

Hansol Denmark ApS

Øster Fælled Vej 5
DK-7800 Skive

CVR no. 35 47 33 78

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 | 5 |
| Company details | 5 |
| Operating review | 6 |
| Financial statements 1 January – 31 December | 7 |
| Income statement | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Notes | 10 |

Hansol Denmark ApS
Annual report 2020
CVR no. 35 47 33 78

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Hansol Denmark 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 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.

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

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

Skive, 29 June 2021
Executive Board:

Marcel Bergmann

Hyung Nyun Sim



Independent auditor's report

To the shareholders of Hansol Denmark ApS

Opinion

We have audited the financial statements of Hansol Denmark 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.

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

Independent auditor's report

- 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.

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

Hansol Denmark ApS
Annual report 2020
CVR no. 35 47 33 78

Management's review

Company details

Hansol Denmark ApS
Øster Fælled Vej 5
7800 Skive

| | |
|--------------------|--------------------------------|
| CVR no.: | 35 47 33 78 |
| Established: | 11 September 2013 |
| Registered office: | Øster Fælled Vej 5, 7800 Skive |
| Financial year: | 1 January – 31 December |

Executive Board

Marcel Bergmann
Hyung Nyun Sim

Auditor

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

Management's review

Operating review

Principal activities

The Company's principal activity is to own investments in the Group's subsidiary and act as the holding and management company for this entity.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 11,668 thousand as against a loss of DKK 319 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 152,104 thousand as against DKK 205,996 thousand at 31 December 2019.

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.

Financial statements 1 January – 31 December

Income statement

| DKK'000 | Note | 2020 | 2019 |
|---|------|----------------------|--------------------|
| Administrative expenses | | <u>-642</u> | <u>-383</u> |
| Loss before financial income and expenses | | -642 | -383 |
| Income from equity investments in group entities | | 12,170 | 0 |
| Other financial expenses | | <u>-1</u> | <u>-17</u> |
| Profit/loss before tax | | 11,527 | -400 |
| Tax on profit/loss for the year | | <u>141</u> | <u>81</u> |
| Profit/loss for the year | | <u>11,668</u> | <u>-319</u> |
| Proposed profit appropriation/distribution of loss | | | |
| Extraordinary dividends distributed in the financial year | | 65,560 | 8,693 |
| Retained earnings | | <u>-53,892</u> | <u>-9,012</u> |
| | | <u>11,668</u> | <u>-319</u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | 31/12 2020 | 31/12 2019 |
|--------------------------------------|------|------------|------------|
| ASSETS | | | |
| Fixed assets | | | |
| Investments | 2 | | |
| Equity investments in group entities | | 152,215 | 205,605 |
| Total fixed assets | | 152,215 | 205,605 |
| Current assets | | | |
| Receivables | | | |
| Receivables from group entities | | 6,353 | 4,244 |
| Corporation tax | | 902 | 580 |
| | | 7,255 | 4,824 |
| Cash at bank and in hand | | 0 | 2 |
| Total current assets | | 7,255 | 4,826 |
| TOTAL ASSETS | | 159,470 | 210,431 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Contributed capital | | 124,000 | 124,000 |
| Retained earnings | | 28,104 | 81,996 |
| Total equity | | 152,104 | 205,996 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 110 | 0 |
| Payables to group entities | | 7,256 | 4,435 |
| | | 7,366 | 4,435 |
| Total liabilities | | 7,366 | 4,435 |
| TOTAL EQUITY AND LIABILITIES | | 159,470 | 210,431 |

Financial statements 1 January – 31 December

Statement of changes in equity

| DKK'000 | Contributed capital | Retained earnings | Total |
|---|------------------------|----------------------|----------------|
| Equity at 1 January 2020 | 124,000 | 81,996 | 205,996 |
| Transferred over the profit appropriation | 0 | 11,668 | 11,668 |
| Extraordinary dividends paid | 0 | -65,560 | -65,560 |
| Equity at 31 December 2020 | 124,000 | 28,104 | 152,104 |

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Hansol Denmark ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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 Hansol Denmark ApS are included 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/loss | -44,099 | -22,821 |
| Total assets | 32,201 | 12,470 |
| Equity | 32,201 | 12,470 |

The comparative figures have been restated to reflect the changed accounting policies.

Change in accounting class

The annual report of Hansol Denmark ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act. The transition compared to the previous financial year from the provisions applying to reporting class C large entities under the Danish Financial Statements Act has not resulted in any changes to recognition and measurement.

Income statement

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.

Income from equity investments in group entities

Income from equity investments in group entities comprises dividends from investments in group entities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial expenses

Financial expenses comprise interest expense, financial costs regarding finance leases, losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc. Financial expenses are recognised at the amounts relating to the financial year.

Tax on profit/loss 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.

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

Balance sheet

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.

Impairment of fixed assets

The carrying amount of equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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

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

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Corporation 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.

Liabilities other than provisions

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

Financial statements 1 January – 31 December

Notes

2 Investments

| DKK'000 | Equity investments in group entities |
|---|---|
| Cost at 1 January 2020 | 249,100 |
| Cost at 31 December 2020 | 249,100 |
| Impairment losses at 1 January 2020 | -43,495 |
| Dividends received adjusted in cost price | -53,390 |
| Impairment losses at 31 December 2020 | -96,885 |
| Adjusted cost at 31 December 2020 | 152,215 |

| Name/legal form | Registered office | Voting rights and ownership interest | Equity DKK'000 | Profit/loss for the year DKK'000 |
|--------------------------------|----------------------|---|-------------------|--|
| Subsidiaries: | | | | |
| Schades ApS | Denmark | 100% | 152,737 | 34,366 |
| Schades Ltd.* | England | 100% | 23,898 | 10,738 |
| Schades Holding S.A.S.* | France | 100% | 23,135 | -127 |
| Schades SNC* | France | 100% | 9,864 | 33,880 |
| Schades Nordic ApS* | Denmark | 100% | 20,715 | 4,442 |
| Schades Benelux N.V.-S.A.* | Belgium | 100% | 7,752 | -349 |
| Heipa Technische Papiere GmbH* | Germany | 100% | 40,550 | 2,182 |
| Prontro AG* | Switzerland | 100% | 3,063 | 1,003 |
| Schades Sweden AB* | Sweden | 100% | 17,695 | 6,887 |
| | | | 299,409 | 93,022 |

*Indirect ownership by Hansol Denmark ApS.

3 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.

Financial statements 1 January – 31 December

Notes

4 Related party disclosures

Control

Hansol Denmark 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.