
Glatfelter Holding (Denmark) *A/S*

c/o Accura Advokatpartnerselskab, Alexandriagade 8, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 28 15 69 60

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/6 2024

Peter Straub
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Glatfelter Holding (Denmark) A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

Copenhagen, 26 June 2024

Executive Board

Peter Straub

Board of Directors

Jill Louise Urey
Chairman

Paul Gregory Wolfarm

Peter Straub

Independent Auditor's report

To the shareholder of Glatfelter Holding (Denmark) A/S

Opinion

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

We have audited the Financial Statements of Glatfelter Holding (Denmark) A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 26 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jakob Thisted Binder

State Authorised Public Accountant

mne42816

Company information

The Company	Glatfelter Holding (Denmark) A/S c/o Accura Advokatpartnerselskab Alexandriagade 8 2150 Nordhavn CVR No: 28 15 69 60 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Jill Louise Urey, chairman Paul Gregory Wolfarm Peter Straub
Executive Board	Peter Straub
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue		0	-1
Other external expenses		-1,043	-351
Gross loss		-1,043	-352
Financial income	2	15,172	10,408
Financial expenses	3	-3,979	-365,873
Profit/loss before tax		10,150	-355,817
Tax on profit/loss for the year	4	-2,231	-4,641
Net profit/loss for the year		7,919	-360,458

Distribution of profit

	2023	2022
	TDKK	TDKK
Proposed distribution of profit		
Retained earnings	7,919	-360,458
	7,919	-360,458

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Investments in subsidiaries	5	118,691	118,691
Receivables from group enterprises		144,090	129,715
Fixed asset investments		262,781	248,406
Fixed assets		262,781	248,406
Other receivables		36	36
Receivables		36	36
Cash at bank and in hand		82	2,147
Current assets		118	2,183
Assets		262,899	250,589

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		1,000	1,000
Retained earnings		172,542	164,623
Equity		173,542	165,623
Payables to group enterprises		86,588	84,793
Long-term debt	6	86,588	84,793
Trade payables		364	0
Payables to group enterprises relating to corporation tax		2,231	0
Other payables		174	173
Short-term debt		2,769	173
Debt		89,357	84,966
Liabilities and equity		262,899	250,589
Key activities	1		
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	TDKK	TDKK	TDKK
Equity at 1 January 2023	1,000	164,623	165,623
Net profit/loss for the year	0	7,919	7,919
Equity at 31 December 2023	1,000	172,542	173,542

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	TDKK	TDKK	TDKK
Equity at 1 January 2022	1,000	525,081	526,081
Net profit/loss for the year	0	-360,458	-360,458
Equity at 31 December 2022	1,000	164,623	165,623

Notes to the Financial Statements

1. Key activities

The Company's objects are to own shares in other undertakings and to undertake any other activity which the Board of Directors deems incidental to the attainment of these objects.

2. Financial income

Interest received from group enterprises
Other financial income
Exchange adjustments

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	13,333	8,864
	0	1,544
	<u>1,839</u>	<u>0</u>
	<u>15,172</u>	<u>10,408</u>

3. Financial expenses

Interest paid to group enterprises
Other financial expenses
Exchange adjustments, expenses

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	2,216	2,578
	0	363,295
	<u>1,763</u>	<u>0</u>
	<u>3,979</u>	<u>365,873</u>

Interest relates to loans received and payables measured at amortised cost.

4. Income tax expense

Current tax for the year
Adjustment of tax concerning previous years

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	2,231	0
	<u>0</u>	<u>4,641</u>
	<u>2,231</u>	<u>4,641</u>

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
5. Investments in subsidiaries		
Cost at 1 January	385,076	385,076
Cost at 31 December	385,076	385,076
Value adjustments at 1 January	-266,385	-6,420
Revaluations for the year, net	0	-259,965
Value adjustments at 31 December	-266,385	-266,385
Carrying amount at 31 December	118,691	118,691

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Glatfelter Denmark A/S	Denmark	DKK 32,512	100%	-112,434	-9,041
Glatfelter Sontara Switzerland AG	Switzerland	CHF 100	100%	92,889	-18,900
Glatfelter Sontara Asturias S.A.U	Spain	EUR 1,000	100%	49,132	11,870
Glatfelter Mexico SA de C.V.	Mexico	MXN 1,501	99%	6,473	-377
Glatfelter Sontara Japan GK	Japan	JPY 10,000	100%	10,813	1,160
Glatfelter Sontara Argentina S.R.L.	Argentina	ARS 8,393	99,88%	1,994	1,199
Glatfelter Sontara Nonwovens Co., Ltd	Shanghai	CNY 1,000	100%	8,485	1,706
Glatfelter Sontara Korea Co. Ltd.	Korea	KRW 100,000	100%	946	67
				58,298	-12,316

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK

6. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	<u>86,588</u>	<u>84,793</u>
Long-term part	86,588	84,793
Within 1 year	<u>0</u>	<u>0</u>
	<u>86,588</u>	<u>84,793</u>

7. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the consolidation of the ultimate Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Glatfelter Corporation	4350 Congress Street, Suite 600, Charlotte, NC 28209, USA

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Glatfelter Holding (Denmark) A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2023 are presented in TDKK.

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Glatfelter Corporation, the Company has not prepared consolidated financial statements.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Segment information on revenue

Information on business segments is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Glatfelter Denmark A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.