

Uniscrap A/S

Prinsessens Kvarter 6 Tårup, 7000 Fredericia

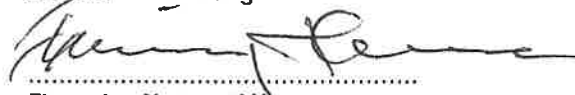
CVR no. 53 38 56 13

Annual report

for the year 1 January - 31 December 2020

Approved at the Company's annual general meeting on 5 May 2021

Chair of the meeting:



Flemming Nørgaard Hansen



Building a better
working world



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Uniscrap A/S for the financial year 1 January - 31 December 2020.

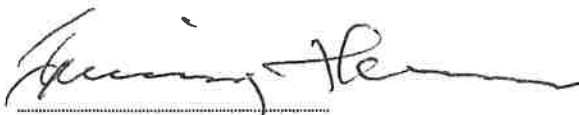
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Fredericia, 5 May 2021
Executive Board:



Flemming Nørgaard Hansen
Man. Director

Board of Directors:



Marc Breidenbach
Chair



Pavle Mijajlović



Markus Maier



Kim Buhl Larsen
Employee Representative

Independent auditor's report

To the shareholders of Uniscrap A/S

Opinion

We have audited the financial statements of Uniscrap A/S for the financial year 1 January - 31 December 2020, which comprise 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 financial position of the Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- ▶ 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 5 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Jensen
State Authorised Public Accountant
mne33246



Management's review

Company details

Name	Uniscrap A/S
Address, Postal code, City	Prinsessens Kvarter 6 Tårup, 7000 Fredericia
CVR no.	53 38 56 13
Established	31 July 1952
Registered office	Fredericia
Financial year	1 January - 31 December
Board of Directors	Marc Breidenbach, Chairman Pavle Mihajlovic Markus Maier Kim Buhl Larsen, Employee Representative
Executive Board	Flemming Nørgaard Hansen, Man. Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	293,973	344,714	421,833	326,400	238,441
Gross profit	7,598	11,404	19,787	28,106	25,405
Operating profit/loss	-20,624	-21,220	-11,507	-2,818	-5,541
Net financials	50,404	-3,099	-2,136	-3,002	-2,497
Profit/loss for the year	31,182	-19,714	-9,726	370	-8,038
Balance sheet					
Total assets	89,561	99,988	108,111	96,253	104,359
Investments in property, plant and equipment	0	10,890	4,893	1,847	257
Equity	20,552	-10,630	9,084	19,793	19,422
Financial ratios					
Gross margin	2.6%	3.3%	4.7%	8.6%	10.7%
Equity ratio	22.9%	-10.6%	8.4%	20.6%	18.6%
Return on equity	628.5%	2,550.3%	-67.4%	1.9%	-34.3%
Other					
Average number of employees	35	42	40	39	64

For terms and definitions, please see the accounting policies.

Please note the change in classification described in note 1. The classification have not been changed for the years 2016-2018.

Management's review

Business review

With its 4 environmentally certified receiving stations and processing centres, Uniscrap A/S constitutes a national leading environmental enterprise within waste management and recycling. Uniscrap A/S is also represented on the Swedish market with a scrap site in Skillingaryd south of Jönköping. The Swedish activities are aggregated in an independent company, Uniscrap Sverige AB, which is a fully-owned subsidiary of Uniscrap A/S. The Company's main fractions are iron and metal scrap that are collected and processed for resale as secondary raw materials.

Recognition and measurement uncertainties

The company has in the financial year recognized a provision of DKK 3,800 TDKK regarding cleanup of their location in Aabenraa. The amount of which it has been recognized is based upon the best available knowledge, however final samples that decides the outcome of the cleanup obligation have not been performed thus the obligation can differ from the recognized amount.

Reference is made to note 2.

Financial review

The income statement for 2020 shows a profit of DKK 31,182 thousand against a loss of DKK 19,714 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 20,552 thousand.

The income statement for 2020 have been significantly affected by a debt waiver on approx. 55 million from its parent company

Financial development in 2020 compared to expectations

2020 has not been satisfactory in relation to our expectations. The profit result is related to a debt waiver from our shareholder. Among other things, the strategic changes the Quay position in Fredericia were delayed and therefore we were not able to apply the Turkey marked as expected. Furthermore 2020 has been impacted by the Covid19, where the availability to the tonnage has been more difficult, which has led to increased purchase prices.

Reference is made to note 3, where special items that have had an impact on 2020 are disclosed

Financial support

The Company has estimated that there will continue to be a need for liquidity in 2021 to secure the company's operations and investment plans. In connection with the financial reporting, the Parent Company has provided the Company with a support letter, in which they declare that they will provide liquidity to the company in order to cover its current working capital, and to the extent deemed necessary at least 13 months from the date of the annual general meetings adoption of the Annual Report for 2020 or until the Company has been sold to H.J. Hansen Genindvindingsindustri A/S. Management have prepared the financial statement in accordance with the going concern assumptions.

Financial risks and use of financial instruments

The ongoing Corona virus outbreak could potentially have an impact on the company's sales and the global metal prices. In addition, the security of supply from the company's customers in Denmark may be affected by less activity in the construction sector. The potential impact on the company's results and financial position will naturally depend on the duration and extent of the virus outbreak, which is unknown at the time of the financial reporting.

Management's review

Impact on the external environment

In 1999, we introduced our environmental policy which structures the Company's efforts to reduce our environmental and climate change impact. Our policy is reviewed on a regular basis by both Management and the board. In our view, waste is not just waste. When handled responsibly, waste does not need to burden society and the environment but can be transformed into a valuable resource. This is particularly true for recoverable materials, such as iron and metal waste, which can be reused in up to 75%-100%, depending on the material. Not only does recycling reduce harmful greenhouse gas emissions, it also conserves resources at a minimal cost compared to waste disposal and not least makes the economy less dependent on primary raw materials. Contributing to a better resource economy by ensuring sustainable resource management through the sorting and development of residual scrap for new raw materials is central to Uniscrap A/S' business. This implies that we handle materials responsibly and apply intelligent recycling systems. None of our recycling processes requires chemical treatment or the use of water.

Events after the balance sheet date

Management has determined that the worldwide Covid-19 outbreak will potentially impact the company's performance and financial position by 2021. The primary impacts are discussed further in the "Special Risks" section. However, it is not possible for the company's management at the time of reporting to quantify the effect further, as it will depend on the duration and extent of the virus outbreak.

Management are aware of the situation and will make necessary changes if applicable.

Uniscrap A/S is a part of the Scholz Group. In 2021 Scholz has agreed on a sale of Uniscrap A/S to H.J. Hansen Genvindingsindustri A/S, by selling their shares of Uniscrap A/S. The Sales and Purchase agreement is to be approved by the Danish Competition Authority.

Besides this no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

According to Management's expectations, the market conditions in general for 2021 will not change significantly. Therefore, Uniscrap has already in 2018-2019 redefined its market approach. In 2021 Uniscrap expects to realize a minor positive result, before any negative impact from Covid-19, but from 2021 and onwards it is expected that Uniscrap will make annual positive results.

Scholz Group is part of the Chinese Chiho Environmental Group which has secured Uniscrap A/S' credit facility with Scholz Group until 2023.

Local management of Uniscrap A/S has prepared a forecast for 2021, which shows that the company has sufficient capital resources to support Uniscrap A/S' operations for the coming years with its continued support from its the Parent company.

Scholz Group expects a transfer of the shares in Uniscrap A/S to be formalized during the second quarter of 2021.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Revenue	293,973	344,714
	Cost of sales	-276,554	-323,580
	Change in inventories of finished goods and work in progress	5,749	-336
	Other operating income	3,242	4,604
	Other external expenses	-18,812	-13,998
	Gross profit	7,598	11,404
5	Staff costs	-19,567	-24,053
8	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-5,413	-3,966
	Profit/loss before net financials	-17,382	-16,615
	Income from investments in group enterprises	-1,840	0
6	Financial income	55,717	885
7	Financial expenses	-5,313	-3,984
	Profit/loss for the year	31,182	-19,714

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
8	Property, plant and equipment		
	Land and buildings	16,098	18,616
	Plant and machinery	7,437	9,166
	Fixtures and fittings, other plant and equipment	2,965	3,341
	Leasehold improvements	2,168	2,504
		<u>28,668</u>	<u>33,627</u>
9	Investments		
	Investments in group enterprises	3,367	771
		<u>3,367</u>	<u>771</u>
	Total fixed assets	<u>32,035</u>	<u>34,398</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	25,440	19,691
		<u>25,440</u>	<u>19,691</u>
	Receivables		
	Trade receivables	22,079	28,357
	Receivables from group enterprises	0	8,799
	Other receivables	2,245	266
10	Prepayments	191	17
		<u>24,515</u>	<u>37,439</u>
	Cash	7,571	8,460
	Total non-fixed assets	<u>57,526</u>	<u>65,590</u>
	TOTAL ASSETS	<u>89,561</u>	<u>99,988</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	20,003	20,003
	Retained earnings	549	-30,633
	Total equity	20,552	-10,630
	Provisions		
	Other provisions	3,800	510
13	Total provisions	3,800	510
	Liabilities other than provisions		
12	Non-current liabilities other than provisions		
	Lease liabilities	7,120	9,014
	Payables to group entities	0	49,151
	Other payables	1,840	603
		8,960	58,768
	Current liabilities other than provisions		
12	Short-term part of long-term liabilities other than provisions	2,067	8,272
	Bank debt	6,105	2,084
	Trade payables	31,610	31,149
	Payables to group enterprises	11,211	5,361
	Deposits	0	284
	Other payables	5,256	4,190
		56,249	51,340
	Total liabilities other than provisions	65,209	110,108
	TOTAL EQUITY AND LIABILITIES	89,561	99,988

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Events after the balance sheet date
- 4 Special items
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties
- 17 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2020	20,003	-30,633	-10,630
17	Transfer, see "Appropriation of profit/loss"	0	31,182	31,182
	Equity at 31 December 2020	20,003	549	20,552

The Company has estimated that there will continue to be a need for liquidity in 2021 to secure the company's operations and investment plans. In connection with the financial reporting, the Parent Company has provided the Company with a support letter, in which they declare that they will provide liquidity to the company in order to cover its current working capital, and to the extent deemed necessary at least 13 months from the date of the annual general meetings adoption of the Annual Report for 2020 or until the Company has been sold to H.J. Hansen Genindvindingsindustri A/S. Management have prepared the financial statement in accordance with the going concern assumptions.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Uniscrap A/S for 2020 has been prepared in accordance with the Danish Financial Statements Act applying to medium-sized reporting class C entities and presented in accordance with the description in the accounting policies.

The company has during 2020 changed its approach to the presentation of the factoring account and have reclassified the account to Bank Debt from Cash. The change have also been applied for the comparison figures in 2019.

The change is not considered to have a material impact on the comparison period. The combined impact on the comparison period is Pre-tax income 0, Equity 0, Balance 2,084 TDKK.

Furthermore, the Company has in 2020 presented freight and expenses to machinery as other external expenses, however they are to be classified as cost of sales. Management has chosen to correct the presentation including comparison figures.

The change in the presentation has the following effect on the comparison period, Pre-tax income 0 TDKK, Equity 0 TDKK, Balance 0 TDKK.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation and impairment

The item comprises depreciation and impairment of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	8-50 years
Plant and machinery	3-13 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	3-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The item includes dividend received from subsidiaries.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash.

Provisions

Provisions comprise anticipated expenses relating to onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

2 Recognition and measurement uncertainties

The company has in the financial year recognized a provision of DKK 3,800 TDKK regarding cleanup of their location in Aabenraa. The amount of which it has been recognized is based upon the best available knowledge, however final samples that decides the outcome of the cleanup obligation have not been performed thus the obligation can differ from the recognized amount.

3 Events after the balance sheet date

Management has determined that the worldwide Covid-19 outbreak will potentially impact the company's performance and financial position by 2021. The primary impacts are discussed further in the "Special Risks" section. However, it is not possible for the company's management at the time of reporting to quantify the effect further, as it will depend on the duration and extent of the virus outbreak.

Management are aware of the situation and will make necessary changes if applicable.

Uniscrap A/S is a part of the Scholz Group. In 2021 Scholz has agreed on a sale of Uniscrap A/S to H.J. Hansen Genvindingsindustri A/S, by selling their shares of Uniscrap A/S. The Sales and Purchase agreement is to be approved by the Danish Competition Authority.

Besides this no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Notes to the financial statements

4 Special items

Special items for the year are remission of debt from the parant company and provision for cleanup in Aabenraa, the items are specified below just as are the items under which they are recognised in the income statement.

DKK'000	<u>2020</u>	<u>2019</u>
Income		
Remission of debt	55,051	0
	<u>55,051</u>	<u>0</u>
Expenses		
Provision for cleanup of Aabenraa	-3,800	0
	<u>-3,800</u>	<u>0</u>
Special items are recognised in the below items of the financial statements		
Financial income	51,251	0
Net profit on special items	<u>51,251</u>	<u>0</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
5 Staff costs		
Wages/salaries	17,695	21,622
Pensions	1,351	1,514
Other social security costs	79	95
Other staff costs	442	822
	<u>19,567</u>	<u>24,053</u>
Average number of full-time employees	<u>35</u>	<u>42</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

DKK'000	2020	2019
6 Financial income		
Interest receivable, group entities	174	173
Remission of debt and similar	55,051	0
Other financial income	492	712
	<u>55,717</u>	<u>885</u>
7 Financial expenses		
Interest expenses, group entities	2,749	2,356
Other financial expenses	2,564	1,628
	<u>5,313</u>	<u>3,984</u>

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2020	77,940	51,246	57,228	2,594	189,008
Additions	0	0	454	0	454
Disposals	0	-1,824	-13,455	0	-15,279
Transferred	0	-124	124	0	0
Cost at 31 December 2020	<u>77,940</u>	<u>49,298</u>	<u>44,351</u>	<u>2,594</u>	<u>174,183</u>
Impairment losses and depreciation at 1 January 2020	59,324	42,080	53,887	90	155,381
Impairment losses	1,892	0	0	0	1,892
Depreciation	626	1,605	952	336	3,519
Depreciation and impairment of disposals	0	-1,824	-13,453	0	-15,277
Impairment losses and depreciation at 31 December 2020	<u>61,842</u>	<u>41,861</u>	<u>41,386</u>	<u>426</u>	<u>145,515</u>
Carrying amount at 31 December 2020	<u>16,098</u>	<u>7,437</u>	<u>2,965</u>	<u>2,168</u>	<u>28,668</u>
Property, plant and equipment include finance leases with a carrying amount totalling	<u>0</u>	<u>2,100</u>	<u>0</u>	<u>0</u>	<u>2,100</u>

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Notes to the financial statements

9 Investments

DKK'000	Investments in group enterprises
Cost at 1 January 2020	1,161
Additions	4,436
Cost at 31 December 2020	5,597
Value adjustments at 1 January 2020	-390
Value adjustments for the year	-1,840
Value adjustments at 31 December 2020	-2,230
Carrying amount at 31 December 2020	3,367

The value adjustment for the year amounts to 1,840 TDKK.

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Uniscrap Sverige	AB	Sweden	100.00%	96	541

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years DKK 191 thousand (2019: DKK 17 thousand)

DKK'000	2020	2019
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11 Share capital

Analysis of the share capital:

20,000 A shares of DKK 500.00 nominal value each	10,000	10,000
20,006 B shares of DKK 500.00 nominal value each	10,003	10,003
	<u>20,003</u>	<u>20,003</u>

The Company's share capital has remained DKK 20,003 thousand over the past 5 years.

12 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	9,187	2,067	7,120	0
Other payables	1,840	0	1,840	0
	<u>11,027</u>	<u>2,067</u>	<u>8,960</u>	<u>0</u>

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Notes to the financial statements

13 Provisions

Other provisions contain provisions for reestablishment of property and loss making contracts, 2020 totalling TDKK 3,800 and 2019 TDKK 510.

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company have received claims on 1,503 TDKK but management has rejected the claims and consider them not likely to be effective.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2020	2019
Rent and lease liabilities	76,242	80,416

Rent and lease liabilities include rent obligations totalling DKK 71,830 thousand in interminable rent agreements with remaining contract terms between 1 and 20 years. Furthermore, the Company has liabilities under operating leases for cars, production equipment and IT equipment, totalling DKK 4,412 thousand, with remaining contract terms of 1-4 years.

15 Collateral

As security for the Company's debt to Factoring credit institutions, the Company has provided security in its Trade receivables with a total amount of TDKK 6,105. The total carrying amount of Trade receivables is TDKK 7,995. For the comparison period security in Trade receivables amounts to 2,084 and the total carrying amount of Trade receivables amounts to TDKK 7,099

16 Related parties

Uniscrap A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Scholz Recycling GmbH	Germany	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Chiho Environmental Group Limited	48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong	http://chihogroup.com/Home/Relationship/investorFinance
Scholz Recycling GmbH	Am Bahnhof, 73457 Essingen, Germany	At domicile

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Notes to the financial statements

Related party transactions

Uniscrap A/S was engaged in the below related party transactions:

DKK'000	<u>2020</u>	<u>2019</u>
Sales of goods and services to group entities	5,767	52,945
Purchase of goods from group entities	0	3,326

The Company has receivables and payables to other group entities, which are presented in the balance sheet and the related interest is presented in notes 3 and 4.

Information on the remuneration to management

Information on the remuneration to Management appears from note 5, "Staff costs".

	<u>2020</u>	<u>2019</u>
DKK'000		
17 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	<u>31,182</u>	<u>-19,714</u>
	<u>31,182</u>	<u>-19,714</u>