PcP. Danmark A/S

Sverigesvej 2-4, 7480 Vildbjerg

Company reg. no. 14 31 09 40

Annual report

2020

The annual report was submitted and approved by the general meeting on the 29 April 2021.

Hans Lohmann
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of PcP. Danmark A/S for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Vildbjerg, 17 March 2021

Managing Director

John Nielsen

Board of directors

Hans Lohmann Chairman	Martin Krogh Pedersen	Niels Garde Toft
Jesper Kirkeby Hansen		

Independent auditor's report

To the shareholder of PcP. Danmark A/S

Opinion

We have audited the financial statements of PcP. Danmark A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement af cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities and cash flows 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 about 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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.

- Obtain an understanding of the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Herning, 17 March 2021

Partner Revision
State Authorised Public Accountants
Company reg. no. 15 80 77 76

Peter Vinderslev
State Authorised Public Accountant
mne32848

Company information

The company	PcP. Danmark A/S Sverigesvej 2-4 7480 Vildbjerg	
	Phone	97-131200
	Company reg. no.	14 31 09 40
	Financial year:	1 January - 31 December
Board of directors	Hans Lohmann, Chairman Martin Krogh Pedersen Niels Garde Toft Jesper Kirkeby Hansen	
Managing Director	John Nielsen	
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Industrivej Nord 15 7400 Herning	
Parent company	PcP Corporation A/S	

Financial highlights

DKK in thousands.	2020	2019	2018	2017	2016
Income statement:					
Gross profit	91.640	94.239	84.565	104.084	92.466
Profit from operating activities	14.794	15.739	24.185	41.261	33.829
Net financials	-631	-358	-202	-844	-942
Net profit or loss for the year	11.030	11.961	18.406	31.496	25.619
Statement of financial position:					
Balance sheet total	130.213	136.049	127.530	131.650	150.365
Investments in property, plant and equipment	7.415	6.046	4.357	4.883	7.794
Equity	64.648	68.485	71.436	67.936	76.253
Cash flows:					
Operating activities	34.149	6.139	29.168	53.927	38.809
Investing activities	-7.228	-6.731	-4.077	-4.602	-7.554
Financing activities	-13.695	-15.536	-17.908	-43.372	-35.315
Total cash flows	13.226	-16.128	7.184	5.953	-4.060
Employees:					
Average number of full-time employees	139	136	108	121	117
Key figures in %:					
Solvency ratio	49,6	50,3	56,0	51,6	50,7
Return on equity	16,6	17,1	26,4	43,7	32,3

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management commentary

The principal activities of the company

The principal activity in the company is manufacturing of steel items for the metal industry and construction industry.

Development in activities and financial matters

2020 was a year very influenced by Covid 19. The world changed in March 2020. PcP. Danmark A/S were during 2020 facing lots of challenges which were never seen before.

Although financial results were healthy, own plans and expectations were not met. The agenda was redesigned per March 2020, and the main topic became how can we find the best way through the pandemic.

The gross profit for the year totals DKK 91.639.986 against DKK 94.238.682 last year. Income or loss from ordinary activities after tax totals DKK 11.030.249 against DKK 11.961.181 last year.

Considering Covid 19 and following challenges, the executive board and the board of directors consider net profit for the year 2020 acceptable but not satisfying.

Special risks

Price risks

The company makes the necessary agreements on delivery of raw material used in production in order to ensure stable supplies. Risk conditions in this context are thus unchanged.

Due to substantial price fluctuations in the market, the company application of steel etc. in production implies a special risk, as an increase in prices not necessarily can be included to the full extent in the price of the finished products.

Exchange rate risks

It is generally not the company's exchange rate policy to hedge exchange rate risks, etc., since it is the company's opinion that ongoing hedging is not to prefer in an context of an overall risk and cost consideration.

Environmental issues

The company is environmentally conscious and is through an ongoing process to reduce the environmental impacts of corporate operations.

Research and development activities

The company does not conduct systematic research, but there is a continuous adaptation and improvement of the company production methods.

Management commentary

The expected development

Covid 19 and the related uncertainties will affect the performance of PcP. Danmark A/S until the activities in the societies returns to normal. Heavy increase on purchase prices of raw materials begin 2021 may affect the performance of the company too. The management expect a satisfactory net profit for 2021.

Accounting policies

The annual report for PcP. Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Property	33 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, plant, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, PcP. Danmark A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flow for the year, divided in cash flow deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Cash flow from operating activities

Cash flow from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Accounting policies

Cash flow from investment activities

Cash flow from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**91.639.986**	**94.238.682**
2	Staff costs	-68.963.864	-70.763.185
	Depreciation and writedown relating to tangible fixed assets	-7.882.135	-7.736.391
	Operating profit	**14.793.987**	**15.739.106**
	Other financial income from group enterprises	92.173	143.855
	Other financial income	288.806	668.516
3	Other financial costs	-1.012.341	-1.170.378
	Pre-tax net profit or loss	**14.162.625**	**15.381.099**
	Tax on ordinary results	-3.132.376	-3.419.918
4	**Net profit or loss for the year**	**11.030.249**	**11.961.181**

Statement of financial position at 31 December

All amounts in DKK.

Note	**Assets**	2020	2019
	Non-current assets		
5	Property	30.389.691	32.218.600
6	Plant and machinery	10.337.175	8.200.502
7	Other fixtures and fittings, tools and equipment	4.649.309	5.553.068
	Total property, plant, and equipment	45.376.175	45.972.170
	Total non-current assets	**45.376.175**	**45.972.170**
	Current assets		
	Raw materials and consumables	15.262.495	16.714.713
	Work in progress	11.043.048	11.887.256
	Manufactured goods and trade goods	9.174.428	9.468.602
	Total inventories	35.479.971	38.070.571
	Trade debtors	10.113.656	13.581.782
	Amounts owed by group enterprises	30.122.706	35.144.921
	Other debtors	695.555	286.322
8	Accrued income and deferred expenses	836.819	397.359
	Total receivables	41.768.736	49.410.384
	Available funds	7.588.013	2.595.616
	Total current assets	**84.836.720**	**90.076.571**
	Total assets	**130.212.895**	**136.048.741**

Statement of financial position at 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2020	2019
	Equity		
9	Contributed capital	2.000.000	2.000.000
	Reserve for hedging transactions	132.191	0
	Retained earnings	47.515.660	51.485.411
	Proposed dividend for the financial year	15.000.000	15.000.000
	Total equity	**64.647.851**	**68.485.411**
	Provisions		
10	Provisions for deferred tax	2.976.428	3.034.963
	Total provisions	**2.976.428**	**3.034.963**
	Liabilities other than provisions		
11	Mortgage debt	11.226.982	14.122.510
12	Other debts	6.425.723	2.270.521
	Total long term liabilities other than provisions	17.652.705	16.393.031
	Current portion of long term payables	2.956.784	2.911.256
	Bank debts	0	8.233.425
	Prepayments received from customers	551.313	656.779
	Trade creditors	12.923.727	11.003.470
	Debt to group enterprises	12.273.211	12.164.610
	Corporate tax	3.228.196	3.802.256
	Other debts	13.002.680	9.363.540
	Total short term liabilities other than provisions	44.935.911	48.135.336
	Total liabilities other than provisions	**62.588.616**	**64.528.367**
	Total equity and liabilities	**130.212.895**	**136.048.741**

1 Disclosures on fair value

13 Charges and security

14 Contingencies

15 Financial risks

16 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for hedging transactions	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	2.000.000	0	54.436.409	15.000.000	71.436.409
Distributed dividend	0	0	0	-15.000.000	-15.000.000
Profit or loss for the year brought forward	0	0	-3.038.819	15.000.000	11.961.181
Market value adjustment swap contract	0	0	87.821	0	87.821
Equity 1 January 2020	2.000.000	0	51.485.411	15.000.000	68.485.411
Distributed dividend	0	0	0	-15.000.000	-15.000.000
Profit or loss for the year brought forward	0	0	-3.969.751	15.000.000	11.030.249
Fair value adjustments of hedging instruments for the year	0	169.476	0	0	169.476
Tax on adjustment	0	-37.285	0	0	-37.285
	2.000.000	**132.191**	**47.515.660**	**15.000.000**	**64.647.851**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Net profit or loss for the year	11.030.249	11.961.181
17	Adjustments	11.588.211	11.481.666
18	Change in working capital	15.964.256	-17.294.892
	Cash flows from operating activities before net financials	38.582.716	6.147.955
	Interest received, etc.	380.979	812.371
	Interest paid, etc.	-1.012.341	-1.170.378
	Cash flows from ordinary activities	37.951.354	5.789.948
	Income tax paid	-3.802.256	349.294
	Cash flows from operating activities	**34.149.098**	**6.139.242**
	Purchase of property, plant, and equipment	-7.415.390	-6.771.227
	Sale of property, plant, and equipment	186.912	40.000
	Cash flows from investment activities	**-7.228.478**	**-6.731.227**
	Repayments of long-term debt, net	1.305.202	-536.144
	Dividend paid	-15.000.000	-15.000.000
	Cash flows from investment activities	**-13.694.798**	**-15.536.144**
	Change in cash and cash equivalents	**13.225.822**	**-16.128.129**
	Cash and cash equivalents at 1 January	-5.637.809	10.490.320
	Cash and cash equivalents at 31 December	**7.588.013**	**-5.637.809**

	2020	2019
Cash and cash equivalents		
Available funds	7.588.013	2.595.616
Short-term bank debts	0	-8.233.425
Cash and cash equivalents at 31 December	**7.588.013**	**-5.637.809**

Notes

All amounts in DKK.

1. Disclosures on fair value

	Derived financial instruments
Fair value at 31 December	-473.373
Change in fair value of the year recognised in the statement of financial activity	0
Change in fair value of the year recognised in the equity	169.476

	2020	2019
2. Staff costs		
Salaries and wages	61.943.184	63.798.404
Pension costs	4.992.479	5.031.441
Other costs for social security	2.028.201	1.933.340
	68.963.864	**70.763.185**
Executive board and board of directors	2.510.010	2.509.910
Average number of employees	139	136
3. Other financial costs		
Financial costs, group enterprises	178.704	351.221
Other financial costs	833.637	819.157
	1.012.341	**1.170.378**
4. Proposed distribution of the results		
Dividend for the financial year	15.000.000	15.000.000
Allocated from retained earnings	-3.969.751	-3.038.819
Distribution in total	**11.030.249**	**11.961.181**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
5.	**Property**		
	Cost 1 January	70.111.503	69.756.587
	Additions during the year	402.793	354.916
	Cost 31 December	**70.514.296**	**70.111.503**
	Depreciation and writedown 1 January	-37.892.903	-35.667.676
	Depreciation for the year	-2.231.702	-2.225.227
	Depreciation and writedown 31 December	**-40.124.605**	**-37.892.903**
	Carrying amount, 31 December	**30.389.691**	**32.218.600**
6.	**Plant and machinery**		
	Cost 1 January	112.876.483	93.552.551
	Additions during the year	4.950.605	5.354.827
	Disposals during the year	-2.566.194	-3.684.819
	Transferred from group company	0	17.653.924
	Cost 31 December	**115.260.894**	**112.876.483**
	Depreciation and writedown 1 January	-104.675.981	-88.164.687
	Depreciation for the year	-2.813.932	-2.914.559
	Depreciation and writedown, assets disposed of	2.566.194	3.677.469
	Transferred from group company	0	-17.274.204
	Depreciation and writedown 31 December	**-104.923.719**	**-104.675.981**
	Carrying amount, 31 December	**10.337.175**	**8.200.502**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
7.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January	13.621.442	12.744.322
	Additions during the year	2.061.992	336.356
	Disposals during the year	-684.006	-576.893
	Transferred from group company	0	1.117.657
	Cost 31 December	**14.999.428**	**13.621.442**
	Depreciation and writedown 1 January	-8.068.374	-5.276.413
	Depreciation for the year	-2.836.501	-2.596.605
	Depreciation and writedown, assets disposed of	554.756	576.893
	Transferred from group company	0	-772.249
	Depreciation and writedown 31 December	**-10.350.119**	**-8.068.374**
	Carrying amount, 31 December	**4.649.309**	**5.553.068**
8.	**Accrued income and deferred expenses**		
	Other prepayments/deferred income IT	836.819	397.359
		836.819	**397.359**
9.	**Contributed capital**		
	Contributed capital 1 January	2.000.000	2.000.000
		2.000.000	**2.000.000**

The contributed capital consists of shares of DKK 1.000 or multiples thereof. No shares hold particular rights.

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
10.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January	3.034.963	3.392.531
	Deferred tax of the results for the year	-58.535	-357.568
		2.976.428	**3.034.963**
	The following items are subject to deferred tax:		
	Tangible fixed assets	2.539.700	2.561.491
	Current assets	406.211	431.371
	Liabilities	30.517	42.101
		2.976.428	**3.034.963**
11.	**Mortgage debt**		
	Mortgage debt in total	14.183.766	17.033.766
	Share of amount due within 1 year	-2.956.784	-2.911.256
		11.226.982	**14.122.510**
	Share of liabilities due after 5 years	2.820.209	3.405.549
12.	**Other debts**		
	Other debts in total	6.425.723	2.270.521
	Share of amount due within 1 year	0	0
	Other debts in total	**6.425.723**	**2.270.521**
	Share of liabilities due after 5 years	4.819.292	1.702.891

Notes

All amounts in DKK.

13. Charges and security

As security for bank debt to Nordea A/S, the following is deposited:
Owner mortgage deed and letter of indemnity in total 16.600.000 DKK, mortgage has been granted on the following property: Sverigesvej 2, matr. nr. 1AÆ, Pugdalgård, Vildbjerg sogn.
The property is representing a book value of 30.389.691 DKK on 31/12 2020.

As security for debt to Nykredit Realkredit, the following is deposited:
Mortgage deed nominal 25.176.000 DKK and 1.462.200 EUR, mortgage has been granted on the following property: Sverigesvej 2, Vildbjerg.
The property is representing a book value of 30.389.691 DKK on 31/12 2020.

As security for debt to Spar Nord Bank, the following is deposited:
Owner mortgage deed nominal 6.200.000 DKK, mortgage has been granted on the Sverigesvej 2, Vildbjerg. The property is representing a book value of 30.389.691 DKK on 31/12 2020.
Chattel mortgage deed nominal 3.000.000 DKK on specific machine.
The machine is representing a book value of 0 DKK on 31/12 2020.

There has been given a negative pledge as security for the company and some group enterprises accounts with the bank.

Some of the group enterprises has provided guarantees for the bank debts of the company.

The shares of the company are provided as guarantees for the bank debt of some group enterprises.

14. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of DKK 724.670. The leasing contracts have 4-32 months left to run, and the total outstanding leasing payment is DKK 1.479.724.

Recourse guarantee commitments

The company has provided guarantees for the bank debt and rent of proberty of some group enterprises.

Rebuy obligation on inventories in some group enterprises.

Notes

All amounts in DKK.

14. Contingencies (continued)

Joint taxation

PcP Corporation A/S, company reg. no 35242147 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

15. Financial risks

Interest rate risks

The company has entered an interest rate swap agreement in order to limit the interest rate risk in relation to a mortgage loan with a floating interest rate. Changes in the market value of the interest rate swap are recognised directly in equity. Market value interest rate swap agreement on 31/12 2020 -473.373 DKK is booked under other debts. The market value interest rate swap agreement comprises nominal 817.051 EUR and interest rate between 1,5 % and 3,0 %.

16. Related parties

Controlling interest

PcP Corporation A/S	Majority shareholder
Sverigesvej 2 7480 Vildbjerg	

Other related parties

Group enterprises.

Transactions

All transactions have been carried out on an arm´s length basis and therefore ÅRL § 98c, stk 7 is in use.

Consolidated annual accounts

The company is included in the consolidated annual accounts for PcP Corporation A/S, reg. nr. 35 24 21 47.

Notes

All amounts in DKK.

		2020	2019
17.	**Adjustments**		
	Depreciation and amortisation	7.882.135	7.736.391
	Profit from sale of fixed assets	-57.662	-32.650
	Other financial income	-380.979	-812.371
	Other financial costs	1.012.341	1.170.378
	Tax on ordinary results	3.132.376	3.419.918
		11.588.211	**11.481.666**
18.	**Change in working capital**		
	Change in inventories	2.590.600	-4.241.275
	Change in debtors	7.641.648	-13.493.971
	Change in trade creditors and other liabilities	5.562.532	327.763
	Other changes in working capital	169.476	112.591
		15.964.256	**-17.294.892**