A/S Maskinfabrikken PCP

Sverigesvej 2-4, 7480 Vildbjerg

Company reg. no. 14 31 09 40

Annual report

2019

The annual report was submitted and approved by the general meeting on the 25 March 2020.

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, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of A/S Maskinfabrikken PCP for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Vildbjerg, 19 March 2020

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 A/S Maskinfabrikken PCP

Opinion

We have audited the annual accounts of A/S Maskinfabrikken PCP for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2019 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 below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

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 evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Herning, 19 March 2020

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

Peter Vinderslev
State Authorised Public Accountant
mne32848

Company data

The company	A/S Maskinfabrikken PCP 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	PF Group A/S	

Financial highlights

DKK in thousands.	2019	2018	2017	2016	2015
Profit and loss account:					
Gross profit	94.239	84.565	104.084	92.466	77.720
Results from operating activities	15.739	24.185	41.261	33.829	26.969
Net financials	-358	-202	-844	-942	-787
Results for the year	11.961	18.406	31.496	25.619	20.047
Balance sheet:					
Balance sheet sum	136.049	127.530	131.650	150.365	138.512
Equity	68.485	71.436	67.936	76.253	82.610
Cash flow:					
Operating activities	6.139	29.168	53.927	38.809	26.642
Investment activities	-6.731	-4.077	-4.602	-7.554	-6.724
Financing activities	-15.536	-17.908	-43.372	-35.315	-18.050
Employees:					
Average number of full time employees	136	108	121	117	104
Key figures in %:					
Solvency ratio	50,3	56,0	51,6	50,7	59,6
Return on equity	17,1	26,4	43,7	32,3	25,0

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

Management's review

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

The gross profit for the year is DKK 94.238.682 against DKK 84.565.145 last year. The results from ordinary activities after tax are DKK 11.961.181 against DKK 18.406.344 last year. The management consider the results satisfactory.

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.

The expected development

The management expect a satisfactory result for 2020.

Accounting policies used

The annual report for A/S Maskinfabrikken PCP is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (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.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Derived financial instruments

At the first recognition, derived financial instruments are recognised at cost in the balance sheet. Afterwards they are measured at fair value. Positive and negative fair values of derived financial instruments are recognised under other debtors and other creditors 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 profit and loss account together with any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging future cash flows are recognised under amounts owed or other debt in the equity.

If the future transaction results in the recognition of assets or liabilities, amounts which have been recognised in the equity previously, are transferred to the cost for the asset or the liability, respectively. If the future transaction results in income or costs, amounts which have been recognised in the equity currently, are transferred to the profit and loss account in the period in which the hedged item influenced the profit and loss account.

As regards any derived financial instruments which do not meet the criteria for being treated as hedging instruments, changes in the fair value are recognised currently in the profit and loss account.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

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

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Accounting policies used

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.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

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

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

Accounting policies used

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	33 years
Technical plants and machinery	3-10 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leases

At the first recognition in the balance sheet, leases concerning tangible fixed assets by which the company holds all essential risks and advantages attached to 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 internal interest rate of the lease or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, assets held under a finance lease are treated in the same way as other similar tangible assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest part of the lease is recognised in the profit and loss account over the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operating leases and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises 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 takes place to the recoverable amount, if this value is lower than the book value.

Accounting policies used

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

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

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

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

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, A/S Maskinfabrikken PCP is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

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

The cash flow statement

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

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Accounting policies used

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2019	2018
	Gross profit	**94.238.682**	**84.565.145**
1	Staff costs	-70.763.185	-53.282.353
	Depreciation and writedown relating to tangible fixed assets	-7.736.391	-7.097.652
	Operating profit	**15.739.106**	**24.185.140**
	Other financial income from group enterprises	143.855	159.194
	Other financial income	668.516	977.493
2	Other financial costs	-1.170.378	-1.338.341
	Results before tax	**15.381.099**	**23.983.486**
	Tax on ordinary results	-3.419.918	-5.577.142
3	**Results for the year**	**11.961.181**	**18.406.344**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2019	2018
	Fixed assets		
4	Land and property	32.218.600	34.088.911
5	Production plant and machinery	8.200.502	5.387.864
6	Other plants, operating assets, and fixtures and furniture	5.553.068	7.467.909
	Tangible fixed assets in total	45.972.170	46.944.684
	Fixed assets in total	**45.972.170**	**46.944.684**
	Current assets		
	Raw materials and consumables	16.714.713	13.262.206
	Work in progress	11.887.256	10.504.209
	Manufactured goods and trade goods	9.468.602	10.062.881
	Inventories in total	38.070.571	33.829.296
	Trade debtors	13.581.782	8.223.541
	Amounts owed by group enterprises	35.144.921	25.868.358
	Receivable corporate tax	0	349.294
	Other debtors	286.322	1.334.656
7	Accrued income and deferred expenses	397.359	489.858
	Debtors in total	49.410.384	36.265.707
	Available funds	2.595.616	10.490.320
	Current assets in total	**90.076.571**	**80.585.323**
	Assets in total	**136.048.741**	**127.530.007**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2019	2018
	Equity		
8	Contributed capital	2.000.000	2.000.000
9	Results brought forward	51.485.411	54.436.409
10	Proposed dividend for the financial year	15.000.000	15.000.000
	Equity in total	**68.485.411**	**71.436.409**
	Provisions		
11	Provisions for deferred tax	3.034.963	3.392.531
	Provisions in total	**3.034.963**	**3.392.531**
	Liabilities		
12	Mortgage debt	14.122.510	16.973.937
13	Other debts	2.270.521	0
	Long-term liabilities in total	16.393.031	16.973.937
	Short-term part of long-term liabilities	2.911.256	2.866.494
	Bank debts	8.233.425	0
	Prepayments received from customers	656.779	540.921
	Trade creditors	11.003.470	11.467.081
	Debt to group enterprises	12.164.610	11.914.854
	Corporate tax	3.802.256	0
	Other debts	9.363.540	8.937.780
	Short-term liabilities in total	48.135.336	35.727.130
	Liabilities in total	**64.528.367**	**52.701.067**
	Equity and liabilities in total	**136.048.741**	**127.530.007**

14 Mortgage and securities
15 Contingencies
16 Financial risks
17 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2018	2.000.000	50.935.549	15.000.000	67.935.549
Distributed dividend	0	0	-15.000.000	-15.000.000
Profit or loss for the year brought forward	0	3.406.344	15.000.000	18.406.344
Market value adjustment swap contract	0	94.516	0	94.516
Equity 1 January 2019	2.000.000	54.436.409	15.000.000	71.436.409
Distributed dividend	0	0	-15.000.000	-15.000.000
Profit or loss for the year brought forward	0	-3.038.819	15.000.000	11.961.181
Market value adjustment swap contract	0	87.821	0	87.821
	2.000.000	**51.485.411**	**15.000.000**	**68.485.411**

Cash flow statement 1 January - 31 December

All amounts in DKK.

Note		2019	2018
	Results for the year	11.961.181	18.406.344
18	Adjustments	11.481.666	12.683.115
19	Change in working capital	-17.294.892	12.921.118
	Cash flow from operating activities before net financials	6.147.955	44.010.577
	Interest received and similar amounts	812.371	1.136.687
	Interest paid and similar amounts	-1.170.378	-1.338.341
	Cash flow from ordinary activities	5.789.948	43.808.923
	Corporate tax paid	349.294	-14.640.499
	Cash flow from operating activities	**6.139.242**	**29.168.424**
	Purchase of tangible fixed assets	-6.771.227	-4.356.628
	Sale of tangible fixed assets	40.000	280.000
	Cash flow from investment activities	**-6.731.227**	**-4.076.628**
	Repayments of long-term debt	-536.144	-2.907.672
	Dividend paid	-15.000.000	-15.000.000
	Cash flow from financing activities	**-15.536.144**	**-17.907.672**
	Changes in available funds	**-16.128.129**	**7.184.124**
	Available funds 1 January	10.490.320	3.306.196
	Available funds 31 December	**-5.637.809**	**10.490.320**

		2019	2018
	Available funds		
	Available funds	2.595.616	10.490.320
	Short-term bank debts	-8.233.425	0
	Available funds 31 December	**-5.637.809**	**10.490.320**

Notes

All amounts in DKK.

		2019	2018
1.	**Staff costs**		
	Salaries and wages	63.798.404	47.912.180
	Pension costs	5.031.441	3.771.241
	Other costs for social security	1.933.340	1.598.932
		70.763.185	**53.282.353**
	Executive board and board of directors	2.509.910	2.584.898
	Average number of employees	136	108
2.	**Other financial costs**		
	Financial costs, group enterprises	351.221	552.764
	Other financial costs	819.157	785.577
		1.170.378	**1.338.341**
3.	**Proposed distribution of the results**		
	Dividend for the financial year	15.000.000	15.000.000
	Allocated to results brought forward	0	3.406.344
	Allocated from results brought forward	-3.038.819	0
	Distribution in total	**11.961.181**	**18.406.344**
4.	**Land and property**		
	Cost 1 January	69.756.587	67.918.423
	Additions during the year	354.916	1.838.164
	Cost 31 December	**70.111.503**	**69.756.587**
	Depreciation and writedown 1 January	-35.667.676	-33.538.534
	Depreciation for the year	-2.225.227	-2.129.142
	Depreciation and writedown 31 December	**-37.892.903**	**-35.667.676**
	Book value 31 December	**32.218.600**	**34.088.911**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
5.	**Production plant and machinery**		
	Cost 1 January	93.552.551	91.715.282
	Additions during the year	5.354.827	1.906.565
	Disposals during the year	-3.684.819	-69.296
	Transferred from group company	17.653.924	0
	Cost 31 December	**112.876.483**	**93.552.551**
	Depreciation and writedown 1 January	-88.164.687	-85.712.618
	Depreciation for the year	-2.914.559	-2.521.365
	Depreciation and writedown, assets disposed of	3.677.469	69.296
	Transferred from group company	-17.274.204	0
	Depreciation and writedown 31 December	**-104.675.981**	**-88.164.687**
	Book value 31 December	**8.200.502**	**5.387.864**
6.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January	12.744.322	12.782.423
		0	0
	Additions during the year	336.356	611.899
	Disposals during the year	-576.893	-650.000
	Transferred from group company	1.117.657	0
	Cost 31 December	**13.621.442**	**12.744.322**
	Depreciation and writedown 1 January	-5.276.413	-3.392.601
	Depreciation for the year	-2.596.605	-2.447.145
	Depreciation and writedown, assets disposed of	576.893	563.333
	Transferred from group company	-772.249	0
	Depreciation and writedown 31 December	**-8.068.374**	**-5.276.413**
	Book value 31 December	**5.553.068**	**7.467.909**
7.	**Accrued income and deferred expenses**		
	Other prepayments/deferred income IT	397.359	489.858
		397.359	**489.858**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
8.	**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.

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

		31/12 2019	31/12 2018
9.	**Results brought forward**		
	Results brought forward 1 January	54.436.409	50.935.549
	Profit or loss for the year brought forward	-3.038.819	3.406.344
	Market value adjustment swap contract	87.821	94.516
		51.485.411	**54.436.409**
10.	**Proposed dividend for the financial year**		
	Dividend 1 January	15.000.000	15.000.000
	Distributed dividend	-15.000.000	-15.000.000
	Dividend for the financial year	15.000.000	15.000.000
		15.000.000	**15.000.000**
11.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January	3.392.531	3.462.890
	Deferred tax of the results for the year	-357.568	-70.359
		3.034.963	**3.392.531**
	The following items are subject to deferred tax:		
	Tangible fixed assets	2.561.491	2.941.632
	Current assets	431.371	397.213
	Liabilities	42.101	53.686
		3.034.963	**3.392.531**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
12.	**Mortgage debt**		
	Mortgage debt in total	17.033.766	19.840.431
	Share of amount due within 1 year	-2.911.256	-2.866.494
		14.122.510	**16.973.937**
	Share of liabilities due after 5 years	3.405.549	5.530.233
13.	**Other debts**		
	Other debts in total	2.270.521	0
	Share of amount due within 1 year	0	0
	Other debts in total	**2.270.521**	**0**
	Share of liabilities due after 5 years	1.702.891	0

Notes

All amounts in DKK.

14. Mortgage and securities

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 32.218.600 DKK on 31/12 2019.

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 32.218.600 DKK on 31/12 2019.

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 32.218.600 DKK on 31/12 2019.
Chattel mortgage deed nominal 3.000.000 DKK on specific machine.
The machine is representing a book value of 0 DKK on 31/12 2019.

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 guantees for the bank debt of some group enterprises.

15. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of DKK 465.077. The leasing contracts have 1-39 months left to run, and the total outstanding leasing payment is DKK 819.478.

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.

15. Contingencies (continued)

Joint taxation

PF Group 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.

16. Financial risks

Interest 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 2019 -642.849 DKK is booked under other debts. The market value interest rate swap agreement comprises nominal 888.065 EUR and interest rate between 1,5 % and 3,0 %.

17. Related parties

Controlling interest

PF Group A/S Sverigesvej 2 7480 Vildbjerg	Majority shareholder

Other related parties

Group enterprises.

Consolidated annual accounts

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

Notes

All amounts in DKK.

		2019	2018
18.	**Adjustments**		
	Depreciation and amortisation	7.736.391	7.097.652
	Profit from sale of fixed assets	-32.650	-193.333
	Other financial income	-812.371	-1.136.687
	Other financial costs	1.170.378	1.338.341
	Tax on ordinary results	3.419.918	5.577.142
		11.481.666	**12.683.115**

		2019	2018
19.	**Change in working capital**		
	Change in inventories	-4.241.275	-706.074
	Change in debtors	-13.493.971	9.531.986
	Change in trade creditors and other liabilities	327.763	3.974.032
	Other changes in working capital	112.591	121.174
		-17.294.892	**12.921.118**