

# Schades Nordic ApS

Øster Fælled Vej 5  
DK-7800 Skive

CVR no. 30 52 89 56

## Annual report 2020

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

29 June 2021

Marcel Bergmann  
Chairman

## Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	10
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Schades Nordic ApS for the financial year 1 January – 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in my opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Skive, 29 June 2021  
Executive Board:

---

Marcel Bergmann

## **Independent auditor's report**

### **To the shareholders of Schades Nordic ApS**

#### **Opinion**

We have audited the financial statements of Schades Nordic ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

## Independent auditor's report

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.



**Schades Nordic ApS**  
Annual report 2020  
CVR no. 30 52 89 56

## Independent auditor's report

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

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

Aarhus, 29 June 2021

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant  
mne34459

Katrine Gybel  
State Authorised  
Public Accountant  
mne45848

**Schades Nordic ApS**  
Annual report 2020  
CVR no. 30 52 89 56

## Management's review

### Company details

Schades Nordic ApS  
Øster Fælled Vej 5  
DK-7800 Skive

Telephone: +45 96 15 16 00  
Fax: +45 96 15 16 05  
Website: [www.schades.com](http://www.schades.com)

CVR no.: 30 52 89 56  
Established: 29 June 2007  
Registered office: Øster Fælled Vej 5, 7800 Skive  
Financial year: 1 January – 31 December

### Executive Board

Marcel Bergmann

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V  
CVR no. 25 57 81 98

## Management's review

### Financial highlights

DKK'000	2020	2019	2018	2017	2016
<b>Key figures</b>					
Revenue	189,247	229,023	230,778	192,261	196,717
Gross profit	24,006	23,260	25,070	21,011	17,080
Profit before financial income and expenses	7,710	12,133	15,381	6,940	10,969
Loss from financial income and expenses	-1,959	-2,074	-5,111	-97	-856
Profit for the year	4,442	7,757	8,930	7,071	5,560
Fixed assets	6,109	6,428	8,082	7,558	8,085
Current assets	90,084	73,819	75,862	76,967	70,663
Total assets	96,193	80,247	83,944	84,525	78,748
Equity	20,715	49,914	45,547	36,801	39,730
Current liabilities other than provisions	74,791	29,885	38,307	47,657	39,014
Investment in property, plant and equipment	165	991	172	0	4,333
<b>Ratios</b>					
Gross margin	12.7%	10.2%	10.9%	10.9%	8.7%
Operating margin	4.1%	5.3%	6.7%	5.9%	3.5%
Return on invested capital	23.9%	25.7%	38.1%	31.7%	17.3%
Current ratio	122.4%	247.0%	198.0%	161.5%	181.1%
Return on equity	12.6%	16.3%	21.7%	18.5%	13.3%
Solvency ratio	21.5%	62.2%	54.3%	43.5%	50.5%
Average number of full-time employees	24	25	25	26	28

The comparative figures in financial highlights for 2016-2018 have not been restated to reflect the changes in accounting policies.

The financial ratios have been calculated as follows:

Gross margin 
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on invested capital 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Current ratio 
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$



## Management's review

### Operating review

#### Principal activities

Schades Nordic ApS's principal activities are production and sale of documentation rolls used in electronic documentation, information and payment systems, such as cash registers, bank terminals, credit card machines, and self-adhesive labels used as documentation labels in the food industry and grocery trade as well as for logistics purposes.

#### Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 4,442 thousand as against DKK 7,757 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 20,715 thousand as against DKK 49,914 thousand at 31 December 2019.

Due to the deterioration in the economy as a consequence of the COVID-19 situation from April 2020, the Company's revenue was about 80% of forecasted revenue for 2020 (and similarly 82.6% compared to 2019). However, the Company could lower its production cost as to revenue from 89.8% to 87.3% by primarily saving raw material costs. As a result, the Company could achieve a profit of DKK 4,442 thousand despite its restructuring costs.

Due to the less market demand, not only the Company but also other affiliated companies could not fully utilize its production capacity and there were redundancies significantly. Their revenue was reduced by about 20% compared to the same period in 2019. Also, it was expected that this reduced demand would continue through 2021 and thereafter. Also, the COVID-19 pandemic has accelerated the so-called digitalization trend, which would decrease market demand for POS rolls in the coming years. Thus, the Group had to take measures to remove these redundancies and optimize its production capacity at group level. As a result, the Group has transformed the Company into a sales and distribution site by discontinuing its production as of December 2020. This transformation resulted in the number of dismissals of production employees. Also, the future rent for unused production area was recognized as restructuring costs as of December 2020. Total restructuring costs were DKK 4,896 thousand, and among them the provision for future rent was DKK 3,942 thousand.

As of 1 April 2020, the ultimate ownership of the Group has been changed from Hansol Paper Co., Ltd. and Mirae Asset Daewoo Hunters PEF to Harbour Investment GmbH. There have been no material financial impacts of the change in ownership.

The Company has changed its accounting policies regarding investments in subsidiaries. The changes in accounting policies were made in order to align with those used by the Harbor Investment GmbH Group. Investments in subsidiaries are measured at cost in the Harbour Investment GmbH Group. The effect of these changes are reflected in the accounting policies.

The comparative figures have been restated to reflect the changed accounting policies. The comparative figures in financial highlights for 2016-2018 have not been restated to reflect the changes in accounting policies.

#### Environmental matters

There is no particular environmental impact.

## **Management's review**

### **Operating review**

#### **Financial risks**

The Company's activities pose financial risks in relation to trade receivables and trade payables, deposits and credit with credit institutions, etc. in Danish kroner as well as in foreign currencies.

The Company is, to a certain extent, affected by fluctuations in interest rates. Exchange rate fluctuations have had a minor negative impact on the Company's cash flows. The Company's receivables are distributed in such a way that the Company's credit risks are not considered unusual.

#### **Outlook**

Due to the continuing deterioration in the economic outlook as a consequence of the COVID-19 situation, it is expected that the Company's financial results for 2021 will be adversely affected like 2020. In the light of the continuing market uncertainty and the risk of revenue and credit losses due to an extended COVID-19 process for at least six months affecting the retail market for the Company's consumer products, the Company projects normalized EBIT around DKK 2.0 million without including Swedish operation.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date of importance to the annual report for 2020.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2020	2019
<b>Revenue</b>		189,247	229,023
Production costs	2	-165,241	-205,763
<b>Gross profit</b>		24,006	23,260
Distribution costs	2	-6,155	-6,900
Administrative expenses	2, 3	-10,141	-4,227
<b>Profit before financial income and expenses</b>		7,710	12,133
Other financial income	4	282	132
Other financial expenses	5	-2,241	-2,206
<b>Profit before tax</b>		5,751	10,059
Tax on profit for the year	6	-1,309	-2,302
<b>Profit for the year</b>	7	4,442	7,757

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	8		
Plant and machinery		1,559	1,905
<b>Investments</b>	9		
Equity investments in group entities		3,175	3,175
Deposits		1,375	1,348
		4,550	4,523
<b>Total fixed assets</b>		6,109	6,428
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		11,814	2,718
Finished goods and goods for resale		12,504	10,335
		24,318	13,053
<b>Receivables</b>			
Trade receivables		7,481	9,339
Receivables from group entities		48,785	49,404
Other receivables		3,428	1,222
Deferred tax asset	10	790	0
		60,484	59,965
<b>Cash at bank and in hand</b>		5,282	801
<b>Total current assets</b>		90,084	73,819
<b>TOTAL ASSETS</b>		96,193	80,247

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	11	13,636	13,636
Retained earnings		<u>7,079</u>	<u>36,278</u>
<b>Total equity</b>		<u>20,715</u>	<u>49,914</u>
<b>Provisions</b>			
Provisions for deferred tax	10	<u>0</u>	<u>134</u>
<b>Total provisions</b>		<u>0</u>	<u>134</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other payables		<u>687</u>	<u>314</u>
<b>Current liabilities other than provisions</b>			
Banks, current liabilities		0	3,539
Trade payables		45,344	12,286
Payables to group entities		19,795	10,048
Corporation tax		2,233	2,110
Other payables		<u>7,419</u>	<u>1,902</u>
		<u>74,791</u>	<u>29,885</u>
<b>Total liabilities other than provisions</b>		<u>75,478</u>	<u>30,199</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>96,193</u></u>	<u><u>80,247</u></u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	13,636	36,278	49,914
Transferred over the profit appropriation	0	4,442	4,442
Extraordinary dividends paid	0	-33,641	-33,641
<b>Equity at 31 December 2020</b>	<b>13,636</b>	<b>7,079</b>	<b>20,715</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Schades Nordic ApS for 2020 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

Apart from the below-mentioned change, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Schades Nordic ApS are included in the consolidated financial statements of Harbour Investment GmbH Unternehmensberatungs- und Beteiligungsgesellschaft, Hildesheimer Str. 265-267, 30519 Hannover Niedersachsen, Germany.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Harbour Investment GmbH Unternehmensberatungs- und Beteiligungsgesellschaft, Hildesheimer Str. 265-267, 30519 Hannover Niedersachsen, Germany.

#### Change in accounting policies

The Company has changed its accounting policies regarding investments in subsidiaries. The changes in accounting policies were made in order to align with those used by the Harbor Investment GmbH Group. Investments in subsidiaries are measured at cost in the Harbour Investment GmbH Group.

DKK'000	2020	2019
Effect on:		
Profit	-6,889	-5,017
Total assets	-14,626	-7,280
Equity	-14,626	-7,280

The comparative figures have been restated to reflect the changed accounting policies. The comparative figures in financial highlights for 2016-2018 have not been restated to reflect the changes in accounting policies.

#### Foreign currency translation

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

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

### Income statement

#### Revenue

Income from the sale of finished goods and goods for resale is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. Revenue is measured ex. VAT, duties and discounts in relation to the sale.

#### Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the year. Production costs include direct and indirect production overheads.

#### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising, depreciation, etc.

#### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Financial income and expenses are recognised at the amounts relating to the financial year.

#### Tax on profit for the year

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

Schades Nordic ApS is jointly taxed with Schades ApS and Hansol Denmark ApS. Full allocation of computed taxes is made on these companies.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses or value in use if this is considered lower for reasons not of a temporary nature.

The depreciable amount is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	5-8 years
---------------------	-----------

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

##### Leases

Payments for operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

##### Investments

Equity investments in group entities and participating interests are measured at cost. In case of indication of impairment, an impairment test is conducted. When cost exceeds recoverable amount, write-down is made to this lower value. Cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Deposits are recognised at amortised cost.

##### Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. Finished goods are measured at cost in accordance with the FIFO method comprising the cost of raw materials and consumables with the addition of processing costs and other costs directly or indirectly attributable to the individual goods.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Write-down to net realisable value is made for inventories where the projected sales amount less costs of completion and costs necessary to make the sale is lower than cost.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Equity

###### *Dividends*

Proposed dividends are recognised as a liability at the date of passing by the General Meeting (declaration date). The expected dividends payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured on all temporary differences between the carrying amount and the tax value of assets and liabilities and is recognised as a provision. In the cases where deferred tax crystallises a tax asset, the item is recognised as current assets at the value at which the tax asset is expected to be realised.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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

#### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

The finance lease obligation comprises the capitalised residual lease obligation of finance leases.

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

DKK'000	2020	2019
<b>2 Staff costs and incentive schemes</b>		
Wages and salaries	11,419	11,029
Pensions	483	497
Other social security costs	1,435	792
Other staff costs	27	78
	<u>13,364</u>	<u>12,396</u>
Average number of full-time employees	<u>24</u>	<u>25</u>

Pursuant to section 98b(3) of the Danish Financial Statements Act, no remuneration of Management has been disclosed.

#### 3 Special items

Special items comprise significant income and costs of a special nature in relation to the Company's usual operating activities.

Profit for the year has been affected by restructuring costs of DKK 4,896 thousand.

#### 4 Other financial income

Interest income from group entities	282	132
	<u>282</u>	<u>132</u>

#### 5 Other financial expenses

Other financial expenses	123	276
Exchange losses	2,118	1,930
	<u>2,241</u>	<u>2,206</u>

## Financial statements 1 January – 31 December

### Notes

DKK'000	2020	2019		
<b>6 Tax on profit for the year</b>				
Current tax for the year	2,233	2,110		
Deferred tax for the year	-924	44		
Adjustment of tax concerning previous years	0	148		
	<u>1,309</u>	<u>2,302</u>		
<b>7 Proposed profit appropriation</b>				
Extraordinary dividends distributed in the financial year	33,641	1,118		
Retained earnings	-29,199	6,639		
	<u>4,442</u>	<u>7,757</u>		
<b>8 Property, plant and equipment</b>				
DKK'000		Plant and machinery		
Cost at 1 January 2020		26,202		
Additions for the year		<u>165</u>		
Cost at 31 December 2020		<u>26,367</u>		
Depreciation and impairment losses at 1 January 2020		-24,297		
Depreciation for the year		<u>-511</u>		
Depreciation and impairment losses at 31 December 2020		<u>-24,808</u>		
<b>Carrying amount at 31 December 2020</b>		<u>1,559</u>		
<b>9 Investments</b>				
Cost at 1 January 2020		<u>3,175</u>		
Cost at 31 December 2020		<u>3,175</u>		
<b>Carrying amount at 31 December 2020</b>		<u>3,175</u>		
Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit for the year
Subsidiaries:			DKK'000	DKK'000
Schades Sweden AB	Sweden	100%	<u>17,695</u>	<u>6,887</u>
			<u>17,695</u>	<u>6,887</u>

## Financial statements 1 January – 31 December

### Notes

#### 10 Deferred tax

DKK'000	31/12 2020	31/12 2019
Deferred tax at 1 January	134	90
Deferred tax adjustment for the year in the income statement	-924	44
Deferred tax at 31 December	-790	134

#### 11 Equity

There have been no changes in contributed capital during the last five years.

#### 12 Contractual obligations, contingencies, etc.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 809 thousand at 31 December 2020. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability.

##### Operating lease obligations

Remaining lease obligations at the balance sheet date amount to DKK 6,837 thousand.

Remaining lease obligations on IT equipment at the balance sheet date represent DKK 18 thousand.

Remaining lease obligations on cars at the balance sheet date total DKK 493 thousand.

Part of the rent is provisioned as of 31 December 2020 due to restructuring (DKK 3,942 thousand from total contingent liability of DKK 7,348 thousand).

#### 13 Mortgages and collateral

For bank debt in the Group, the Company have provided a guarantee with joint and several liability for the total bank balance of DKK 0 million as of 31 December 2020.

During the financial year, the Company decided not to extend its credit facilities with banks and floating charges on the record were removed in March 2021.

## Financial statements 1 January – 31 December

### Notes

#### 14 Related party disclosures

Schades Nordic ApS' related parties comprise the following:

##### Control

Schades ApS, Øster Fælled Vej 5, 7800 Skive.

Schades ApS holds the majority of the contributed capital in the Company.

Schades Nordic ApS is part of the consolidated financial statements of Harbour Investment GmbH Unternehmensberatungs- und Beteiligungsgesellschaft, Hildesheimer Str. 265-267, 30519 Hannover Niedersachsen Germany, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Harbour Investment GmbH Unternehmensberatungs- und Beteiligungsgesellschaft can be obtained by contacting the company at the address above.

##### Other related parties

The Group's and the Company's related parties are the Parent Company, subsidiaries and other companies of the same group as well as members of the Executive Board and the Board of Directors.

##### Related party transactions

The Company recognised the following transactions with related parties in 2020:

Sale of goods and services to related parties amounted to DKK 116.1 million.

Costs of goods and services from related parties represented DKK 112.4 million.

Receivables and payables to group entities are disclosed in the balance sheet, and interest income and interest expense are disclosed in notes 4 and 5, respectively.