland	Trading
Elocoat BV	100 %	1983	Netherlands	Manufacturing
Elopak Systems AG	100 %	1984	Switzerland	Trading
Elopak Inc.	100 %	1987	USA	Trading and manufacturing
Elopak Denmark A/S	100 %	1988	Denmark	Trading and manufacturing
Elopak GesmbH	100 %	1989	Austria	Trading
OJSC Elopak Fastiv	99,4%	1994	Ukraine	Trading and manufacturing
Elopak S.A.	100 %	1994	Poland	Trading
Elopak Israel AS	100 %	1998	Norway	Holding
ZAO Elopak Russia	100 %	1999	Russia	Trading and manufacturing
Elopak Canada Inc	100 %	2000	Canada	Trading and manufacturing
Elofill GmbH	100 %	2000	Germany	Holding
Elopak s.r.o.	100 %	2001	Czechia	Trading
Elopak UK Ltd	100 %	2004	UK	Trading
Elopak BS d.o.o	100 %	2017	Serbia	Trading and manufacturing
Elopak Kft	100 %	2006	Hungary	Trading
Elopak Production Services Verwalt. GmbH	100 %	2008	Germany	Holding
Elopak Production Services GmbH & Co. KG	100 %	2008	Germany	Trading
Elopak EOOD	100 %	2009	Bulgaria	Trading
Elopak EQS GmbH	100 %	2009	Germany	Trading and manufacturing
Elopak Tunisie SARL	100 %	2017	Tunisia	Trading
Elopak Egypt LLC	100 %	2017	Egypt	Trading
Elopak Algerie SARL	49 %	2018	Algeria	Trading

The follow ing joint ventures are accounted for in accordance w ith the equity method:

Company	Percentage owned	Year of acquisition	Country	Principal activity
Al-Obeikan Elopak Factory for Packaging Co.	49 %	1998	Saudi Arabia	Trading and manufacturing
Lala Elopak S.A. de C.V.	49 %	1998	Mexico	Trading and manufacturing
Impresora Del Yaque	51 %	2007	Dominican Republic	Trading and manufacturing

Note 20 Equity and shareholder information

The share capital is NOK 349,665,607 (EUR 47,482,686) and consists of 5,012,707 shares at face value EUR 9.472 per share. There are no changes in share capital from 2018. All shares have equal voting rights.

The company is ow ned 99.89% by Ferd AS and 0.11% by management.

Note 21 Other current liabilities

	2019	2018
Provisions [1]	923	1 043
Accrued expenses	62 429	57 675
Derivatives (note 24)	2 459	7 164
Prepaid from customers	16 599	10 069
Total other current liabilities 31 December	**82 408**	**75 952**

Provisions

[1] Provisions include provisions for customer claims of EUR 1.0m in 2018. The majority of this has been realized during 2019. New provisions for customer claims of EUR 0.6m have been included in the total of provisions EUR 0.9m at the end of 2019.

Note 22 Interest-bearing loans and borrowings

		2019		2018
Interest-bearing loans and borrowings	**Available**	**Utilized**	**Available**	**Utilized**
Bank overdrafts	56 821	24 341	47 648	14 329
Short term loans				
Long term loans from banks		250 414		276 887
Capitalized loan expenses/ fees		-1 367		-1 767
Long term loans	400 000	249 048	400 000	275 121
Total		**273 388**		**289 450**

Repayment profile	**2019**	**2018**
2019		14 329
2020	24 341	
2021		
2022		
2023	249 048	275 121
Total	**273 388**	**289 450**

Weighted average interest rates on long term loans			2019		2018
	Rate	**in Ccy**	**in EUR**	**in Ccy**	**in EUR**
EUR	0,48 %	220 000	220 000	230 000	230 000
DKK	0,00 %			200 000	26 783
NOK	1,48 %	300 000	30 414	200 000	20 104
Total			**250 414**		**276 887**

The values above are gross amounts excluding amortised borrow ing costs.

The long term loans are draw n under a EUR 400m multi currency revolving credit facility. The facility is available until May 2023. Amounts are show n net of prepaid transaction costs. Changes to the Groups debt profile reflect changes in the functional currency of entities w ithin the Group.

Elopak has several bank covenants related to the syndicate loan facility. The main covenants are: i) Net Interest Bearing Debt divided by 12 month rolling EBITDA, and ii) Nominal Equity. Elopak is in compliance w ith all covenants as of 31 December 2019, and expects to be compliant w ith all bank covenants under the syndicate loan agreement for the foreseeable future.

Elopak has a Supply Chain Financing arrangement tow ards the largest suppliers to optimize w orking capital.

		2019		2018
Accounts receivables factoring facilities	**Available**	**Utilized**	**Available**	**Utilized**
Recourse			281	281
Non-recourse	143 868	54 172	139 739	67 899
Total		**54 172**		**68 180**

Elopak factors its receivables in the ordinary course of business. It is Elopak policy to only have non-recourse factoring valid from 2019.

Note 23 Other non-current assets

Other non-current assets	**2019**	**2018**
Contract assets (note 18)	7 474	7 946
Non-current finance lease receivables (Note 14)	14 784	3 050
Other non-current assets	1 868	2 791
Carrying amount 31.12	**24 126**	**13 787**

Note 24 Financial risk management

Balance sheet management
Elopak manages its balance sheet with a view to optimizing Value Adjusted Equity. This is primarily done through an annual budget process where targets for profitability and limits for capital expenditures are defined. Throughout the year, performance versus these targets and limits are monitored closely. Furthermore, liquidity and balance sheet ratios, like Net Interest Bearing Debt/EBITDA, are monitored to ensure that operating liquidity is sufficient and that bank covenants are met at all times.

Financial risk policy
Elopak is exposed to market risk, credit risk and liquidity risk. Risk management activities are governed by appropriate policies and procedures. Risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There has been no significant change in the management of risks related to financials during the period.

CATEGORIES OF FINANCIAL RISK TO OPERATIONAL BUSINESS

1. Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, and commodity price risk, and interest rate risk. Elopak buys and sells derivatives in order to manage market risks, and seeks to apply hedge accounting in order to manage volatiliy in profit or loss.

			2019			2018
Derivatives	**Assets**	**Liabilities**	**Total**	**Assets**	**Liabilities**	**Total**
Currency derivatives	1 629	832	796	1 051	1 729	- 678
Commodity derivatives		2 941	- 2 941		3 875	- 3 875
Interest derivatives		3 336	- 3 336		1 560	- 1 560
Total	1 629	7 109	- 5 480	1 051	7 164	- 6 113

The full fair value of a derivative is classified as "Other non-current assets or "Other non-current liabilities" if the remaining maturity of the derivative is more than 12 months and, as a "Other current assets" or "Other current liabilities", if the maturity of the derivative is less than 12 months.

Where eligible, derivatives used for hedging are designated in cash flow hedge accounting relationships.

Currency risk
Elopak's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, financing of foreign operations and the Group's net investments in foreign subsidiaries.
Foreign exchange risk from operating activities is managed by hedging transactions that are highly probable to occur within periods out 18 months by entering into foreign currency contracts and options. Currency exposures related to purchase of filling machines are hedged with the full amount, while operating costs such as salaries and personnell taxes are hedged based on layers. Layers vary from approximately 90% the next 3 months to 10% of the costs in 18 months.

Hedge accounting is applied to all currency derivatives, except for cross-currency interest rate swaps which are recognised as financial income or financial expense in profit or loss. Hedge accounting is dedesignated at the date of recognition of the hedged item, however the derivatives are due at the date of expected payment. At dedesignation, the fair value of the hedging derivatives is recycled from Hedge reserve in equity to the hedged item (i.e. filling machine recognised in inventory) and to profit or loss to the same accounting line and at the same time as the hedged item is recognised to profit or loss.

Outstanding derivatives

Notional amount		2019		2018
Currency	**Ccy**	**EUR**	**Ccy**	**EUR**
CAD	5 219	3 575		
EUR	- 38 183	- 38 183	- 55 152	- 55 152
JPY	3 058 083	25 079	3 976 822	31 600
MXN			- 96 630	- 4 296
NOK	200 422	20 319	250 378	25 168
USD	- 10 752	- 9 571	3 273	2 858
Total nominal value		1 220		177
Total fair value		796		-678

Positive numbers represent purchases

Interest risk
Elopak's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. To manage this risk, the Group maintains a portion of it's borrowings at fixed rates of interest by entering into interest rate swaps. These swaps are designated to hedge underlying debt obligations, however they are not subject to hedge accounting. As per 31st December 2019 there are two remaining interest rate swaps which were dedesignated from hedge accounting in July 2017. These two derivatives are mature in 2020.

Outstanding derivatives			2019		2018
		Notional	**Fair**	**Notional**	**Fair**
Notional amounts and fair values	**Currency**	**EUR**	**value**	**EUR**	**value**
	EUR	150 000	- 3 336	145 000	- 1 560
Total			- 3 336		- 1 560

Positive numbers represent derivative assets

Commodity price risk
Elopak's operating activities require a continous supply of aluminium and polyethylene. Based on a 12-month forecast of requirements the Group manages the commodity price risk by hedging the purchase price of the commodity with the use of commodity price swaps. Hedge accounting is applied for all commodity derivatives. As per 31st December 2019 the hedged amount of Polyethylene derivatives is 60% of expected purchase for the next 12 months. The hedged amount of Aluminum is 55% of expected purchase for the next 12 months.

Outstanding derivatives		2019		2018
	Metric	**Fair**	**Metric**	
Notional amounts and fair values	**Tonnes**	**value**	**Tonnes**	**Fair value**
Polyethylene	32 400	- 2 898	51 600	- 3 772
Aluminum	3 300	- 42	2 640	- 103
Total		- 2 941		- 3 875

Positive numbers represent derivative assets

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates (for foreign exchange contracts), commodity prices (for commodity swaps) and interest rates (for interest rate swaps) with all other variables being held constant. The impact on the Group's equity is due to changes in the fair value of derivatives designated as cash flow hedges.

Numbers are before tax	Movement	2019 Effect on profit	2019 Effect on equity	2018 Effect on profit	2018 Effect on equity
Foreign exchange contracts	+5%	- 353	- 1 207	- 842	- 2 301
	-5%	1 265	3 166	1 494	3 006
Commodity swaps	+5%		2 141		4 683
	-5%		- 2 751		- 5 851
Interest rate swaps	+1%	5 790		5 918	
	-1%	- 6 145		- 6 319	

Positive numbers represent derivative assets

2. Liquidity risk

Elopak's objective is to maintain a balance between continuity of funding, and flexibility through the use of bank loans and overdraft facilities.

The maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments is summarised below. The tables only show balance sheet items classified as financial instruments and do not include other balance sheet items affecting liquidity, such as inventories. Also, off-balance sheet items such as unused credit facilities are not included. The derivative instruments may be settled gross or net with the relevant protocol being reflected in the tables.

31 December 2019

Financial assets		Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total Nominal
Cash and cash equivalents		15 507	15 507				15 507
Accounts receivables	Note 18	113 828	113 828				113 828
Financial leases	Note 14	16 524	5 979	9 563	2 023	492	18 057
Other receivables		14 228	14 110	100	15	2	14 228
Derivatives		1 629	1 381	248			1 629
Total		**161 715**	**150 806**	**9 911**	**2 038**	**494**	**163 249**
Financial liabilities							
Loans and borrowings	Note 22	273 388	24 341		249 048		273 388
Accounts payable		117 630	117 630				117 630
Other liabilities		143 302	87 649	12 802	10 266	10 098	120 815
Derivatives		7 109	2 459	2 558	2 073	19	7 109
Total		**541 430**	**232 078**	**15 360**	**261 387**	**10 117**	**518 942**

31 December 2018

Financial assets		Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total Nominal
Cash and cash equivalents		14 375	14 375				14 375
Accounts receivables	Note 18	117 807	117 807				117 807
Financial leases	Note 14	3 672	979	1 617	1 052	761	4 409
Other receivables		11 783	11 080	701		2	11 783
Derivatives		1 051	741	310			1 051
Total		**148 689**	**144 982**	**2 628**	**1 052**	**762**	**149 425**
Financial liabilities							
Loans and borrowings	Note 22	289 450	14 329	275 121			289 450
Accounts payable		114 053	114 053				114 053
Other liabilities		67 491	63 178	1 445	22	302	64 946
Derivatives		7 164	5 653	404	550	559	7 166
Total		**478 158**	**197 212**	**276 970**	**572**	**861**	**475 615**

The fair value of all financial assets and liabilities approximates their carrying value. The fair value estimation of derivative financial instruments has been arrived at by applying a level 2 valuation methodology which uses inputs other than unadjusted quoted prices for identical assets and liabilities.

3. Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Elopak has adopted a policy of only being exposed to credit-worthy counterparties, based upon independent credit analysis for all counterparties, where available. In the cases where this is not available, Elopak uses other publicly available financial information and its own trading records to assess creditworthiness. Outstanding receivables are monitored regularly.

4. Hedge accounting

Cash flow hedge accounting is applied to hedges of foreign currency risk and commodity price risk. The interest rate hedges were subject to cash flow hedge accounting until hedge accounting was stopped at 1 July 2017. Hedge reserves from the interest rate hedges are recycled to profit or loss over the lifetime of the hedged risks. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair values of cash flow hedging instruments related to hedged transactions that have not yet occurred. Movements in the cash flow hedge reserve are detailed in the table below :

			2019			**2018**
Contracts	Opening position	Movement	**Closing position**	Opening position	Movement	**Closing position**
Commodity price hedges	- 3 875	934	**- 2 941**	2 817	- 6 692	**- 3 875**
Currency hedges	- 351	640	**289**	- 2 311	1 960	**- 351**
Interest rate hedges	- 183	138	**- 45**	- 766	583	**- 183**
Currency translation	12	- 11	**1**	23	- 11	**12**
Tax effect	924	- 367	**557**	- 60	984	**924**
Total	- 3 473	1 334	**-2 139**	- 298	- 3 175	**- 3 473**

The movement in the hedge reserve includes gains/(losses) transferred from the cash flow hedge reserve into the income statement during the period. These are included in the following line items in the income statement:

	2019	**2018**
Sales	15	-68
Cost of goods sold	198	118
Other operating expenses	101	476
Net financial items	- 138	- 583
Total	**175**	**- 57**
Movement in hedge reserve due to changes in fair values	1 159	- 3 118
Total movement in hedge reserve	**1 334**	**- 3 175**

Due to Elopak hedging policy, hedges are entered into based on highly probable future transactions, either per transaction or by applying base layers. All hedges have a hedge ratio 1:1 and hedge in-effectivess is only related to minor differences in timing of settlement. Hence the total hedge in-effectiveness is insignificant and is not recognised directly to profit os loss.

25. Change in obligations from financial activities

2019		**Cash-effects**		**Non-cash effects**			
Change in obligations from financing activities	**01.01.2019**	**New loans raised**	**Down payment**	**Difference between interest paid and interest expensed**	**Fair value changes**	**Manually currency changes**	**31.12.2019**
Liabilities to financial institutions (see note 22)	289 301	10 012	-26 473	400			273 240
Lease liabilities (see note 14)	112 636		-15 214	589			98 010
Other non-current liabilities	2 967	-2 717			5 014		5 264
Other current interest bearing liabilities (see note 21)	126	204					330
Dividend paid			-10 373				
Total liabilities from financing activities	**405 029**	**7 499**	**-52 060**	**989**	**5 014**		**376 844**

[1)] Due to implementation of IFRS 16 there is a difference between closing balance 2018 and opening balance 2019 of EUR 112,413 for current and non-current lease liabilities. See note 2 for more information.

2018		**Cash-effects**		**Non-cash effects**			
Change in obligations from financing activities	**01.01.2018**	**New loans raised**	**Down payment**	**Difference between interest paid and interest expensed**	**Fair value changes**	**Manually currency changes**	**31.12.2018**
Liabilities to financial institutions (see note 22)	215 548	78 564	-2 829	-1 767		-213	289 301
Lease liabilities (see note 14)	395		-173				223
Other non-current liabilities	14 062		-11 095				2 967
Other current interest bearing liabilities (see note 21)		126					126
Dividend paid / capital increase		723	-60 496				
Total liabilities from financing activities	**230 005**	**79 413**	**-74 593**	**-1 767**		**-213**	**292 616**

To the General Meeting of Elopak AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the Elopak Group Consolidated financial statements restated, which comprise:

- The Elopak Group Consolidated financial statements restated comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements restated are prepared in accordance with the law and regulations.

- The accompanying consolidated financial statements restated give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, 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 Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Other Matters

The Elopak Group Consolidated financial statements have been restated with a changed interpretation of revenue recognition according to IFRS 15, as a result of new information subsequent to the approval of the financial statements, which was material for the financial statement. The restatement is described in note 2 to the Consolidated financial statements restated. This audit report replaces our previous audit report as of 5 March 2020.

Oslo, 11 March 2021
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

(This document is signed electronically)

Revisjonsberetning Elopak Group 2019 Restated

Signers:

Name	*Method*	*Date*
Haglund, Geir	BANKID_MOBILE	2021-03-11 23:30

APPENDIX D AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

ELOPAK GROUP
Board of Directors Report 2018

Highlights

The traditional core business of Elopak- fresh gable to cartons in Europe- showed a good performance in 2018, with a stabilization of the markets, operational progress and good health and safety records.

The PPA aseptic gable top system is performing well at the customer sites and there have been no problems related to sterility or food safety.

Elopak is rolling out a new business management system (Enterprise resource planning- ERP) starting in late 2017 and roll out progressed as planned in 2018.

Significant challenges were experienced in the Russian market with volatile overall economic activity, a decline in the RUB vs EUR exchange rate of more than 10% during the year, and intensified competition. Elopak`s Russian business performed very well given these circumstances.

In North America, Elopak continued to grow, with a 4.5% volume growth year-on -year. The Montreal plant experienced a strike amongst unionized shop floor workers for 3 weeks in May - June. The strike caused losses of sales volume, extra costs and a slow-down in operational improvement activities, which contributed to disappointing financial result for Elopak North America.

Financial issues

Group net revenues for 2018 were EUR 904m vs 910m in 2017. The underlying volume growth in the Americas, in roll-fed packages and in the European aseptic dairy business were off-set by volume reductions in the European fresh dairy business and in Russia, as well as by some price reductions for cartons.

Group EBITDA for 2018 was EUR 74.5m, compared to EUR 79.2 million for 2017. The main reasons for the weaker result were the operational challenges experienced in Montreal, some increases in raw material pricing, and one-off costs related to system implementation and to manning reductions and other organizational adaptions.

EBIT for the year was EUR 37.9m (2017 EUR 44.8m).

Elopak`s share of net profit from joint ventures was EUR 5.7m in 2018, versus EUR 7.3m the year before. The reduction was due to lower sales volumes in the two largest joint ventures, Elopak Obeikan and Envases Elopak, due to a difficult market situation.

Net financial expenses for 2018 were EUR 11.6m compared to EUR 7.7m for 2017. The increase was due to higher interest expenses reflecting a higher net debt level, and to currency devaluations leading to losses in Russia and the Ukraine.

Tax expenses for 2018 were EUR 4.3m, corresponding to an effective tax rate of 14%. (2017 EUR 12.1 m, or 27%). In 2017 Elopak group recognized provisions related to income tax corrections of EUR 10m, mainly in Denmark and Norway. There were no significant income tax corrections in 2018.

Profit after tax in 2018 was EUR 27.8m, compared to EUR 32.3m in 2017.

During 2018 a total of EUR 60.5m was paid to the shareholders as dividends.

The balance sheet conditions remain satisfactory at year end 2018, although net interest bearing debt has increased to EUR 275m from EUR 201m one year earlier, and book equity was reduced from EUR 187m to EUR 147m, both mainly a result of the 2018 dividend payments.

Cash flow from operations was EUR 37m (2017 EUR 43m). The cash flow was reduced compared to last year, mainly due to the increase in working capital and higher tax payments. Capital expenditures in 2018 amounted to EUR 45m, in line with last year. The main elements are investments in filling machines to be leased to customers, investments in IT development and maintenance of equipment in Pure-Pak and roll fed production plants.

For 2018, the proposed dividend is a total of EUR 10.1m.

The Board confirms that the accounts are presented under a going concern assumption.

The markets

The European fresh and aseptic dairy markets continued to show a slight volume decline, corresponding to some 1-2% annual reductions. The juice markets, however, showed more stability in 2018 after a sharp volume loss in recent years.

Plastic based packaging continues to make inroads and take some market share, in particular for juice, despite the heightened concerns over plastic littering.

In Europe, Elopak`s sales volume was 6.7b PurePak cartons, vs 6.8b in 2017. Sales in Russia declined as a result of the very difficult macroeconomic development, and ended at 1.1b cartons (2017 1.2b). In the Americas, Elopak delivered 1.8b cartons, vs 1.7b the year before.

Sales of roll-fed packaging materials reached 1.9b packs (measured in one-liter equivalents) vs 1.5b in 2017. The growth mainly took place in the European markets and to some extent in Russia.

Elopak placed a total of 35 filling machines with customers in 2018 (2017: 43). Filling machine placements are impacted by the overcapacity situation in the European dairy industry. Nevertheless, Elopak continues to promote the aseptic gable top filling system to existing and new customers in Europe as well as Russia and North America, and several prospects are in the negotiation phase.

Operations

Operations at the European coating and converting plants were by and large according to plans in 2018.

The plant in St Petersburg performed very well in 2018, and some of the capacity not needed for the Russian market was used to manufacture products for customers in Western Europe.

Operations in the Montreal plant were according to plans in the first four months of the year. A dispute over a new collective labor agreement led however to a strike amongst the unionized shop floor employee. The strike lasted for 3 weeks. During the strike, Elopak was able to ship products from inventory, and some production was outsourced to the part-owned joint ventures or to external parties. Nevertheless, the strike caused a loss of volume, significant direct expenses and led to a slow -down of the operational improvement work at the plant. All in all, the strike was a major factor behind a weak 2018 result in North America.

In June, a new collective agreement was reached, with a validity for 5 years. Elopak expects that this agreement lays the foundation for a good and constructive cooperation with the employees in Canada in the years to come.

Health and safety

Elopak`s continued effort to improve safety in the operation is showing results. The LTI rate (showing the number of lost-time incidents per million working hour) was 1.2 for 2018, compared to 2.5 for 2017. The European plants combined passed one calendar year without any LTI in January 2019.

The TRI rate, measuring total recordable incidents per million working hour, was reduced from 9.7 in 2017 to 6.9 in 2018. The focus on improving safety continues and all managers in the operational organization are measured and remunerated according to safety performance.

The occupational health situation is stable with absence due to sickness at 2.8% in 2018 vs 3.3% in 2017.

Sustainability

National and trans-national authorities, customers and other stakeholder groups are rapidly increasing the focus on sustainability. Elopak is in the process of updating its sustainability strategy to meet current and future requirements in the area. The strategy will focus on exploring and building on the inherent positive environmental properties of carton based packaging but will also define new targets, programs and reporting systems to support the sustainability effort.

During 2018, a new set of packaging waste directives and a Single Use Plastics directive were agreed in the European Union. These are required to be incorporated in member state legislation within 2021. The impacts for the liquid food packaging industry are expected to be higher collection and recycling requirements, and higher costs for recycling according to the “extended producer responsibility” principle.

Use of plastic straws and of closures not physically attached to cartons will be banned within a few years. This is triggering new product development and Elopak will dedicate resources to meet these requirements.

Elopak is already engaged in carton recycling in several European countries as well as in North America and will strengthen this effort in the next years.

Elopak will strengthen further its focus on responsible sourcing. In 2018 44% of the cartons delivered by Elopak were FSC certified. 100% of the fiber used in Elopak`s cartons is based on sources qualified according to the FSC standards for “legal and acceptable” forestry operations. Elopak is also sourcing renewable polyethylene for coating and closure production, and during 2018, carton number 1 billion using renewable PE was supplied.

Elopak`s carbon footprint is being continuously reduced through more efficient production and distribution, through sourcing of renewable energy, and by investing in carbon reduction activities outside Elopak`s value chain. Elopak`s carbon dioxide emissions per carton produced has been reduced by 78% over the last five years and by 8% compared to 2017.

People and organization

At the end of 2018, the Elopak Group had 2,291 employees, of which 78% were male, 22% female.

The largest numbers of Elopak employees are found in the Netherlands (476) and Denmark (341).

The basic rules related to employee relations and conditions are embedded in the Elopak Code of Conduct. The Code of Conduct stipulates rules and guideline related to equal opportunity, non-harassment, and observation of health and safety standards. Possible breaches of the Code of Conduct should be reported in the line management or through the whistleblower channel. The whistleblower channel is operated by and external service provider to ensure confidentiality for whistle blowers and impartial treatment of notifications. In 2018 there were 4 notifications in the whistleblower channel, all related to ongoing negotiations between management and unions.

All employees are required to read and sign off on the Code of Conduct and the management groups conduct an annual review to confirm the agreement to and understanding of the Code of Conduct. An “e-learning” program with training in the basic principles of the Code of Conduct is mandatory for all employees. In-depth dilemma training is provided for selected groups of employees.

In 2018 Elopak launched a project to ensure compliance with the GDPR. The project will be concluded in early 2019 and the compliance activity will be handed over to the line. The project has included a training program for all employees covering basic principles in data protection. Elopak expects to be in compliance with the GDPR requirements.

Employee training in 2018 has also focused on training in the new ERP system. A total of 335 employees have been given formal training in the new system.

The Board wished to express it appreciation of the efforts and dedication shown by the employees during 2018.

Financial and operational risk and risk management

Elopak is exposed to normal financial risk inherent in being an international company involved in producing food packaging materials with individual consumers as end customers.

The main long-term risk is related to the consumer`s acceptance of and preference for the carton package for liquid food. Elopak is reinforcing the position of the carton, and in particular the Pure-Pak carton, in the marketplace by continuous product development, by improving production processes to make the product even more attractive, and by reinforcing the positive environmental properties of the product.

Our product is in direct contact with the content that is filled in the package, e.g. milk and juice. Therefore, food safety issues are of critical importance. Elopak is executing strict quality control over the production of the packaging system components and on the system itself. During 2018, there were no significant non-sterility or food safety issues.

Risks in the production processes are managed through systematic process improvement work, through detailed work safety standards, and through maintenance procedures at the plants. Elopak is covered by insurance normal for this type of industry, which will cover the financial impact of unforeseen events leading to significant damage on equipment or products.

Financial risks are mainly related to movements in product prices or raw material expenses, and to unforeseen operational issues leading to higher costs.

Elopak has entered into factoring agreements with external parties in order to reduce customer credit risk and improve liquidity. The Group is also performing independent credit analysis or using other publicly available financial information, as well as own trading records, to assess credit risk.

A high portion of Elopak`s sales are made under contract of 1 year or longer duration, and the main raw materials are purchased under contracts with typically 2-4 year duration. For some raw materials, mainly polyethylene and aluminum, financial hedging markets are used to mitigate the risks of adverse price movements.

Elopak is financed through a number of banking agreements, the min being a EUR 400m revolving credit facility made available by a syndicate of 5 international banks. The unused portion of this facility is the main liquidity reserve for the Group and is of sufficient size for current requirements.

Board of Directors and management

The Board of Directors had 6 meetings in 2018.

John Giverholt, board member since 2000 and Chairman since 2014, resigned from the Board in April 2018. He was replaced as Chairman by Jo Lunder.

Per Thau, board member since 2017, was granted leave of absence from the work of the Board from August 2018 until the middle of 2019.

Michael Cronin was elected new board member in November 2018.

The Board of Directors appointed Thomas Körmendi as new Chief Executive Officer. He assumed this position starting 3rd April 2018.

Outlook

The long-term consumption trends in Elopak`s main markets are expected to continue, with a slow decline in consumption in the main industrialized countries.

Elopak expects that the stronger public focus on renewability, recycling and reuse will give more market opportunities for carton based packaging.

Elopak intends to exploit this trend by increasing further the effort on renewable raw materials, by developing new and upgraded products and by seeking expansion into new geographical markets. Investments in business development activities will increase in 2019.

The parent company

The net loss of the parent company Elopak AS was EUR -1m.

The Board of Directors proposes a dividend to all shareholders of NOK 20 per share. In addition, the Board proposes that an additional dividend of NOK 4.47 per share is distributed to the minority shareholders, to compensate for the value of the tax asset transferred to the majority shareholder through group contribution. The total dividend will be EUR 10.1m.

Furthermore, the Board declares a group contribution to Ferd AS of NOK 110m without tax effect.

A total of EUR 13.8m is proposed to be transferred to retained earnings, being the net result adjusted dividends and for the EUR 2.4m net effect of group contributions.

Skøyen 7th March 2018
Board of Directors in Elopak AS

Jo Olav Lunder (Chairman)	Trond Solberg	Harry Salonaho
Seyed Mehran Johari	Marius Wiklund	Per Thau
Erlend Sveva	Michael Francis Cronin	Thomas Körmendi (CEO)

STATEMENT OF COMPREHENSIVE INCOME

EUR 1.000

	NOTE	2018	2017
Revenues	**4**	904 435	909 820
Total revenues	**5**	904 435	909 820
Raw material expenses and change in inventory		-603 577	-594 519
Payroll expenses	**6**	-171 002	-175 198
Depreciation, amortization and impairment	**11, 12, 13**	-36 980	-34 942
Other operating expenses	**7, 8**	-54 962	-60 380
Total operating expenses		-866 521	-865 039
Operating profit	**5**	**37 914**	**44 781**
Financial income and expenses			
Share of net income from joint ventures	**15**	5 669	7 339
Financial income	**9**	1 343	1 258
Financial expenses	**9**	-12 908	-8 917
Profit before taxes		**32 018**	**44 461**
Income tax expenses	**10**	-4 332	-12 123
Profit for the year		**27 687**	**32 338**
Profit for the year attributable to:			
Owners of the parent company		27 687	32 338
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net value gains / losses (-) on actuarial benefit plans, net of tax		141	3 676
Items reclassified subsequently to net income upon derecognition			
Exchange differences on translation foreign operations		-1 469	-8 432
Net value gains / losses (-) on cash flow hedges, net of tax		-3 175	-632
Other comprehensive income for the year, net of tax		**-4 503**	**-5 388**
Total comprehensive income for the year		**23 184**	**26 949**
Total comprehensive income attributable to:			
Owners of the parent company		23 184	26 949

STATEMENT OF FINANCIAL POSITION

EUR 1.000

ASSETS	NOTE	2018	2017
NON - CURRENT ASSETS			
Development cost and other intangible asset	**11**	61 201	54 842
Deferred tax assets	**10**	31 182	35 114
Goodwill	**12**	51 751	52 681
Property, plant and equipment	**13**	168 492	167 686
Investment in joint ventures	**15, 19**	32 547	32 113
Other non-current assets		13 787	14 489
Total non - current assets		**358 960**	**356 924**
CURRENT ASSETS			
Inventory	**17**	165 677	163 163
Trade receivables	**18**	76 467	85 554
Other current assets	**18**	51 453	34 529
Cash and cash equivalents		14 374	14 903
Total current assets		**307 971**	**298 149**
Total assets	**5**	**666 931**	**655 073**

STATEMENT OF FINANCIAL POSITION

EUR 1.000

EQUITY AND LIABILITIES	NOTE	2018	2017
EQUITY			
Share capital	20	47 462	47 438
Other paid-in capital		15 621	19 383
Currency translation reserve		-35 363	-33 894
Cash flow hedge reserve	24	-3 473	-298
Retained earnings		121 447	154 116
Attributable to owners of the company		145 714	186 744
Total equity		**145 714**	**186 744**
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liabilities	16	3 447	11 405
Deferred taxes	10	16 456	18 659
Liabilities to financial institutions	22	275 121	198 537
Other non-current liabilities		3 042	2 628
Total non-current liabilities		298 066	231 229
CURRENT LIABILITIES			
Liabilities to financial institutions	22	14 329	17 163
Trade payables		114 052	100 665
Taxes payable		3 610	12 221
Public duties payable		15 060	12 447
Other current liabilities	21	76 100	94 604
Total current liabilities		223 151	237 100
Total liabilities		**521 217**	**468 329**
Total equity and liabilities		**666 931**	**655 073**

Skøyen, 7th March 2018

Jo Olav Lunder (Chairman)	Trond Solberg	Harry Salonaho
Seyed Mehran Johari	Marius Wiklund	Per Thau
Erlend Sveva	Michael Francis Cronin	Thomas Körmendi (CEO)

STATEMENT OF CASH FLOWS

EUR 1.000

	NOTE	**2018**	**2017**
Profit before taxes and interest paid		38 878	47 678
Depreciation, amortization and impairment	**11, 12, 13**	36 981	34 942
Net unrealized currency gain(-) / loss		1 260	-731
Income from joint ventures	**15**	-5 669	-7 339
Net gain(-) / loss on sale of non-current assets		-271	-195
Cash flow from profit before taxes and interest paid		71 179	74 355
Taxes paid		-16 302	-6 204
Change in trade receivables		7 739	-14 580
Change in other current assets		-16 595	6 333
Change in inventories		1 375	-1 334
Change in trade payables		14 628	-34 773
Change in other current liabilities		-16 108	15 940
Change in net pension liabilities		-8 090	2 853
NET CASH FLOW FROM OPERATIONS		37 826	42 589
Purchase of non-current assets	**11, 13**	-45 283	-44 875
Proceeds from sales of non-current assets		2 011	612
Dividend from joint ventures companies	**15**	6 739	4 773
Change in other non-current assets		500	-2 610
NET CASH FLOW FROM INVESTING ACTIVITIES		-36 033	-42 100
Change in long term loans and liabilities		67 427	-12 243
Change in current liabilities to financial institutions	**25**	-2 834	15 347
Interest paid to financial institutions		-6 860	-3 217
Dividend paid	**23**	-60 496	-10 000
Capital increase	**20**	723	584
NET CASH FLOW FROM FINANCING ACTIVITIES		-2 041	-9 529
Foreign currency translation on cash		-280	93
Net increase/ decrease in cash		-527	-8 946
Cash at beginning of year		14 903	23 849
Cash at end of year		14 375	14 903

STATEMENT OF CHANGES IN EQUITY — EUR 1.000

2018	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47 438**	**19 382**	**-33 894**	**-298**	**154 114**	**186 744**
Equity currency translation			-1 469			**-1 468**
Change in fair value of hedges				-3 175		**-3 175**
Actuarial gains and losses					141	**141**
Other comprehensive income net of tax			**-1 469**	**-3 175**	**141**	**-4 502**
Profit for the year					27 687	**27 687**
Total comprehensive income for the year			**-1 469**	**-3 175**	**27 828**	**23 185**
Share capital increase	44	679				**723**
Dividend paid					-60 496	**-60 496**
Group contribution from owner		14 867				**14 867**
Group contribution to owner		-19 308				**-19 308**
Total equity 31.12.	**47 482**	**15 621**	**-35 363**	**-3 473**	**121 447**	**145 714**

STATEMENT OF CHANGES IN EQUITY — EUR 1.000

2017	Share capital	Other paid-in capital	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Total equity 01.01	**47 389**	**21 357**	**-25 462**	**334**	**128 101**	**171 718**
Equity currency translation			-8 432			**-8 432**
Change in fair value of hedges				-632		**-632**
Actuarial gains and losses					3 676	**3 676**
Other comprehensive income net of tax		**0**	**-8 432**	**-632**	**3 676**	**-5 388**
Profit for the year					32 338	**32 338**
Total comprehensive income for the year		**0**	**-8 432**	**-632**	**36 014**	**26 949**
Share capital increase	49	535				**584**
Dividend paid					-10 000	**-10 000**
Group contribution from owner		7 946				**7 946**
Group contribution to owner		-10 455				**-10 455**
Total equity 31.12	**47 438**	**19 382**	**-33 894**	**-298**	**154 114**	**186 744**

Note 1 General information

The Elopak Group consists of Elopak AS and its subsidiaries as set out in note 19. Elopak AS is a limited liability company incorporated in Norway. The principal activities of the company and its subsidiaries are described in note 5 and 19. The address of its registered office and principal place of business is:

Postal address: P.O.Box 24
3431 Spikkestad, Norway
Visiting address: Industriveien 30
3430 Spikkestad, Norway

All numbers are presented in EUR 1.000 unless otherwise is clearly stated.

The consolidated financial statements were approved by the board of directors and authorized on 7th of March 2019.

Note 2 Significant accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by EU (IFRS). The accounting policies adopted have been applied consistently to all of the years presented.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the companies controlled by Elopak AS. Control is achieved where the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

De facto control is a part of the concept of control, and implies an obligation to consolidate. In cases where a Group owns 50% or less of the voting share, and there are no shareholders agreements, the Group assesses whether it has de facto control or not. Control is achieved when the Group has the power to govern the financial and operating policies of another entity.

Business combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

Interests in joint ventures
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of a joint venture company are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the equity investee. The statement of comprehensive income reflects the share of the results of operations of the associate (net after tax). Where there have been changes recognized directly in the equity of the associate, its share is recognized when applicable in statement of changes in equity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture company recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After application of the equity method the Group determines whether it is necessary to recognize an additional impairment on the individual investments. The Group determines if there are indications of impairment, and if this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of the joint venture and its carrying value.

Where a group entity transacts with a joint venture company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

Goodwill
Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Discontinued operation
A discontinued operation is a component of an entity or an entity that either has been disposed of, or is classified as held for sale. Profit / loss for the year from discontinuing operations are presented separately in the statements of comprehensive income, comparatives are re-presented.

Foreign currencies
The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in EUR, which is the functional currency of the parent company and the presentation currency for the consolidated financial statements.

For consolidation purposes, the functional currency of Elopak Canada Inc was changed from CAD to USD as per 1st of January 2018 due to increased USD sales.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies).

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in EUR using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the relevant periods, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized in other comprehensive income and is part of the Group's foreign currency translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is reclassified to profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of the reporting date.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue is recognized when an identified performance obligation is satisfied by transferring a promised good or service to a customer. A good or service is generally considered to be transferred when the customer obtains control. Customer obtains control of goods or services with the transfer of rights to substantially all of the cash inflows (or the reduction of cash outflows) generated by the goods or services. Normally, rights are transferred when services are delivered or goods are delivered and title of has passed. Some agreements for sale of filling machines, cartons and caps are commercially linked and revenues are recognized with reference to the combined transactions and allocated to the different goods sold based on their stand-alone prices. In case of a sale that includes a right for the customer to return the goods, the sale is recognized to the extent that it is highly probable that the consideration received will not be subject to return.

Internally generated intangible assets, research and development expenditure
Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognized in the statement of financial position only if all of the following conditions are met:

- there are technical feasibilities to complete the intangible asset so that it will be available for use or sale
- there is an intention to complete the intangible asset and an ability to use or sell it
- there are resources to complete the assets
- an asset is created that can be identified
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

After initial recognition the assets are carried at cost less any accumulated amortization and impairment losses. Amortization begins when the development is complete and the asset is available for use. Internally generated intangible assets are amortized on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred. During the period of development, the assets are tested for impairment annually.

Sales rights and IT software
Capitalized sales rights and IT software are measured initially at cost and amortized on a straight-line basis over their estimated useful lives.

Property, plant and equipment
Capitalized property, plant and equipment are reflected at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment, other than land and properties under construction, are depreciated over their estimated useful lives, using the straight-line method and taking into consideration any residual values. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The assets' residual values, useful lives and methods of depreciation are reviewed at year-end and adjusted prospectively if appropriate.

The gain or loss arising on the disposal or retirement of a fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leasing
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The Group as lessor</u>
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in installation and commissioning are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

<u>The Group as lessee</u>
Assets held under finance leases are initially recognized as assets of the Group at the fair value of the assets at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed in profit or loss.

Finance leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Rentals payable under operating leases are recorded as operating expenses in the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

Impairment of non-financial assets excluding goodwill
At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventory
Inventory is stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs. Finished goods and work in progress also include a proportion of manufacturing overheads based on normal operating capacity that have been incurred in bringing the inventory to its present location and condition. Cost is calculated using the FIFO cost formula for cartons, filling machines and spare parts. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Pensions
Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to public retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit plans, the cost of providing benefits is determined using actuarial valuations at each reporting date. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The plan asset or pension liability recognized in the statement of financial position consist of the net present value of the defined benefit obligation, unrecognized past service cost, and fair value of plan assets.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value, plus any directly attributable transaction costs for instruments not at fair value through profit or loss. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the ordinary course of business are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Such purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Financial liabilities are de-recognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities falling due within the next reporting period or those which are in the ordinary course of business is classified as current while the others are classified as non-current.

<u>Financial Instruments at amortized cost</u>
Subsequent to initial recognition, non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

<u>Financial Instruments at fair Value</u>
The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

<u>Cash and cash equivalents</u>
Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above. The statement of cash flows are presented using the indirect method.

<u>Trade and other receivables</u>
Trade and other receivables that are held to collect contractual cash flows only and the contractual cash flows are solely principal and interest are measured at amortised cost using the effective interest method, less any impairment. Short-term receivables are measured at nominal values reduced by appropriate allowances for expected credit losses.
Accounts receivables which are subject to Non-recourse factoring are classified as instruments held to collect contractual cash flows and for sale and are measured at fair value through other comprehensive income until they are derecognized.

<u>Interest bearing loans and borrowings</u>
Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. After initial recognition loans and borrowings are measured at amortized cost using the effective interest rate method.

<u>Trade and other payables</u>
Trade and other payables that contain a significant financing component.are measured at amortised cost, otherwise they are measured at nominal value.

<u>Impairment of financial assets</u>
A loss allowance for expected credit losses is recognized for financial asset measured at amortised cost or fair value through OCI, contract assets under IFRS 15, lease receivables under IFRS 16 and certain written loan commitments and financial guarantee contracts. Loss allowance is assessed at each reporting day.

<u>Assets carried at amortized cost</u>
Loss allowances for trade receivables and contract assets that do not contain a significant financing component are measured at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables and contract assets that do contain a significant financing component are measured at an amount equal to the lifetime expected credit losses including interest revenues. When there is no objective evidence of impairment interest revenues are calculated based on gross carrying amount, otherwise interests are calculated based on the net carrying amount. The amount of the loss is recognized in profit or loss.

In case of changes to expected credit losses in a subsequent period, , the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, there is objective evidence of a credit loss (such as the probability of insolvency or significant financial difficulties of the debtor) when the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are de-recognized when they are assessed as uncollectible.

Derivative financial instruments and hedging
The Group enters into derivative financial instruments to manage its exposure to interest rate, foreign exchange rate and raw material risk arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognized initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship. The Group designates certain derivatives as either hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedges), or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and, as a current asset or liability, if the maturity of the derivative is less than 12 months.

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of the derivative hedging instrument designated and qualifying as a cash flow hedge are recognized in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in the fair value are recognized in profit or loss.

If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the comprehensive income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Provisions
Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in different periods and items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxes are recognized based on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited other comprehensive income or equity, in which case the deferred tax is also recognized in other comprehensive income or equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Adoption of new and revised International Financial Reporting Standards
New standards and amendments have come into effect in 2018 and are adopted by the EU. Although these new standards and amendments applied for the first time in 2018, they did not have a material impact on the annual consolidated financial statements of the Group. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was implemented 1st January 2018 by applying the modified retrospective approach. This means that contracts completed prior to implementation have not been restated. Contracts that was entered into but not completed as per 1st January 2018 have been evaluated as if IFRS 15 has always been applied , however the effects were not material, hence a cumulative catch-up has not been applied. IFRS 15 has introduced changes to allocation of rebates when these are included in combined contracts and results in minor changes to the timing of recognition of rebates. As per 31st December 2018 the effects from allocation of rebates to sale of filling machines in year 1 amounts to EUR 875k, which under the former standard would have been recognized over several years as a reduction of revenue from sale of carton and closures.

<u>IFRS 9 Financial Instruments</u>
IFRS 9 was implemented retrospectively 1st January 2018 with no restatement of comparative period information due to materiality. Introduction of the Expected Credit Loss Model (ECL) has resulted in an immaterial increase of provisions related to accounts receivables. Accounts receivables which are subject to factoring are classified as instruments held to collect contractual cash flows and for sale and are measured at fair value through other comprehensive income. The total amount of accounts receivables subject to factoring as per 31st of December was insignificant, hence they are measured as accounts receivables at amortised cost. IFRS 9 introduces several amendments related to hedge accounting, however none of the amendments has resulted in material changes to hedge accounting within Elopak group.

At the date of authorization of these financial statements, the following Standards and Interpretations relevant to Elopak Group were issued but not yet effective:

<u>IFRS 16 Leases (effective from January 1, 2019)</u>
Application of IFRS 16 will have material impact on the Group's financial statements. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance lease under IAS 17. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense from the lease liability and depreciation of the right-of-use asset. Disclosure requirements under IFRS 16 are more extensive than IAS 17. The Group will use the modified retrospective application of IFRS 16.

The opening balance effects from implementing IFRS 16 1st January 2019 is expected as follows:

Opening balance Right of use assets 1st Jan 2019	**97 284**
Operating lease payments 31st Dec 2018	121 390
Discounting effects 1st Jan 2019	-26 848
Finance lease as per 31st Dec 2018	221
Short term leases, low value assets and contracts not under the scope of IFRS 16 1st Jan 2019	-3 443
Contracts under the scope of iFRS 16 (but not reported as an operating or finance lease under IAS 17) 1st Jan 2019 [1)]	22 940
Corrections due to effects from variable rent linked to interest or rates 1st jan 2019	-2 676
Lease liability 1st Jan 2019	**111 584**
Discount rates	*0,5 - 7%*
Lease receivables 31st Dec 2018	4 409
Impact of IFRS 16 1st Jan 2019	12 832
Lease receivables 1st Jan 2019	**17 241**
Opening balance assets 1st Jan 2019	114 525
Opening balance liabilities 1st Jan 2019	-113 453
Effects recognised to PL 1st Jan 2019	-250
Implementation effects from prepayments due to linear accounting of variable rent under IAS 17 1st Jan 2019	-768
Implementation effects to be recognised over OCI 1st Jan 2019	**54**

1) Contracts under the scope of IFRS 16 but not reported as a operating lease under IAS 17 are related to Moulding production of features.

Note 3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill and other non-current assets
Determining whether goodwill and other non-current assets are impaired requires management's judgment in determining the appropriate cash generating units and estimating future cash flows from the relevant cash-generating units. Such values in use calculations imply a degree of uncertainty with respect to the estimated future cash flows, growth and the applied discount rate. The uncertainty related to cash flows are mainly related to carton volumes, sales prices and raw material costs. Goodwill and intangible assets are tested for impairment annually or more often if indicators exist whereas other assets are tested for impairment when impairment indicators exist. Impairments for goodwill are described in note 12.

Deferred tax assets
Management has exercised judgment in assessing the recognition of tax loss carry forward for the Group's various entities and the resulting deferred tax asset. The judgment is based upon the entities' assessed ability to generate future cash flows, and the events that will enable the entities to do so. The assessments imply a degree of uncertainty relating to such future events. Tax expenses and deferred tax assets are presented in note 10.

Development costs
The Group capitalizes development costs in accordance with the accounting policy. Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed. In determining the amounts to be capitalized,

management makes assumptions regarding the expected future cash generation of the project and the expected benefits. The development costs include development of new filling and production machine technology and the success of this technology is dependent on future demand from the customers.

Leasing
Management is estimating the useful life and residual value of filling machines when considering if the lease arrangement is a finance lease or an operational lease.

Note 4 Revenues and other operating income

Revenues are primarily derived from sale of Pure-Pak® carton and Roll Fed (hereby denominated as cartons) and closures (91%), while the remaining is from sale and rental income related to filling machines, filling equipment and service.

Revenues and other operating income specified by geographical area	2018	2017
Austria	46 716	34 640
Belgium	21 411	12 627
Canada	50 345	52 749
Czech Republic	15 237	12 545
Denmark	37 612	35 794
Finland	30 773	29 909
France	25 818	21 927
Germany	156 269	172 161
Greece	3 982	4 436
Hungary	8 230	7 858
Ireland	7 941	9 176
Israel	11 101	23 148
Italy	15 428	14 449
Netherlands	52 455	56 449
Norway	27 057	30 041
Mexico	15 716	13 874
Poland	11 277	11 833
Russia	71 703	72 935
Spain	33 254	33 117
Sweden	43 613	41 478
Saudi Arabia	4 637	3 186
Ukraine	11 792	7 850
United Kingdom	23 676	24 105
USA	125 841	127 987
Other	52 550	55 546
Total revenues	**904 435**	**909 820**

The revenues are specified by location (country) of the customer.

Note 5 Operating segments

Information reported to the Group's chief operating decision makers, the Group Leadership Team, for the purpose of resource allocation and assessment of segment performance is focused on the tw o key geographical regions – Europe (including CIS) and Americas. Additionally, corporate services are show n separately. Key figures representing the financial performance of these segments are presented in the follow ing:

2018	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	743 282	188 267	9 362	-36 476	904 435
Operating expenses	-663 573	-173 634	-28 811	36 476	-829 541
Depreciation and amortization	-28 932	-4 310	-2 789		-36 032
Impairment	-948				-948
Operating profit	49 829	10 324	-22 238		37 914
Share of income from joint ventures	274	5 395			5 669
Total assets	548 423	107 212	263 565	-251 365	667 836
- thereof investments in joint ventures	7 504	25 042			32 547
Purchase of non-current assets during the year	31 498	2 418	10 959		44 875

2017	Europe	Americas	Corporate Services	Eliminations	Group
Total revenue and other operating income	733 726	191 789	9 389	-25 083	909 820
Operating expenses	-651 072	-169 778	-34 331	25 083	-830 097
Depreciation and amortization	-28 878	-4 437	-1 392		-34 707
Impairment	-234				-234
Operating profit	53 541	17 575	-26 334		44 781
Share of income from joint ventures	1 013	6 325			7 339
Total assets	613 859	92 218	240 991	-291 995	655 073
- thereof investments in joint ventures	7 961	24 152			32 113
Purchase of non-current assets during the year	29 892	3 866	11 117		44 875

The split of operating segments has in 2018 been revised in order to match the management reporting structure. All R&D is now grouped w ith Europe, as opposed to being partly grouped w ith the corporate services earlier years. The 2017 figures have been restated accordingly.

Note 6 Payroll expenses, numbers of employees, benefits etc.

Payroll expenses	**2018**	**2017**
Salary	138 055	140 636
Social security	21 937	22 212
Pension benefit plans (see note 16)	-156	657
Pension contribution plans (see note 16)	9 248	9 130
Other benefits	1 918	2 562
Total	**171 002**	**175 198**
Man-year Elopak employees (excl equity investees)	2 099	2 153

Salaries and remunerations to the Group management

	2018				2017			
	Salaries	Bonus [1]	Other benefits	Pensions	Salaries	Bonus	Other benefits	Pensions
Group chief executive [2]	313		15	28	1 716	631	77	193
Other members of the Group Management	2 112	2 266	134	222	2 027	1 366	157	185
Total	**2 425**	**2 266**	**149**	**250**	**3 743**	**1 997**	**234**	**378**

The numbers shown are salaries, bonus ([1] annual bonus and long term incentive plan paid out in 2018), other benefits and pensions paid during the year.

[1] The members of the Group Leadership Team (Group Management) are included in an annual bonus scheme. Performance targets are related to the overall return on value adjusted equity of the Elopak Group as w ell as individual targets incl. EBITDA for respective Business Areas. Targets are review ed annually. Maximum achievement w ithin a financial year equal 50% of an annual base salary. In addition to the annual bonus scheme the members of the Group Leadership Team are also included in a long term incentive scheme based on the value adjusted equity of Elopak Group. The bonuses are expensed and recorded as a liability in the year of achievement.

[2] CEO's employment contract w as terminated in 2017 and termination compensation has been charged as an expense in 2017. The new CEO started 3 April 2018.

Note 7 Other operating expenses

	2018	**2017**
Sales and administration expenses	6 398	6 392
Rental of buildings and maintainance	10 706	11 100
Travel expenses	13 635	14 163
Losses and changes in allow ance for bad debt	201	179
Consultants, auditors, law yers, etc	6 651	9 639
IT expenses	12 210	14 050
Other expenses	5 160	4 857
Total	54 961	60 380

Note 8 Fees to external auditors

EY is the principal auditor w hile some group companies are audited by other audit firms.

Expensed fees	**Audit fee**	**Other assurance services**	**Tax services**	**Other non-audit services**	**Total**
2018					
EY	735	57	127		919
Others	29	50	55	39	173
Total	**764**	**107**	**182**	**39**	**1 092**
2017					
EY	728	4	924	71	1 727
Others	16	90	84	2	192
Total	**744**	**94**	**1 008**	**73**	**1 919**

Note 9 Specification of financial income and expenses

Financial income	**2018**	**2017**
Interest income from bank deposits	919	296
Other interest income	333	549
Other financial income	91	413
Total	**1 343**	**1 258**

Financial expenses	**2018**	**2017**
Interest expenses to financial institutions	6 860	4 245
Other interest expenses	494	589
Net currency loss	2 104	137
Other financial expenses	3 451	3 946
Total	**12 908**	**8 917**

Note 10 Income tax

Income tax expense	**2018**	**2017**
Current income tax		
Current income tax charge	6 066	12 229
Adjustments in respect of current income tax of previous year	- 111	9 171
Withholding tax	138	
Total current income tax	**6 092**	**21 400**
Deferred tax		
Relating to origination and reversal of temporary differences	- 863	- 9 277
Adjustments in respect of changes to tax rate and deferred tax of previous year	- 898	
Total deferred tax	**- 1 761**	**- 9 277**
Income tax expense reported in the statement of profit or loss	**4 332**	**12 123**

Payable tax	**2018**	**2017**
Payable tax opening balance	10 544	10 544
Current income tax	6 092	
Net tax paid	- 17 573	
Translation effects	- 31	
Payable tax closing balance	**- 968**	**10 544**

Reconciliation of tax expense	**2018**	**2017**
Accounting profit before income tax	32 018	44 461
At Elopak AS's statutory income tax rate of 23% (24% in 2017)	7 364	10 671
Adjustments in respect of different local tax rates	496	1 082
Non-taxable income / expenses	-716	
Share of results of joint ventures	-1 304	-1 563
Adjustments in respect of current income tax of previous years	-1 009	10 135
Withholding tax, non-refundable	138	1 723
Tax credit		-387
Utilasation of previously unrecognised tax losses	-676	-8 510
Adjustments in respect of changes to tax rates and regulations	-89	-460
Other differences	128	-565
Income tax expense at effective income tax rate	**4 332**	**12 126**
Effective income tax rate	**13,5 %**	**27,3 %**

Current and deferred taxes recognized in other comprehensive income or equity	**2018**	**2017**
Remeasurement gain/loss on actuarial gains and losses	255	3 236
Cash flow hedging	925	50
Total current and deferred tax recognized directly in other comprehensive income or equity	**1 179**	**3 286**

Deferred tax	**2018**	**2017**
Revaluation of inventories	1 528	1 315
Payables/receivables	4 999	6 535
Non-current assets	2 233	991
Fixed assets depreciations	- 7 731	- 6 914
Liquid assets	- 63	- 9
Losses available for offsetting against future taxable income	10 966	19 796
Other differences	2 793	- 5 258
Total deferred tax	**14 724**	**16 456**
Deferred tax assets	31 182	35 114
Deferred tax liabilities	16 456	18 659
Net deferred assets/liabilities	**14 726**	**16 455**

Deferred tax assets are evaluated at each balance sheet date, and recognized to the extent that it is probable that sufficient taxable profit w ill be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilites are measured at the tax rates that are expected to apply in the period w hen the liability shall be settled or the asset to be realized, based on tax rates and law s that have been enacted or substantively enacted at the balance sheet date.

Specification of tax losses carried forward - tax amount	**2018**
During year 1	
During year 2	
During year 3	
After 3 years	20 824
Indefinite life	21 975
Total tax losses carried forward	**42 799**

Specification of tax losses carried forward - country and year of expiry	**2019**	**2020**	**2021**	**After 2021**	**Indefinite**	**Total**
Canada					756	756
United States				18 822	2 744	21 565
United Kingdom					6 706	6 706
Spain				670	1 567	2 237
Norway					11 283	11 283
Other					252	252
Total				**19 492**	**23 308**	**42 799**

Tax losses carried forward of EUR 32,135 are not recognized as a basis for calculating unused tax losses carried forward in net deferred assets/liabilities. The amount not recognized is mainly related to the United Kingdom.

In tax disputes, the Group accounts for tax costs according to decisions made by local tax authorities, or according to subsequent tax rulings in the actual case, or similar cases. Where transfer pricing adjustments have been made, mutual agreement procedure (MAP) between the affected countries are normally available. A successful MAP procedure as intended in the double tax treaties between countries, would result in a corresponding tax adjustment in a Group company, thus removing the tax cost for the Group. Where a MAP process is available, the Group recognizes tax costs according to the probability of the outcome of the MAP process. If tax authorities within the EU do not agree, tax payers have the right to demand arbitration.

The estimated effect of a MAP procedure related to the tax audit in Denmark per 31st December 2018 is EUR 3.463m, which is unchanged from last year.

Note 11 Development cost and other intangible assets

2018	Sales rights	Development costs	IT-software	Total
Cost at 1.1	26 798	34 438	62 695	123 930
Additions	6	2 008	11 711	13 725
Disposals			- 296	-296
Currency translation	-131		41	-90
Cost at 31.12	26 673	36 446	74 151	137 269
Acc. amortization and impairment losses at 1.1	26 791	8 361	33 936	69 088
Current year amortization charge	2	3 029	4 653	7 684
Amortization disposals			- 616	-616
Currency translation amortization	-131		43	-87
Accumulated amortization at 31.12	26 662	11 391	37 586	75 639
Net accumulated impairment at 31.12			429	429
Carrying amount 31.12	**11**	**25 055**	**36 135**	**61 201**
Economic life	5-10 years	5-10 years	7 years	
Amortization method	Linear	Linear	Linear	

2017	Sales rights	Development costs	IT-software	Total
Cost at 1.1	26 826	32 438	49 445	108 709
Additions	4	2 000	13 440	15 444
Disposals				0
Currency translation	-32		-190	-222
Cost at 31.12	26 798	34 438	62 695	123 930
Acc. amortization and impairment losses at 1.1	26 823	5 322	32 506	64 651
Current year amortization charge		3 040	1 617	4 657
Amortization disposals				
Currency translation amortization	-32		-187	-220
Accumulated amortization at 31.12	26 791	8 361	33 507	68 659
Net accumulated impairment at 31.12			429	429
Carrying amount 31.12	**7**	**26 076**	**28 759**	**54 842**

The additions under development costs relates to the development of new filling and production machine technology.

The majority of IT-softw are are additions related to investments in IT system for management of materials flow and finances. The system roll out started in 2017 and continued during 2018.

Research and development
The cost of research and development not eligible for capitalization w hich have been expensed in 2018 amounts to EUR 11,268. Comparable amount in 2017 w as EUR 12,277.

Note 12 Goodwill

In accordance w ith IFRS 3 Business combinations, the net assets of acquired companies have been assessed at fair value at the acquisition date. The remaining part of the consideration after the purchase price has been allocated to identifiable assets and liabilities, is recognized as goodw ill. The table below show s the cost value, additions, disposals, impairment charges and carrying value for the various goodw ill items in the Group.

2018	**Europe**
Cost at 1.1	58 899
Currency translation	- 943
Cost at 31.12	57 956
Acc. amortization at 1.1	6 218
Currency translation	- 13
Net accumulated impairment at 31.12	6 205
Carrying amount 31.12	**51 751**

2017	**Europe**
Cost at 1.1	59 590
Currency translation	- 691
Cost at 31.12	58 899
Acc. amortization at 1.1	6 224
Currency translation	- 6
Net accumulated impairment at 31.12	6 218
Carrying amount 31.12	**52 681**

Impairment test for goodwill:

Goodw ill is allocated to the Group's cash generating units, and is tested for impairment annually or more frequently if there are indications of impairment. Testing for impairment involves the determination of the recoverable amount of the cash generating unit. The recoverable amount is determined by discounting future expected cash flow s, based on the business plans for the cash generating units.

The discount rate applied to the future cash flow is based on the Group's w eighted average cost of capital (WACC), adapted to the market's apprehension of the risk factors for each cash generating unit. Grow th rates are used to project cash flow s beyond the periods covered by the business plans.

Cash generating units
The goodw ill items specified above are related to the Elopak Group. Goodw ill related to acquisition of Elopak Denmark A/S, Elopak AB, Elofin OY and Variopak are all allocated to the cash generating unit Europe, w hich consist of Elopak's European markets, including the internal production and supply organization. In accordance w ith the tables above, these goodw ill items have a carrying value of EUR 51,751 as of December 31, 2018 (EUR 52,681 in 2017).

The basis to consider Europe as one cash generating unit is the inherent structure of the market. Customers are merging across borders and are increasingly treating Europe as one market. The historical requirement from customers to source from specific plants is no longer present. Elopak is adapting to this trend by allocating production flexibly to the European plants in order to optimize logistics and production cost. According to this development, the margins along Elopak's value chain w ill be subject to change from one year to another, and therefore the appropriate w ay to assess indicators for impairment for the European business is as one unit.

Impairment test and assumptions.:
Recoverable amount for the cash generating unit, Europe, is calculated based on value in use. The cash flow s that are basis for the impairment test are based on assumptions about future sales volume, selling prices and direct costs. These are uncertain factors. These assumptions are based on historical experience from the European market, adopted budgets and the Group's expectations of market changes. Upon completion of the impairment tests in 2017 and 2018 the Group does not expect significant changes in current trade. This implies that expected future cash flow s are mainly a continuation of observed trends. Determined cash flow is discounted w ith the discount rates presented in the table below .

Calculated recoverable amounts in the impairment tests are higher than carrying amounts, and based on the tests, it is concluded that there is no impairment in 2017 or 2018.

Detailed description of the assumptions used:

	Discount rate after tax		Discount rate before tax		Grow th rate 2-5 years		Long-term grow th rate	
	2018	2017	2018	2017	2018	2017	2018	2017
Elopak Europe	5,0 %	5,0 %	6,5 %	6,5 %	0,0 %	0,0 %	0,0 %	0,0 %

The discount rate reflects the current markets assessment of the risk specific to the cash generating unit. The rate is estimated based on the w eighted average cost of capital for similar assets in the market. This rate has been further adjusted to reflect the specific risk factors related to the cash generating unit, w hich have not been reflected in the cash flow .

Average grow th rate for the future 2 to 5 years period is based on Elopak Group's expectations for the market development that the business operates in. When estimating future cash flow s committed operating efficiency improvement measures are taken into account. Changes in the outcomes for these initiatives may influence future estimated cash flow s.

Investment costs necessary to meet expected future grow th are taken into account. Based on management's assessment, the estimated investment costs do not include investments that improves the assets performance. The related cash flow s are treated correspondingly.

Management believes that there is no reasonably possible change in any of the key assumption that w ould cause the carrying value of the unit to materially exceed its recoverable amount. Sensitivity analysis on the WACC has been made w ithout any impact on the conclusion.

Note 13 Property, plant and equipment

2018	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	44 916	478 062	21 747	544 726
Additions	541	30 122	893	31 558
Disposals	-167	-3 829	-370	-4 366
Transfer to inventory / reclassification	-210	275	289	354
Currency translation	-26	-236	-99	-361
Cost at 31.12	45 055	504 395	22 461	571 911
Acc. depreciation and impairment losses at 1.1	33 500	325 467	18 075	377 041
Current year depreciation charge	1 199	25 837	1 314	28 349
Current year impairment charge		948		948
Depreciation disposals	-161	-2 118	-263	-2 542
Impairment disposals	0	8		8
Depreciation transferred to inventory / reclassification	-5	-238	-52	-295
Currency translation	-23	-5	-63	-91
Accumulated depreciation at 31.12	34 431	343 551	18 981	396 962
Net accumulated impairment at 31.12	79	6348	30	6457
Acc. depreciation and impairment losses at 31.12	34 510	349 899	19 010	403 419
Carrying amount 31.12	**10 545**	**154 496**	**3 451**	**168 492**

Useful life	0-40 years	3-15 years	3-12 years	
Depreciation method	Linear	Linear	Linear	

2017	Land and buildings	Machinery and plant	Office and transport	Total
Cost at 1.1	42 965	470 132	17 942	531 039
Additions	324	28 681	426	29 432
Disposals	-338	-11 144	-635	-12 117
Transfer to inventory / reclassification	2 114	-6 783	4 257	-412
Currency translation	-149	-2 824	-243	-3 215
Cost at 31.12	44 916	478 062	21 747	544 726
Acc. depreciation and impairment losses at 1.1	32 734	311 821	14 554	359 109
Current year depreciation charge	1 123	27 692	1 235	30 050
Current year impairment charge		234		234
Depreciation disposals	-262	-10 431	-627	-11 320
Depreciation transferred to inventory / reclassification	0	-3 250	3 250	
Currency translation	-95	-599	-337	-1 031
Accumulated depreciation at 31.12	33 435	320 097	18 042	371 575
Net accumulated impairment at 31.12	64	5 370	32	5 466
Acc. depreciation and impairment losses at 31.12	33 500	325 467	18 075	377 041
Carrying amount 31.12	**11 416**	**152 595**	**3 673**	**167 686**

The lease revenues and commitments for Carton filling machines rented to customers as w ell as the lease expenses and commitments for equipments leased and used in our production are disclosed in note 14.

The company has not pledged property, plant and equipment as security for liabilities.

Property, plant and equipment specified by geographical area	2018	2017
Austria	14	10 211
Canada	24 029	24 803
Denmark	37 397	44 504
Germany	34 196	11 387
Hungary	901	275
Netherlands	34 204	35 263
Norw ay	1 789	2 164
Poland	37	421
Russia	7 942	8 424
Spain	15 551	15 077
Ukraine	10 427	11 457
United Kingdom	1 544	2 619
Other	460	1 079
	168 492	**167 686**

Note 14 Commitments and contingencies

1. The Group as lessor - operating lease commitments

The Group leases out filling machines under operating leases. Rental income was EUR 15,158 in 2018. Comparable amount in 2017 was EUR 14,344.

At the reporting date the Group has future minimum lease receivables as follows:	2018	2017
Falling due for payment within one year	10 513	11 481
Falling due for payment between 2-5 years	19 186	21 980
Falling due for payment after 5 years	2 441	1 346
Total	32 140	34 807

Amounts are undiscounted figures

2. The Group as lessor - finance lease receivables

	Minimum lease		Net present value	
	2018	2017	2018	2017
	4 409	2 744	3 672	2 583

3. The Group as lessee - operating lease commitments

	2018	2017
Operating lease expenses	18 796	18 997

Operating lease payables	Property and buildings	Machinery and plant	Office and transport	Total
31 December 2018	95 670	19 105	6 930	121 705
31 December 2017	99 297	27 337	8 720	135 353

At the reporting date the Group has future minimum lease payables as follows:	2018	2017
Falling due for payment within one year	17 733	21 473
Falling due for payment between 2-5 years	47 838	51 014
Falling due for payment between 6-10 years	35 192	33 995
Falling due for payment after 10 years	20 942	28 872
Total	**121 705**	**135 353**

Amounts are undiscounted figures

4. Other off-balance sheet commitments and contingencies	2018	2017
Commitments for the acquisition of property, plant and equipment	5 695	5 945
Commitments for the acquisition of goods [1)]	32 249	24 734
Contingent liabilities	985	1 785
Guarantees issued in support of joint ventures		12 509
Guarantees issued in relation to operational activities	3 173	4 120
Total	**42 102**	**49 093**

[1)] Commitments; Elopak has entered into agreements with three different suppliers of closures. The agreements cover different types of closures and run for periods up to 6 years. The supply agreements include clauses on minimum purchase requirements. Should Elopak fail to meet these requirements, purchase prices may be changed to effectively cover certain product specific investments undertaken by the suppliers, and thus represent the commitment of Elopak if no further purchases were made.

Note 15 Investment in joint ventures

The investment in the joint ventures specified below have been accounted for in accordance with the equity method of accounting. The Al-Obeikan Elopak factory for Packaging Co is a carton production facility in Saudi-Arabia selling cartons to customers in Middle East and North Africa. Lala Elopak S.A. de C.V. is a carton production plant in Mexico selling cartons to Americas. Impresora Del Yaque is a carton production facility in the Dominican Republic also selling cartons to Americas. The investments are joint ventures because the two investement partners have the same rights and control in the companies.

2018	**Al-Obeikan Elopak factory for Packaging Co**	**Lala Elopak S.A. de C.V.**	**Impresora Del Yaque**	**Total**
Ownership - and votingshare	49 %	49 %	51 %	
Carrying amount 1.1	7 960	18 385	5 768	32 113
Income from joint venture companies	285	3 641	1 744	5 669
Dividend received	-1 147	-4 706	-886	-6 739
Recognized to equity	1	24		25
Currency translation	405	1 014	60	1 479
Carrying amount 31.12	**7 504**	**18 358**	**6 685**	**32 547**

2017	**Al-Obeikan Elopak factory for Packaging Co**	**Lala Elopak S.A. de C.V.**	**Impresora Del Yaque**	**Total**
Ownership - and votingshare	49 %	49 %	51 %	
Carrying amount 1.1	10 077	18 023	5 503	33 603
Share of income from joint venture companies	1 013	4 322	2 004	7 340
Dividend received	-1 972	-2 071	-730	-4 773
Recognized to equity	103	-13		90
Currency translation	-1 262	-1 876	-1 009	-4 147
Carrying amount 31.12	**7 960**	**18 385**	**5 768**	**32 113**

2018	**Al-Obeikan Elopak factory for Packaging Co**	**Lala Elopak S.A. de C.V.**	**Impresoria Del Yaque**	**Total**
Operating revenue	18 217	32 166	9 305	59 688
Operating profit	603	4 824	1 902	7 330
Profit after tax	243	3 641	1 744	5 628
Total assets	12 907	18 687	7 982	39 577
Total liabilities	7 217	3 075	1 297	11 590

Amounts are the Elopak share

2017	**Al-Obeikan Elopak factory for Packaging Co**	**Lala Elopak S.A. de C.V.**	**Impresora Del Yaque**	**Total**
Operating revenue	18 821	34 406	9 792	63 019
Operating profit	1 411	5 431	2 211	9 053
Profit after tax	994	4 315	2 004	7 313
Total assets	13 328	22 145	7 283	42 757
Total liabilities	7 046	6 348	1 516	14 911

Amounts are the Elopak share

Voting share, sales and receivables/ liabilities

	Ownership/ votingshare	Sales from joint ventures to Elopak		Elopak's current receivables / - liabilities net to joint ventures		Guarantees	
	2018 and 2017	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Al-Obeikan Elopak factory for Packaging Co	49 %			523	146		12 509
Lala Elopak S.A. de C.V.	49 %	22 210	26 451	- 351	- 292		
Impresora Del Yaque	51 %	193	27	48	642		
Total		**22 404**	**26 478**	**220**	**496**		**12 509**

Note 16 Employee retirement benefit plans

Defined contribution plans
The Group operates defined contribution pension plans w here the plans are held separately from those of the Group in funds under control of trustees. The only obligation of the Group is to make the specified contributions. The plans cover 1,640 persons.

Defined benefit plans
The Group also runs pension plans that grant the employees a right to defined future benefits. These defined benefit plans include in total 11 persons (252 in 2017). The benefits are mainly dependent on years of service, the level of salary at age of retirement and size of contributions from the national insurance. The obligations are partly covered through insurance companies.

In 2018 Elopak Inc transferred the pension plan in the United States to an external party and the plan expired. Elopak Inc recognised a settlement gain of 469 keur in 2018.

Elopak has unfunded retiree medical insurance plans for certain of its employees located in the United States.

	2018	2017
Defined benefit obligations	-4 515	-28 877
Fair value of plan assets	1 067	17 472
Net pension liability	-3 447	-11 405

Pension expense	2018	2017
Defined benefit plans net	-156	542
Defined contribution plans	9 248	9 130
Total pension expenses	9 092	9 672

The estimated pension cost for pension benefit plans in 2019 is EUR 151k

DEFINED BENEFIT PLANS

Specification of the recognized liability	2018	2017
Present value of unfunded pension obligations	-2 570	-2 698
Present value of w holly or partly funded obligations	-1 580	-25 795
Total present value of defined benefit obligations	-4 150	-28 493
Fair value of plan assets	1 067	17 472
Payroll tax on defined benefit obligations	-364	-385
Net defined benefit obligation recognized in the statement of financial position	-3 447	-11 405

Specification of net pension assets (+) and net pension liabilties (-) per geographical area	2018	2017
Norw ay	-2 945	-3 116
Sw itzerland	-219	-317
United States	-283	-7 973
Total net assets and liabilities	**-3 447**	**-11 405**

Pension costs recognized in profit and loss	2018	2017
Service cost	-9	123
Interest expenses	476	1 043
Expected return on plan assets	-163	-639
Payroll tax	10	11
Administration expenses		6
Total pension costs recognized in profit and loss	-156	542

Changes in defined benefit obligations	2018	2017
Defined benefit obligation at 01.01	-28 877	-45 236
Service cost		-123
Interest expenses	-476	-1 043
Actuarial gains / -losses demographic assumptions	29	937
Actuarial gains / -losses financial assumptions	151	-1 255
Payroll tax	18	26
Contribution from employees		-46
Pension settlement	469	
Pension arrangement phased out	23 884	11 736
Contribution from employer	26	26
Benefits paid	623	2 291
Currency translation	-362	3 809
Defined benefit obligation at 31.12	-4 515	-28 877

Change in fair value of plan assets	**2018**	**2017**
Fair value of plan assets at 01.01.	17 473	31 180
Expected return from pension assets	163	639
Actuarial gains / -losses demographic assumptions	-32	814
Actuarial gains / -losses financial assumptions	-11	-638
Administration cost		-6
Contributions from employer	7 574	576
Contributions from employees		46
Pension arrangement phased out	-24 348	-10 699
Benefits paid		-2 124
Currency translation	248	-2 312
Fair value of plan assets at 31.12.	1 067	17 473

Movement in actuarial gain / -loss recognized in other comprehensive income	**2018**	**2017**
Actuarial gains / -losses on pension obligations	179	753
Actuarial gains / -losses on plan assets	-43	192
Increase / -decrease in payroll tax	3	11
Net change in actuarial gains / -losses	139	956
Change in deferred tax relating to actuarial gains / -losses	-5	-118
Recognition of previously unrecognised deferred tax assets	797	2 828
Currency translation	-500	10
Total actuarial gain / -loss recognized in other comprehensive income	431	3 676

Plan assets include the following	**2018**		**2017**	
	Quoted	**Unquoted**	**Quoted**	**Unquoted**
Equity instruments		36	4 620	51
Debt instruments		806	11 223	1 168
Property		141	5	205
Bank deposits		7		11
Other assets		76	124	66
Total plan assets		1 067	15 971	1 501

Significant weighted average assumptions at 31 December in percentages	**2018**	**2017**
Discount rate	0,60-2,00	0,60-3,41
Expected return on plan assets	0,00-3,6	0,00-3,91
Expected wage growth	0,00-2,50	0,00-2,50
Future expected pension regulation	0,00-1,75	0,00-1,75

The discount rate in Norway is based on corporate bonds.
The weighted average duration of the defined benefit obligation at the end of the current financial year is 10 years.

Expected Maturity	**2018**	**2017**
1-5 years	1 474	11 159
6-10 years	1 394	11 131
11-20 years	1 647	6 587
Total	4 515	28 877

Historical information Pension liabilities	**2018**	**2017**	**2016**	**2015**	**2014**
Present value of defined benefit obligations	-4 515	-28 550	-44 817	-54 515	-51 916
Fair value of plan assets	1 067	17 471	31 180	41 045	39 912
Net deficit in the scheme	-3 448	-11 079	-13 637	-13 470	-12 004

Historical information in the US	**2018**	**2017**	**2016**	**2015**	**2014**
Present value of US Health insurance liabilities	-283	-328	-419	-449	-487

Sensitivity analysis, actuarual assumptions	**2018**	**2017**
Present value of pension obligation if discount rate was 0.5% higher	-3 909	-26 809
Present value of pension obligation if expected wage growth was 0.5% higher	-1 546	-25 734

Note 17 Inventory

2018	Raw materials	Work in progress	Finished goods	Total
Cost 31.12	37 645	51 350	84 239	173 235
Write down 01.01.	655	1 499	5 034	7 189
Realized	- 550	- 1 482	-2 387	-4 419
Write down	37	1 874	2 876	4 787
Write down per 31.12.	142	1 891	5 523	7 557
Carrying amount 31.12	**37 503**	**49 459**	**78 716**	**165 677**

2017	Raw materials	Work in progress	Finished goods	Total
Cost 31.12	32 747	54 907	82 698	170 352
Write down 01.01.	457	2 829	7 675	10 960
Realized	103	- 2 812	-4 309	-7 019
Write down	96	1 483	1 668	3 247
Write down per 31.12.	655	1 499	5 034	7 189
Carrying amount 31.12	**32 092**	**53 408**	**77 664**	**163 163**

Note 18 Trade receivables and Other current assets

Trade receivables	2018	2017
Accounts receivable, gross	78 988	88 258
Allowances	-2 521	-2 704
Carrying amount 31.12	**76 467**	**85 554**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables 2018	Gross carrying amount	Loss rate	Expected credit loss
Current	54 776	0,14 %	78
Up to 30 days	12 029	0,50 %	60
30-60 days	2 692	2,19 %	59
60-90 days	1 112	4,49 %	50
Over 90 days	8 379	27,14 %	2 274
Total	**78 988**	**3,19 %**	**2 521**

Trade receivables 2017	Gross carrying amount	Loss rate	Expected credit loss
Current	72 885	0,00 %	
Up to 30 days	8 262	0,00 %	
30-60 days	1 781	0,00 %	
60-90 days	1 724	0,00 %	
Over 90 days	3 605	75,01 %	2 704
Total	**88 257**	**3,06 %**	**2 704**

Movement in the allowance for expected credit losses of trade receivables:	2018	2017
As at 1 January	2 704	4 780
Provision for expected credit losses	591	-1 451
Write-off	-793	-241
Foreign exchange movement	19	-384
As at 31 december	**2 521**	**2 704**

Other current assets	2018	2017
Prepayments	4 059	3 193
VAT and tax receivables [1]	25 171	6 712
Financial instruments (note 24)	1 051	3 420
Other current receivables	21 172	21 205
Carrying amount 31.12	**51 453**	**34 529**
Total current receivables	**127 919**	**120 083**

[1] As a consequence of the restructuring and implementation of new business model in Europe, Elopak generated significant VAT receivables during 2018. The refund process has been slower than expected and at year-end the net receivable position was higher than normal.

Lease receivables from finance lease of filling machines amounts to EUR 4.4m in 2018 and 2.7m in 2017. Credit risk is considered insignificant due to right to require return of the machine in case of default.

Contract assets consist of prepaid support to customers which will be offset against contracted future purchases of carton and features. Total of prepaid support is EUR 11.2m in 2018 and 13.5m in 2017. Based on customer knowledge and experience of very few losses, the credit risk related to contract assets is considered insignificant.

Note 19 Shares in subsidiaries and joint ventures

The following companies are consolidated as subsidiaries in Elopak Group:

Company	Percentage owned	Year of acquisition	Country	Principal activity
Elopak AB	100 %	1961	Sweden	Trading
Elopak BV	100 %	1968	Netherlands	Manufacturing
Elopak GmbH	100 %	1968	Germany	Trading and manufacturing
Elopak SpA	100 %	1981	Italy	Trading
Elopak OY	100 %	1982	Finland	Trading
Elocoat BV	100 %	1983	Netherlands	Manufacturing
Elopak Systems AG	100 %	1984	Switzerland	Trading
Elopak Inc.	100 %	1987	USA	Trading and manufacturing
Elopak Denmark A/S	100 %	1988	Denmark	Trading and manufacturing
Elopak GesmbH	100 %	1989	Austria	Trading
Elopak Trading AG	100 %	1992	Switzerland	Trading
OJSC Elopak Fastiv	99,4%	1994	Ukraine	Trading and manufacturing
Elopak S.A.	100 %	1994	Poland	Trading
Elopak Israel AS	100 %	1998	Norway	Holding
ZAO Elopak Russia	100 %	1999	Russia	Trading and manufacturing
Elopak Canada Inc	100 %	2000	Canada	Trading and manufacturing
Elofill GmbH	100 %	2000	Germany	Holding
Elopak s.r.o.	100 %	2001	Czechia	Trading
Elopak UK Ltd	100 %	2004	UK	Trading
Elopak Nippon Paper Pak Holding BV	100 %	2004	Netherlands	Holding
Elopak d.o.o	100 %	2005	Serbia	Trading and manufacturing
Elopak BS d.o.o	100 %	2017	Serbia	Trading and manufacturing
Elopak Kft	100 %	2006	Hungary	Trading
Elopak Production Services Verwalt. GmbH	100 %	2008	Germany	Holding
Elopak Production Services GmbH & Co. KG	100 %	2008	Germany	Trading
Elopak EOOD	100 %	2009	Bulgaria	Trading
Elopak EQS GmbH	100 %	2009	Germany	Trading and manufacturing
Elopak Tunisie SARL	100 %	2017	Tunisia	Trading
Elopak Egypt LLC	100 %	2017	Egypt	Trading
Elopak Algerie SARL	49 %	2018	Alger	Trading

The following joint ventures are accounted for in accordance with the equity method:

Company	Percentage owned	Year of acquisition	Country	Principal activity
Al-Obeikan Elopak Factory for Packaging Co.	49 %	1998	Saudi Arabia	Trading and manufacturing
Lala Elopak S.A. de C.V.	49 %	1998	Mexico	Trading and manufacturing
Impresora Del Yaque	51 %	2007	Dominican Republic	Trading and manufacturing

Note 20 Equity and shareholder information

The share capital increased by NOK 433,114 (EUR 45,536) to NOK 349,665,607 (EUR 47,482,686) through an issue of 6,209 new shares in 2018. Share capital consists of 5,012,707 shares at face value EUR 9.472 per share.

The company is owned 99.82% by Ferd AS and 0.18% by management.

Note 21 Other current liabilities

	2018	2017
Provisions [1]	1 043	1 865
Accrued expenses	57 824	67 220
Financial instruments (note 24)	7 164	5 587
Prepaid from customers	10 069	19 932
Total other current liabilities 31 December	**76 100**	**94 604**

[1] Provisions include provisions for customer claims of EUR 0.7m in 2017. The majority of this has been realized during 2018. New provisions for customer claims of EUR 0.7m have been included in the total of provisions EUR 1.0m at the end of 2018.

Note 22 Interest-bearing loans and borrowings

	2018		2017	
Interest-bearing loans and borrowings	**Available**	**Utilized**	**Available**	**Utilized**
Bank overdrafts	47 648	14 329	47 532	17 163
Long term loans	400 000	275 121	400 000	198 537
Total		**289 450**		**215 700**

Repayment profile	**2018**	**2017**
2018		17 163
2019	14 329	198 537
2020		
2021		
2022		
2023	275 121	
Total	**289 450**	**215 700**

Weighted average interest rates on long term loans			2018		2017
	Rate	**in Ccy**	**in EUR**	**in Ccy**	**in EUR**
EUR	0,62 %	230 000	230 000	114 510	114 510
DKK	0,00 %	200 000	26 783	400 000	53 728
NOK	0,99 %	200 000	20 104	200 000	20 325
CAD				15 000	9 974
Total			**276 887**		**198 537**

The values above are gross amounts excluding amortised borrowing costs.

The credit facility was refinanced on 23rd May 2019 with 5 international banks. The long term loans are drawn under a EUR 400m multi currency revolving credit facility. The facility is available until May 2023. Amounts are shown net of prepaid transaction costs. Changes to the Groups debt profile reflect changes in the functional currency of entities within the Group.

Elopak has several bank covenants related to the syndicate loan facility. The main covenants are: i) Net Interest Bearing Debt divided by 12 month rolling EBITDA, and ii) Nominal Equity. Elopak is in compliance with all covenants as of 31 December 2018, and expects to be compliant with all bank covenants under the syndicate loan agreement for the foreseeable future.

Elopak has a Supply Chain Financing arrangement towards the largest suppliers to optimize working capital.

	2018		2017	
Accounts receivables factoring facilities	**Available**	**Utilized**	**Available**	**Utilized**
With recourse	281	281	9 628	9 628
Without recourse	139 739	67 899	85 288	38 031
Total		**68 180**		**47 658**

Elopak factors its receivables in the normal course of business.

Note 23 Related party transactions

Transactions with owner company:	**2018**	**2017**
Dividend paid to Ferd AS	60 496	10 000
Group contribution to Ferd AS without tax effect	19 308	10 455
Group contribution from Ferd AS with tax effect	14 867	7 946
	64 937	12 509

The Board of Directors proposes EUR 10,180 as dividend to owner for the year 2018.

	2018		2017	
	Loans	Guarantees	Loans	Guarantees
Employees	10		77	

See note 15 for specifications with regard to related parties in joint ventures.

Note 24 Risk management

Balance sheet management

Elopak manages its balance sheet with a view to optimizing Value Adjusted Equity. This is primarily done through an annual budget process where targets for profitability and limits for capital expenditures are defined. Throughout the year, performance versus these targets and limits are monitored closely. Furthermore, liquidity and balance sheet ratios, like Net Interest Bearing Debt/EBITDA, are monitored to ensure that operating liquidity is sufficient and that bank covenants are met at all times. Following the successful refinancing of Elopak's credit facility in May 2018, Elopak has a strong liquidity position for the coming years.

Financial risk policy

Elopak is exposed to market risk, credit risk and liquidity risk. Risk management activities are governed by appropriate policies and procedures. Risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There has been no significant change in the management of risks related to financials during the period.

CATEGORIES OF FINANCIAL RISK TO OPERATIONAL BUSINESS

1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, and commodity price risk, and interest rate risk. Elopak buys and sells derivatives in order to manage market risks, and seeks to apply hedge accounting in order to manage volatiliy in profit or loss.

			2018			**2017**
Derivatives	**Assets**	**Liabilities**	**Total**	**Assets**	**Liabilities**	**Total**
Currency derivatives	1 051	1 729	- 678	573	4 835	- 4 261
Commodity derivatives		3 875	- 3 875	2 817		2 817
Interest derivatives		1 560	- 1 560	30	752	- 722
Total	1 051	7 164	- 6 113	3 420	5 587	- 2 167

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and, as a current asset or liability, if the maturity of the derivative is less than 12 months.

Where eligible, derivatives used for hedging are designated in cash flow hedge accounting relationships.

Currency risk

Elopak's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, financing of foreign operations and the Group's net investments in foreign subsidiaries.

Foreign exchange risk from operating activities is managed by hedging transactions that are reasonably expected to occur within periods out 18 months by entering into foreign currency contracts and options.

Exposure to translation risk related to net investments in foreign operations is hedged by holding net borrowings in foreign currencies.

Outstanding derivatives

Nominal values		**2018**		**2017**
Currency	**Ccy**	**EUR**	**Ccy**	**EUR**
CAD			18 300	12 168
EUR	- 55 152	- 55 152	- 86 637	- 86 637
JPY	3 976 822	31 600	3 947 021	29 235
MXN	- 96 630	- 4 296		
NOK	250 378	25 168	520 551	52 900
USD	3 273	2 858	- 14 011	- 11 683
Total nominal value		177		-4 017
Total fair value		-678		-4 261

Positive numbers represent purchases

Interest risk

Elopak's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. To manage this risk, the Group maintains a portion of it's borrowings at fixed rates of interest by entering into interest rate swaps. These swaps are designated to hedge underlying debt obligations, however they are not subject to hedge accounting.

Outstanding derivatives			**2018**		**2017**
		Notional	**Fair**	**Notional**	**Fair**
Notional amounts and fair values	**Currency**	**EUR**	**value**	**EUR**	**value**
	EUR	145 000	- 1 560	80 000	- 722
Total			- 1 560		- 722

Positive numbers represent derivative assets

Commodity price risk

Elopak's operating activities require a continous supply of aluminium and polyethylene. Based on a 12-month forecast of requirements the Group manages the commodity price risk by hedging the purchase price of the commodity with the use of commodity price swaps.

Outstanding derivatives		**2018**		**2017**
	Metric	**Fair**	**Metric**	
Notional amounts and fair values	**Tonnes**	**value**	**Tonnes**	**Fair value**
Polyethylene	51 600	- 3 772	20 400	697
Aluminum	2 640	- 103	4 320	2 120
Total		- 3 875		2 817

Positive numbers represent derivative assets

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates (for foreign exchange contracts), commodity prices (for commodity swaps) and interest rates (for interest rate swaps) with all other variables being held constant. The impact on the Group's equity is due to changes in the fair value of derivatives designated as cash flow hedges.

			2018		2017
Numbers are before tax	**Movement**	**Effect on profit**	**Effect on equity**	**Effect on profit**	**Effect on equity**
Foreign exchange contracts	+5%	- 842	- 2 301	- 1 417	- 8 096
	-5%	1 494	3 006	- 288	994
Commodity swaps	+5%		4 683		2 030
	-5%		- 5 851		- 2 007
Interest rate swaps	+1%	5 918		1 400	
	-1%	- 6 319		- 1 460	

Positive numbers represent derivative assets

2. Liquidity risk

Elopak's objective is to maintain a balance between continuity of funding, and flexibility through the use of bank loans and overdraft facilities.

The maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments is summarised below. The tables only show balance sheet items classified as financial instruments and do not include other balance sheet items affecting liquidity, such as inventories. Also, off-balance sheet items such as unused credit facilities are not included. The derivative instruments may be settled gross or net with the relevant protocol being reflected in the tables.

31 December 2018

Financial assets		Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total Nominal
Cash and cash equivalents		14 375	14 375				14 375
Accounts receivables	Note 18	76 467	76 467				76 467
Financial leases	Note 14	3 672	979	1 617	1 052	761	4 409
Other receivables		11 783	11 080	701		2	11 783
Derivatives		1 051	741	310			1 051
Total		**107 349**	**103 642**	**2 628**	**1 052**	**762**	**108 085**

Financial liabilities							
Loans and borrowings	Note 22	289 450	14 329	275 121			289 450
Accounts payable		114 053	114 053				114 053
Other liabilities		67 491	63 178	1 445	22	302	64 946
Derivatives		7 164	5 653	404	550	559	7 166
Total		**478 158**	**197 212**	**276 970**	**572**	**861**	**475 615**

31 December 2017

Financial assets		Carrying value	< 1 year	1-3 years	3-5 years	> 5 years	Total Nominal
Cash and cash equivalents		14 903	14 903				14 903
Accounts receivables	Note 18	85 554	85 554				85 554
Financial leases	Note 14	2 583	1 266	950	445	83	2 744
Other receivables		8 414	7 319	1 068	26		8 414
Derivatives		3 420	3 380	68	153		3 602
Total		**114 874**	**112 423**	**2 087**	**624**	**83**	**115 216**

Financial liabilities							
Loans and borrowings	Note 22	215 700	17 163	198 537			215 700
Accounts payable		100 665	100 665				100 665
Other liabilities		65 278	60 822	1 664	649	235	63 370
Derivatives		5 587	4 465	1 265	39		5 769
Total		**387 230**	**183 114**	**201 466**	**688**	**235**	**385 504**

The fair value of all financial assets and liabilities approximates their carrying value. The fair value estimation of derivative financial instruments has been arrived at by applying a level 2 valuation methodology which uses inputs other than unadjusted quoted prices for identical assets and liabilities.

3. Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Elopak has adopted a policy of only being exposed to credit-worthy counterparties, based upon independent credit analysis for all counterparties, where available. In the cases where this is not available, Elopak uses other publicly available financial information and its own trading records to assess creditworthiness. Outstanding receivables are monitored regularly.

4. Hedge accounting

Cash flow hedge accounting is applied to hedges of foreign currency risk and commodity price risk. The interest rate hedges were subject to cash flow hedge accounting until hedge accounting was stopped at 1 July 2017. Hedge reserves from the interest rate hedges are recycled to profit or loss over the lifetime of the hedged risks. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair values of cash flow hedging instruments related to hedged transactions that have not yet occurred. Movements in the cash flow hedge reserve are detailed in the table below:

			2018			**2017**
Contracts	Opening position	Movement	**Closing position**	Opening position	Movement	**Closing position**
Commodity price hedges	2 817	- 6 692	**- 3 875**	2 390	427	**2 817**
Currency hedges	- 2 311	2 238	**- 73**	- 265	- 2 046	**- 2 311**
Interest rate hedges	- 766	1 299	**533**	- 1 535	769	**- 766**
Currency translation	- 145	6	**- 139**	- 141	- 4	**- 145**
Tax effect	- 60	142	**82**	- 114	54	**- 60**
Total	- 465	- 3 008	**-3 472**	335	- 800	**- 465**

The movement in the hedge reserve includes gains/(losses) transferred from the cash flow hedge reserve into the income statement during the period. These are included in the following line items in the income statement:

	2018	**2017**
Sales	-68	
Cost of goods sold	118	2 397
Other operating expenses	476	- 275
Net financial items	- 583	- 2 210
Total	**- 57**	**- 87**

Note 25 Change in obligations from financial activities

2018		**Cash-effects**		**Non-cash effects**			
Change in obligations from financing activities	**01.01.2018**	**New loans raised**	**Down payment**	**Reclass-ification to current**	**Change in fair value**	**Foreign exchange**	**31.12.2018**
Liabilities to financial institutions	198 537	78 564		-1 767		-213	275 121
Financial lease liabilities	242		-168				74
Other non-current liabilitites	2 386	581					2 967
Non-current liabilities	201 165	79 145	-168	-1 767	0	-213	278 162
Current liabilities to financial institutions	17 163		-2 834				14 329
Total	**218 328**	**79 145**	**-3 002**	**-1 767**	**0**	**-213**	**292 491**

2017		**Cash-effects**		**Non-cash effects**			
Change in obligations from financing activities	**01.01.2017**	**New loans raised**	**Down payment**	**Reclass-ification to current**	**Change in fair value**	**Foreign exchange**	**31.12.2017**
Long term loans	214 951		-14 959	45		-1 501	198 537
Financial lease obligations	16	229	-3				242
Derivatives	1 783		1 347	-722	-2 408		0
Other long term liabilitites	1 963	1 143		-720			2 386
Long term loans and liabilities	218 713	1 372	-13 615	-1 397	-2 408	-1 501	201 165
Current liabilities to financial institutions	1 816	15 347					17 163
Total	**220 530**	**16 719**	**-13 615**	**-1 397**	**-2 408**	**-1 501**	**218 328**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Elopak AS

Report on the audit of the financial statements

Opinion

We have audited the consolidated financial statements of Elopak AS. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of Elopak AS present fairly, in all material respects, the financial position of the Group as at 31 December 2018 and the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the consolidated financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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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 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 in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting 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 consolidated 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 content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Oslo, 8 March 2019
ERNST & YOUNG AS

Nina Rafen
State Authorised Public Accountant (Norway)

APPENDIX E APPLICATION FORM IN THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 7 June 2021 (the "**Prospectus**"), which has been issued by Elopak ASA (the "**Company**", and together with its consolidated subsidiaries, the "**Group**" or "**Elopak**") in connection with the offering (the "**Offering**") of new shares to be issued by the Company as will to raise gross proceeds of up to EUR 50 million (~NOK 507.8 million) (the "**New Shares**") and sale of up to 76,000,000 existing shares in the Company (the "**Base Sale Shares**") by the Company's majority shareholder Ferd AS (the "**Selling Shareholder**") and the listing and admission to trading of the Company's shares on Oslo Børs (the "**Listing**"). The Selling Shareholder has reserved the right to increase the Offering by sale of additional 15,000,000 existing shares (the "**Upsize Option**", and such additional Shares sold pursuant to the Upsize Option, together with the Base Sale Shares, the "**Sale Shares**"). In addition, Goldman Sachs International and Skandinaviska Enskilda Banken AB, Oslo branch ("**SEB**") acting as joint global coordinators (the "**Joint Global Coordinators**") may elect to over-allot a number of additional Shares (the "**Additional Shares**", and together with the Sale Shares, the "**Offer Shares**") equal to up to approximately 15% of the aggregate number of New Shares and Base Sale Shares to be sold in the Offering. As of the date of the Prospectus, the Company has one class of shares in issue, each with a par value of NOK 1.40 (the "**Shares**"). All capitalised terms not defined herein shall have the meaning assigned to them in the Prospectus.

Application procedure: Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.seb.no, www.abgsc.no; www.carnegie.no and www.dnb.no/emisjoner. Applications in the Retail Offering can also be made by using this Retail Application Form. Retail Application Forms must be correctly completed and submitted by the expiry of the Application Period to one of the following application offices:

Skandinaviska Enskilde Banken AB (publ), Oslo branch

Filipstad brygge 1
P.O. Box 1843 Vika
N-0123 Oslo
Norway
Tel: + 47 21 00 87 05
Email: subscription@seb.no
www.seb.no

ABG Sundal Collier ASA

Munkedamsveien 45E
P.O. Box 1444 Vika
N-0115 Oslo
Norway
Tel: + 47 22 01 60 00
Email: subscription@abgsc.no
www.abgsc.no

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N-0106 Oslo
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Tel: + 47 22 00 93 60
Email: subscriptions@carnegie.no
www.carnegie.no

DNB Markets, a part of DNB Bank ASA

Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
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Tel: +47 23 26 80 20
Email: retail@dnb.no
www.dnb.no/emisjoner

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered, and applications made on Retail Application Forms must be received, by one of the application offices listed above by 12:00 hours (CEST) on 16 June 2021**. None of the Company, the Selling Shareholder or any of the Joint Global Coordinators may be held responsible for postal delays, issues relating to internet access or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The Indicative Price Range for the Offering is from NOK 24 to NOK 30 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Joint Global Coordinators, determine the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 16 June 2021 and announced through Oslo Børs' information system on or about the same date under the ticker code "ELO". The Indicative Price Range is non-binding and the Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on this Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 30 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on this Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant. All allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. SEB, acting as settlement agent for the Retail Offering, expects to allocate the Offer Shares in the Retail Offering on or about 17 June 2021. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above on or about 17 June 2021 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated on or about 17 June 2021. In registering an application through the VPS online application system or by completing and submitting this Retail Application Form, each applicant in the Retail Offering will grant SEB (on behalf of the Managers) an irrevocable authorization to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 18 June 2021 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 June 2021. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 18 June 2021). Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 June 2021, or can be obtained by contacting the Managers. SEB (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 24 June 2021. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 21 June 2021 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	**Applicant's LEI code (20 digits):**	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999):**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise SEB to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we aware of the risks associated with an investment in the Offer Shares and that I/we are are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

Please note: If the application form is sent to the Manager(s) by e-mail, the e-mail will be unsecured unless the applicant takes measures to secure it. The Managers recommend the applicant to secure all e-mails with application forms attached.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets in Financial Instruments Directive ("**MiFID II**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investments. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Target market: The target market for the Offering and the Offer Shares is non-professional, professional and other eligible counterparties. Negative target market: An investment in the Offer Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Retail Offering.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken by the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation"**). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 18 "Selling and transfer restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Company does not intend to register any securities referred to herein in the United States or to conduct a public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

Neither the Company nor the Selling Shareholder have authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway (each, a " **Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering, SEB (as the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may engage in transactions that stabilise, maintain or otherwise affect the price of the Shares within a 30-day period comments at the time at which "if issued/if sold" trading in the Shares commences on Oslo Børs. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. The Stabilisation Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilisation Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions in connection with the Offering.

Personal data: The applicant confirms that it has been provided with information regarding the Managers' processing of personal data, and that it has been informed that the Managers will process the applicant's personal data in order to manage and carry out the Offering and the application from the applicant, and to comply with statutory requirements. The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Norwegian Money Laundering Act require that the Managers process and store information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the aforementioned purposes or obligations, the personal data may be shared between the Managers, with the company(ies) participating in the Offering, with companies within the Managers' groups, VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. If the Managers transfer personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses. As a data subject, the applicants have several legal rights. This includes i.e. the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank, the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting, the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment of a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited to the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.00% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Company, the Selling Shareholder and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Joint Bookrunners are expected to pre-fund the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares allocated in the Offering. Irrespective of any such prefunding, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

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