

# ***Glatfelter Holding (Denmark) A/S***

*c/o Harbour House  
Sundkrogsgade 21  
DK-2100 København Ø*

## **Annual Report for 2021**

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CVR No 28 15 69 60

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 June 2022.

Finn Schøning  
Chairman

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## **Management's Statement on the Annual Report**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Glatfelter Holding (Denmark) A/S for the financial year 1 January – 31 December 2021.

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 2021 of the Company and of the results of the Company operations and cash flows for 2021.

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

Copenhagen 30 June 2022

### **Executive Board**

Wolfgang Laures

### **Supervisory Board**

Jill Louise Urey  
(Chairman)

Ramesh Shettigar

Wolfgang Laures

# **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 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 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 2021, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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.

# Independent Auditor's Report

## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

# Independent Auditor's Report

Hellerup, 30 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stensgård Sørensen  
State Authorised Public Accountant  
mne32200

Jakob Thisted Binder  
State Authorised Public Accountant  
mne42816

## Company Information

**The Company** Glatfelter Holding (Denmark) A/S  
c/o Harbour House  
Sundkrogsgade 21  
DK-2100 København Ø

CVR No.: 28 15 69 60  
Financial year: 1. January – 31 December  
Municipality of reg. office: København

**Ownership** The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the share capital or at least 5% of the votes:

Glatfelter Holding (Switzerland) AG  
Picassoplatz 8  
CH-4052 Basel

**Supervisory Board** Jill Louise Urey (Chairman)  
Ramesh Shettigar  
Wolfgang Laures

**Executive Board** Wolfgang Laures

**Auditors** PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Consolidated

**Financial Statements** The Company is included in the Group Annual Report of the ultimate Parent Company Glatfelter Corporation.

The Group Annual Report of Glatfelter Corporation may be obtained at the following address:

Glatfelter Corporation  
4350 Congress Street,  
Suite 600, Charlotte,  
NC 28209, USA

## Income Statement 1 January - 31 December

	Note	2021 DKK '000	2020 DKK '000
<b>Revenue</b>	3	<b>2.365</b>	<b>3.044</b>
Administrative expenses		-2.905	-3.661
<b>Operating profit</b>		<b>-540</b>	<b>-617</b>
Other operating income and expenses		38	0
<b>Profit before financial income and expenses and dividend income</b>		<b>-502</b>	<b>-617</b>
Dividend income	6	117.264	2.683
Financial income	7	314.270	46.574
Financial expenses	8	-48.317	-74.988
<b>Profit before tax</b>		<b>382.715</b>	<b>-26.348</b>
Tax on profit for the year	9	-3.795	54
<b>Net profit for the year</b>		<b>378.920</b>	<b>-26.294</b>

### Profit allocation

Proposed dividend distribution	0	0
Extraordinary dividend paid out during the year	60.000	0
Transfer to retained earnings	318.920	-26.294
	<b>378.920</b>	<b>-26.294</b>



## Balance Sheet at 31 December

### Assets

	Note	2021 DKK '000	2020 DKK '000
Other fixtures and fittings, tools and equipment	10	0	0
<b>Property, plant and equipment</b>		<b>0</b>	<b>0</b>
Investments in subsidiaries	11	378.656	416.811
Receivables from group companies		230.683	726.336
Deferred tax asset	12	0	0
<b>Financial fixed assets</b>		<b>609.339</b>	<b>1.143.147</b>
<b>Non-current assets</b>		<b>609.339</b>	<b>1.143.147</b>
Receivables from group companies		2.255	1.741
Other receivables		421	87
Prepayments		0	35
<b>Receivables</b>		<b>2.676</b>	<b>1.863</b>
<b>Cash and cash equivalents</b>		<b>2.210</b>	<b>8.645</b>
<b>Current assets</b>		<b>4.886</b>	<b>10.508</b>
<b>Assets</b>		<b>614.225</b>	<b>1.153.655</b>

## Balance Sheet at 31 December

### Equity and liabilities

	Note	2021 DKK '000	2020 DKK '000
Share capital	13	1.000	1.000
Retained earnings		525.081	206.161
<b>Equity</b>		<b>526.081</b>	<b>207.161</b>
Bond	14	0	945.457
Payables to group companies		84.225	0
<b>Non-current liabilities</b>		<b>84.225</b>	<b>945.457</b>
Corporation tax	15	3.759	0
Other payables		160	1.037
<b>Current liabilities</b>		<b>3.919</b>	<b>1.037</b>
<b>Liabilities</b>		<b>88.144</b>	<b>946.494</b>
<b>Equity and liabilities</b>		<b>614.225</b>	<b>1.153.655</b>
Contingent liabilities	18		
Related parties	19		

## Statement of Changes in Equity 1 January - 31 December

	Note	Share capital	Retained earnings	Total
		DKK '000	DKK '000	DKK '000
<b>Equity</b>				
Equity at 1 January 2021		1.000	206.161	207.161
Net profit for the year		0	378.920	378.920
Extraordinary dividend		0	-60.000	-60.000
<b>Equity at 31 December 2021</b>	13	<b>1.000</b>	<b>525.081</b>	<b>526.081</b>
Equity at 1 January 2020		1.000	232.455	233.455
Net profit for the year		0	-26.294	-26.294
<b>Equity at 31 December 2020</b>	13	<b>1.000</b>	<b>206.161</b>	<b>207.161</b>

Only the share capital is restricted. Other reserves may be distributed.

## Cash Flow Statement

	Note	2021 DKK '000	2020 DKK '000
Net profit for the year		378.920	-26.294
Adjustments of non-cash items	16	-379.842	21.863
Change in working capital	17	-1.176	324
Cash flows from operating activities before financial income and expenses and special items		-2.098	-4.107
Financial income received		46.176	46.573
Financial expenses paid		-39.077	-42.565
Corporation tax paid		-36	-216
<b>Cash flows from operating activities</b>		<b>4.965</b>	<b>-315</b>
Sale of property, plant and equipment		38	0
Purchase of financial fixed assets		-600.714	0
Sale of financial fixed assets		872.807	0
Dividend received	6	117.264	2.683
<b>Cash flows from investing activities</b>		<b>389.395</b>	<b>2.683</b>
Reduction of receivables from and increase of payables to related parties		639.907	29.937
Increase in receivables from and reduction of payables to related parties		-32.484	-29.908
Repayment of non-current loans		-948.218	0
Change in credit institutions		0	-149
Dividend paid		-60.000	0
<b>Cash flows from financing activities</b>		<b>-400.795</b>	<b>-120</b>
<b>Change in cash and cash equivalents</b>		<b>-6.435</b>	<b>2.248</b>
Cash and cash equivalents at 1 January		8.645	6.397
<b>Cash and cash equivalents at 31 December</b>		<b>2.210</b>	<b>8.645</b>

# Notes to the Annual Report, Group

## 1 Accounting Policies

The Annual Report of Glatfelter Holding (Denmark) A/S for 2021 is prepared in accordance with the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report for 2021 is presented in DKK '000.

### Change of accounting policies

The Company has decided to change accounting framework from IFRS to the Danish Financial Statement Act. The change has not had any effect on the financial statements.

Beside of the above-mentioned the applied accounting policies are unchanged compared to the previous year.

### Consolidated Financial Statements

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.

### Foreign currencies

Transactions in foreign currencies are initially recognised at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Differences between the exchange rates at the balance sheet date and the rates at the time of the establishment of the receivable or payable or recognition in the most recent Financial Statements are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Income Statement

#### Revenue and recognition of income

Revenue consists of management fee.

#### Administrative expenses

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

# Notes to the Annual Report

## 2 Main activities and significant developments

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.

The Jacob Holm Group was sold to Glatfelter Corporation during 2021 that the Company do not prepare any consolidated financials anymore. Please refer to the consolidated financials of the new ultimate Parent.

Following the sale of the Jacob Holm Group, there has been a reorganization of the Group, whereby all of the US subsidiaries were sold during 2021. The sale of shares resulted in a gain of DKK 240 mio.

The Company received a dividend of DKK 117 mio. during 2021, which has been included in the income statement.

	2021 DKK '000	2020 DKK '000
<b>3 Revenue</b>		
Management fee	2.365	3.044
	<b>2.365</b>	<b>3.044</b>
<b>4 Expenses classified by type</b>		
Administrative expenses	2.905	3.661
	<b>2.905</b>	<b>3.661</b>
<i>Classified by type as follows:</i>		
Other external expenses	1.434	1.790
Staff expenses	1.471	1.871
	<b>2.905</b>	<b>3.661</b>
<b>5 Staff expenses</b>		
Wages and salaries	1.455	1.841
Pensions	4	7
Other social security expenses	12	23
	<b>1.471</b>	<b>1.871</b>
<b>Key management compensation</b>		
<i>Key management consist of the executive and supervisory board as well as the executive management team.</i>		
Salaries and other short-term employee benefits	329	512
	<b>329</b>	<b>512</b>
Thereof to the executive board	0	29

## Notes to the Annual Report

	2021	2020
	DKK '000	DKK '000
<b>5 Staff expenses (continued)</b>		
Thereof to the supervisory board	329	395
<b>Average number of full-time employees</b>	<b>2</b>	<b>2</b>
<i>Staff expenses are distributed on the individual cost groups as follows:</i>		
Administrative expenses	1.471	1.871
	<b>1.471</b>	<b>1.871</b>
<b>6 Dividend income</b>		
Glatfelter Sontara Switzerland AG	117.264	0
Glatfelter Sontara Nonwovens (Shanghai) Co., Ltd.	0	2.683
	<b>117.264</b>	<b>2.683</b>
<b>7 Financial income</b>		
Exchange adjustments	28.463	0
Interest intercompany accounts	45.772	46.574
Gain on the sale of subsidiaries	240.035	0
	<b>314.270</b>	<b>46.574</b>
<b>8 Financial expenses</b>		
Commission on guarantees	3.316	3.810
Interest	31.423	42.521
Amortized financing costs	3.143	2.515
Exchange adjustments	0	26.132
Interest intercompany accounts	4.336	0
Loss from write-off of subsidiaries	6.097	0
Other financial expenses	2	10
	<b>48.317</b>	<b>74.988</b>
Interest relates to loans received and payables measured at amortised cost.		
<b>9 Tax on profit for the year</b>		
Current tax on profit for the year	3.795	0
Adjustment tax previous years	0	-54
	<b>3.795</b>	<b>-54</b>

# Notes to the Annual Report

Other fixtures  
and fittings,  
tools and  
equipment  

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DKK '000

## 10 Property, plant and equipment

### 2021

Cost at 1 January	175
Additions for the year	0
Disposals for the year	-175
	<hr/>

Cost at 31 December	<hr/> 0
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Depreciation at 1 January	175
Depreciation for the year	0
Disposals for the year	-175
	<hr/>

Depreciation at 31 December	<hr/> 0
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<b>Carrying amount at 31 December</b>	<hr/> <b>0</b>
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<b>Depreciated over</b>	<hr/> <b>3-10 years</b>
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Depreciation for the year is charged to Administrative expenses in the Income Statement.

### 2020

Cost at 1 January	175
Additions for the year	0
Disposals for the year	0
	<hr/>

Cost at 31 December	<hr/> 175
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Depreciation at 1 January	164
Depreciation for the year	11
Disposals for the year	0
	<hr/>

Depreciation at 31 December	<hr/> 175
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<b>Carrying amount at 31 December</b>	<hr/> <b>0</b>
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<b>Depreciated over</b>	<hr/> <b>3-10 years</b>
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Depreciation for the year is charged to Administrative expenses in the Income Statement.



# Notes to the Annual Report

## 11 Investments in subsidiaries

	Share capital '000	Currency	Ownership %	Carrying amount DKK '000	Equity DKK '000	Result DKK '000
Glatfelter Denmark A/S, Denmark	32.512	DKK	100,00%	193.330	49.466	-158.969
Glatfelter Sontara Switzerland AG, Switzerland	100	CHF	100,00%	155.925	267.058	6.953
Glatfelter Sontara Asturias S.A.U, Spain	1.000	EUR	100,00%	26.052	37.284	1.890
Glatfelter Mexico SA de C.V., Mexico	1.501	MXN	99,00%	620	4.442	98
Glatfelter Sontara Japan GK, Japan	10.000	JPY	100,00%	1.119	8.417	594
Glatfelter Sontara South Asia Sdn Bhd, Malaysia	0	MYR	100,00%	0	352	47
Glatfelter Sontara Argentina S.R.L., Argentina	8.393	ARS	99,88%	0	406	-653
Glatfelter Sontara Nonwovens (Shanghai) Co., Ltd	1.000	CNY	100,00%	1.050	4.854	1.117
Glatfelter Sontara Korea Co. Ltd.	100.000	KRW	100,00%	560	733	55
				<b>378.656</b>	<b>373.012</b>	<b>-148.868</b>

	2021 DKK '000	2020 DKK '000
Cost at 1 January	417.134	417.134
Additions for the year	600.714	0
Disposals for the year	-632.772	0
Cost at 31 December	<b>385.076</b>	<b>417.134</b>
Impairment at 1 January	323	323
Impairment for the year	6.097	0
Impairment at 31 December	<b>6.420</b>	<b>323</b>
<b>Carrying amount at 31 December</b>	<b>378.656</b>	<b>416.811</b>

## Notes to the Annual Report

	2021	2020
	DKK '000	DKK '000
<b>12 Deferred tax asset</b>		
Deferred tax at 1 January	0	0
Change in deferred tax, see note 7	0	0
Deferred tax at 31 December	0	0
<i>Deferred tax relates to:</i>		
Other current assets	0	-692
<b>Non-current portion</b>	<b>0</b>	<b>-692</b>
Property, plant and equipment	10	22
Tax loss carry-forward	-10	670
<b>Non-current part</b>	<b>0</b>	<b>692</b>
<b>Deferred tax, net</b>	<b>0</b>	<b>0</b>
<b>Unrecognized deferred tax asset</b>	<b>2.557</b>	<b>7.216</b>

## 13 Share capital

The Company's share capital is DKK 1,000,000 divided into shares of DKK 1 or any multiple thereof.

At the end of 2020 the Company's share capital consisted of 358,688 A-shares of DKK 1, 431 B-shares of DKK and 640,881 C-shares of DKK 1.

Each share of DKK 1 carries one vote.

	2021	2020
	DKK '000	DKK '000
<b>14 Bond</b>		
Bond of EUR 127,5 mio.	0	945.457
	<b>0</b>	<b>945.457</b>

Following the closing of the sale of the Jacob Holm Group to Glatfelter Corp., the Bond was called and repaid on November 15, 2021.

## Notes to the Annual Report

	2021	2020
	DKK '000	DKK '000
<b>15 Corporation tax</b>		
Accrued corporation tax at 1 January	0	270
Tax on profit, see note 7	3.795	-54
Tax paid	-36	-216
<b>Accrued corporation tax at 31 December</b>	<b>3.759</b>	<b>0</b>
<b>16 Cash flow statement - adjustments of non-cash items</b>		
Other operating income and expenses	-38	0
Dividend income	-117.264	-2.683
Financial income	-314.270	-46.574
Financial expenses	47.935	71.163
Depreciation and impairment losses	0	11
Tax on profit for the year	3.795	-54
	<b>-379.842</b>	<b>21.863</b>
<b>17 Cash flow statement - change in working capital</b>		
Change in receivables	-299	219
Change in payables	-877	105
	<b>-1.176</b>	<b>324</b>
<b>18 Contingent liabilities</b>		
As security for the Bond issued by the Company, intercompany loan agreements have been assigned to the Bondholders of	0	339.911

As security for the Bond issued by the Company, all shares in direct and indirect subsidiaries were pledged at the end of 2020.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of the Company, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Annual Report

## 19 Related parties

### Consolidated annual report

**The Company is included in the consolidation of the ultimate Parent Company:**  
Glatfelter Corporation, 4350 Congress Street, Suite 600, Charlotte,  
NC 28209, USA