

Schades ApS

Gyrovej 3
DK-7800 Skive

CVR no. 38 97 82 17

Annual report 2023

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

5 July 2024

Marcel Bergmann

Chairman of the annual general meeting

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

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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

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

Skive, 5 July 2024
Executive Board:

Marcel Bergmann

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 2023 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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's 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 financial statement 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, 5 July 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Katrine Gybel
State Authorised
Public Accountant
mne45848

Dennis V. Hansen
State Authorised
Public Accountant
mne49092

Schades ApS
Annual report 2023
CVR no. 38 97 82 17

Management's review

Company details

Schades ApS
Gyrovej 3
DK-7800 Skive

CVR no.:	38 97 82 17
Established:	11 July 1916
Registered office:	Gyrovej 3, 7800 Skive
Financial year:	1 January – 31 December

Executive Board

Marcel Bergmann

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
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 2023 shows a profit of DKK 45,086 thousand as against loss of DKK 594 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 146,552 thousand as against DKK 150,165 thousand at 31 December 2022.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Other external costs		-3,516	-336
Gross loss		-3,516	-336
Depreciation, amortisation and impairment losses		-21	-330
Loss before financial income and expenses		-3,537	-666
Income from equity investments in group entities		48,689	0
Other financial expenses	2	-563	-467
Profit/loss before tax		44,589	-1,133
Tax on profit/loss for the year	3	497	539
Profit/loss for the year		45,086	-594
Proposed profit appropriation/distribution of loss			
Proposed dividends for the year		27,373	48,699
Retained earnings		17,713	-49,293
		45,086	-594

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets			
Software		47	68
Investments	4		
Equity investments in group entities		171,949	171,949
Other securities and equity investments		8,258	8,258
		180,207	180,207
Total fixed assets		180,254	180,275
Current assets			
Receivables			
Receivables from group entities		5,657	0
Other receivables		0	53
Corporation tax		2,154	3,178
		7,811	3,231
Cash at bank and in hand		9	3
Total current assets		7,820	3,234
TOTAL ASSETS		188,074	183,509
EQUITY AND LIABILITIES			
Equity			
Contributed capital		60,000	60,000
Retained earnings		59,179	41,466
Proposed dividends for the financial year		27,373	48,699
Total equity		146,552	150,165
Provisions			
Provisions for deferred tax		5	8
Other provisions		1,786	0
Total provisions		1,791	8
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		35	73
Payables to group entities		39,696	33,263
		39,731	33,336
Total liabilities other than provisions		39,731	33,336
TOTAL EQUITY AND LIABILITIES		188,074	183,509

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2023	60,000	41,466	48,699	150,165
Ordinary dividends paid	0	0	-48,699	-48,699
Transferred over the profit appropriation	0	17,713	27,373	45,086
Equity at 31 December 2023	60,000	59,179	27,373	146,552

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Schades ApS for 2023 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year besides the change reflected in the section Change in accounting policies.

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.

Change in accounting policies

The Company has changed its accounting policies regarding change of presentation of profit and loss by nature. Previously, the Company applied the function method. The change in accounting policies does not affect the result for the year. The changes in accounting policies were made in order to give a more true and fair view of the Company's activities, results and financial position.

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

Income statement

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

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 gains and losses on 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.

Dividends from equity investments in group entities and participating interests (including associates) measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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. 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.

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.

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)

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.

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Financial statements 1 January – 31 December

Notes

2 Other financial expenses

DKK'000	2023	2022
Interest paid to group entities	459	459
Other financial costs	104	8
	<u>563</u>	<u>467</u>

3 Tax on profit for the year

Current tax for the year	-494	-178
Deferred tax for the year	-3	-70
Adjustment of tax concerning previous years	0	423
Adjustment of deferred tax concerning previous years	0	-714
	<u>-497</u>	<u>-539</u>

4 Investments

DKK'000	Equity investments in group entities
Cost at 1 January 2023	<u>264,479</u>
Cost at 31 December 2023	<u>264,479</u>
Impairment losses at 1 January 2023	<u>-92,530</u>
Impairment losses at 31 December 2023	<u>-92,530</u>
Adjusted cost at 31 December 2023	<u>171,949</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%	61,690,643	23,480,065
Schades Holding S.A.S.	France	100%	69,199,085	19,675,660
Schades Nordic ApS	Denmark	100%	29,813,706	5,451,075
Heipa Technische Papiere GmbH	Germany	100%	80,599,579	15,798,513
Prontro AG	Switzerland	100%	11,500,691	3,400,853
Schades Sweden AB*	Sweden	100%	<u>21,493,200</u>	<u>3,101,707</u>
			<u>274,296,904</u>	<u>70,907,873</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. 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 Related party disclosures

Control

Schades ApS is part of the consolidated financial statements of Harbour Investment GmbH Unternehmensberatungs- und Beteiligungsgesellschaft, Theaterstr. 1, 30159 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.