

# Schades ApS

Øster Fælled Vej 5  
DK-7800 Skive

CVR no. 38 97 82 17

## Annual report 2020

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

29 June 2021

Marcel Bergmann  
Chairman

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**Schades ApS**  
Annual report 2020  
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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Schades 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:

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Marcel Bergmann

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Hyung Nyun Sim

## Independent auditor's report

### To the shareholders of Schades ApS

#### Opinion

We have audited the financial statements of Schades 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

**Schades ApS**  
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## Management's review

### Company details

Schades ApS  
Øster Fælled Vej 5  
7800 Skive

CVR no.:	38 97 82 17
Established:	11 July 1916
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 subsidiaries and act as the holding and management company of these entities.

#### **Development in activities and financial position**

The Company's income statement for 2020 shows a profit of DKK 34,366 thousand as against a loss of DKK 4,378 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 152,737 thousand as against DKK 183,931 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		-4,266	-11,843
Other operating income		3,108	4,818
<b>Profit/loss before financial income and expenses</b>		-1,158	-7,025
Income from equity investments in group entities		36,231	1,341
Other financial income	2	243	1,150
Other financial expenses	3	-1,472	-1,652
<b>Profit/loss before tax</b>		33,844	-6,186
Tax on profit/loss for the year		522	1,808
<b>Profit/loss for the year</b>		34,366	-4,378
<b>Proposed profit appropriation/distribution of loss</b>			
Extraordinary dividends distributed in the financial year		65,560	8,693
Retained earnings		-31,194	-13,071
		34,366	-4,378



## 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>Intangible assets</b>			
Software		1,192	3,679
<b>Investments</b>			
Equity investments in group entities	4	178,872	205,605
Other securities and equity investments		8,270	8,270
		187,142	213,875
<b>Total fixed assets</b>		188,334	217,554
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		14,990	22,729
Other receivables		172	21
Corporation tax		522	1,685
Prepayments		0	985
		15,684	25,420
<b>Total current assets</b>		15,684	25,420
<b>TOTAL ASSETS</b>		204,018	242,974
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		60,000	60,000
Retained earnings		92,737	123,931
<b>Total equity</b>		152,737	183,931
<b>Provisions</b>			
Provisions for deferred tax		793	793
<b>Total provisions</b>		793	793
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Banks, current liabilities		6	40,709
Trade payables		510	514
Payables to group entities		49,972	16,762
Other payables		0	265
		50,488	58,250
<b>Total liabilities other than provisions</b>		50,488	58,250
<b>TOTAL EQUITY AND LIABILITIES</b>		204,018	242,974

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	60,000	123,931	183,931
Transferred over the profit appropriation	0	34,366	34,366
Extraordinary dividends paid	0	-65,560	-65,560
<b>Equity at 31 December 2020</b>	<b>60,000</b>	<b>92,737</b>	<b>152,737</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Schades 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 Schades 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	-22,425	-34,457
Total assets	32,201	19,832
Equity	32,201	19,832

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

#### Change in accounting class

The annual report of Schades 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.

#### Other operating income

Other operating income and expenses comprises items secondary to the activities of the Group, including gains/losses on the disposal of intangible assets and property, plant and equipment.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Income from equity investments in group entities

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

##### 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.

##### 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.

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

### Balance sheet

#### Intangible assets

Software is measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets of 2-10 years. Amortisation of goodwill is provided over the estimated useful lives of the assets of 5-10 years, which is fixed on the basis of experience gained by the Management and longest for strategically acquired entities.

#### 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. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

#### Other securities and equity investments

Other securities and equity investments included in investments comprise unlisted shares that Management considers investment securities. The equity investments are measured at cost.

#### Impairment of fixed assets

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

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 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.

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.

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

## Financial statements 1 January – 31 December

### Notes

DKK'000	2020	2019		
<b>2 Other financial income</b>				
Interest income from group entities	243	581		
Other financial income	<u>0</u>	<u>569</u>		
	<u>243</u>	<u>1,150</u>		
<b>3 Other financial expenses</b>				
Interest expense to group entities	603	0		
Other financial expenses	<u>869</u>	<u>1,652</u>		
	<u>1,472</u>	<u>1,652</u>		
<b>4 Investments</b>				
DKK'000		Equity investments in group entities		
Cost at 1 January 2020		<u>271,402</u>		
Cost at 31 December 2020		<u>271,402</u>		
Impairment losses at 1 January 2020		-65,797		
Dividends received		<u>-26,733</u>		
Impairment losses at 31 December 2020		<u>-92,530</u>		
<b>Adjusted cost at 31 December 2020</b>		<u>178,872</u>		
Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK'000	DKK'000
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
Pronstro AG	Switzerland	100%	3,063	1,003
Schades Sweden AB*	Sweden	100%	<u>17,695</u>	<u>6,887</u>
			<u>146,672</u>	<u>58,656</u>

\*Indirect ownership by Schades ApS.

## Financial statements 1 January – 31 December

### Notes

#### 5 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.

#### 6 Mortgages and collateral

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

#### 7 Related party disclosures

##### Control

Schades 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.