PcP Corporation A/S

Sverigesvej 2, 7480 Vildbjerg

Company reg. no. 35 24 21 47

Annual report

2021

The annual report was submitted and approved by the general meeting on the 24 February 2022.

Hans Lohmann
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of PcP Corporation A/S for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Vildbjerg, 24 February 2022

Managing Director

John Nielsen

Board of directors

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

Independent auditor's report

To the Shareholders of PcP Corporation A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of PcP Corporation A/S for the financial year 1 January to 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group´s and 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Management's Review
Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Herning, 24 February 2022

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 Corporation A/S Sverigesvej 2 7480 Vildbjerg	
	Company reg. no.	35 24 21 47
	Domicile:	Herning
	Financial year:	1 January 2021 - 31 December 2021 9th financial year
Board of directors	Hans Lohmann, Chairman Niels Garde Toft Jesper Kirkeby Hansen Martin Krogh Pedersen	
Managing Director	John Nielsen	
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Industrivej Nord 15 7400 Herning	
Bankers	Nordea Bank Danmark A/S, Østergade 4 - 6, 7400 Herning	
Parent company	Maj Invest Equity 4 K/S, Copenhagen, Denmark	
Subsidiaries	PcP. Danmark A/S, Herning, Denmark P.F. Værktøj. Herning ApS, Herning, Denmark Nordjysk Døgngalvanisering A/S, Rebild, Denmark ElefantRiste A/S, Herning, Denmark Elefant Gratings Ltd., Wolverhampton, England PcP. Norge AS, Stavanger, Norway PcP. Gratings Ltd., Wolverhampton, England PcP. Deutschland GmbH, Breckerfeld, Germany PcP. Nederland B.V., Oudenbosch, Netherlands PcP. Belgium S.A., Sprimont, Belgium PcP. Sverige AB, Gøteborg, Sweden Guardrail Engineering Ltd., Wolverhampton, England	

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	383.675	343.454	366.919	361.990	401.885
Gross profit	193.744	170.753	175.896	171.858	188.492
Profit from operating activities	44.365	22.622	26.396	29.388	44.454
Net financials	-1.319	-4.123	-2.505	-3.968	-5.233
Net profit or loss for the year	31.113	13.098	17.323	17.931	27.841
Statement of financial position:					
Balance sheet total	310.058	290.771	308.660	295.492	319.162
Investments in property, plant and equipment	8.323	10.758	16.180	6.386	9.207
Equity	216.055	182.958	170.665	152.085	137.069
Cash flows:					
Operating activities	39.727	47.594	26.305	34.022	50.658
Investing activities	1.322	-7.011	-11.442	-5.986	-8.573
Financing activities	-29.551	-18.194	-18.233	-36.580	-35.293
Total cash flows	11.499	22.389	-3.370	-8.544	6.793
Employees:					
Average number of full-time employees	282	294	287	291	297
Key figures in %:					
Gross margin ratio	50,5	49,7	47,9	47,5	46,9
Profit margin (EBIT-margin)	11,6	6,6	7,2	8,1	11,1
Solvency ratio	69,7	62,9	55,3	51,5	42,9
Return on equity	15,6	7,4	10,7	12,4	23,0

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the group and business model of the group

PcP Corporation manufactures standard and custom products for any project, application, and industry where safety is of the essence in the global market. PcP high-quality products and safety solutions are developed based on a wide range of gratings, planks, and treads applied, i.e. industries such as industrial construction, building, food and pharma, on and offshore applications and scaffolding. The mission of PcP is to enable customers - no matter their industry - to safely operate in their business routine, supported and surrounded by innovative PcP solutions.

Development, design, and production is handled in Denmark. Besides, PcP Corporation has production facilities in the UK, The Netherlands and in Germany. Sales and technical support are handled from Denmark as well as from European subsidiaries.

PcP's focus is on maintaining and ever-improving flexibility, speed and efficiency developing and manufacturing standard and customized grating products, accessories and much more through PcP's MESH®, OPTIMO® and CUBE® product lines.

PcP always looks ahead, continuously developing solutions to meet the ever-changing customer needs. PcP Corporation has invested in engineering innovative - new to the world – products and solutions focusing on constantly improving safety for applications, i.e. access walkways, maintenance platforms, stairways.

For more information, visit PcP's website: www.pcp-corp.com/global

Development in activities and financial matters

PcP Corporation was during 2021 facing lots of challenges related to COVID-19. The market reactions as well as the various governments' handling of the COVID-19 situation varied and were unpredictable.

The development in commodity prices during 2021 also posed a major challenge for PcP Corporation, and not only did prices rise; in the autumn of 2021 PcP Corporation was also hit on the physical supply of raw materials.

Considering COVID-19, supply issues and following challenges, the Executive Board and the Board of Directors consider net profit for the year 2021 very acceptable.

In 2021, PcP Corporation realized a revenue higher than 2020 ending up with a total revenue of MDKK 384 and achieving a pre-tax net profit of MDKK 43 compared to pre tax net profit of MDKK 18 in 2020. From year end 2020 to year end 2021, the balance sheet total went from MDKK 291 to MDKK 310.

Materiel business risks

PcP Corporation continuously strives to be competitive on prices in the markets in which it operates. Still, there will continue to be pressure on sales prices, which requires measures comprising continuous automation and efficiency improvements.

The application of raw materials like steel, aluminum etc., poses a particular risk since fluctuation in raw material purchasing prices does not always follow trends in the finished goods' market prices.

The management is aware of the challenge and is working continuously to minimize the risk.

The Group's credit risk on trade receivables is minimized by means of credit insurance, where it is considered prudent. The Group also cooperates with collection agencies to keep the actual losses on bad debts to a minimum. It is not, however, the Group's general policy to hedge commercial foreign exchange risks.

Financial risk

The board continuously assesses whether the capital structure of PcP Corporation is consistent with company interests and with the interests of company stakeholders. The main objective is to ensure a capital structure supporting the aim of long-term profitable growth.

On 31 December 2021 the solvency ratio was 70%, the interest-bearing debt represents a minor amount, and parts of the debts have been incurred at fixed interest rates, any major changes in interest rates will only have a negligible effect on the consolidated earnings.

Expected developments

COVID-19 will continue to affect the performance of PcP Corporation until the activities in the societies returns to normal. PcP Corporation predicts 2022 - when the spring starts to take over – will be a more normal year. PcP Corporation expects an increase in activities and a pre-tax net profit between MDDK 30 - 40 in 2022 as initiatives from previous years together with new opportunities will support the growth expectations.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date that would have any material impact on the company’s financial position as per 31 December 2021.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Business model

As in previous years, the PcP Corporation business model is manufacturing, marketing and sales of materials and products to a wide range of industries.

Management´s review

This section is PcP Corporation's statement in accordance with §99a of the Danish Financial Statements Act. PcP Corporation uses many suppliers and partners, who can pose a risk if they do not share PcP Corporation's attitudes and values in the area of human rights.

In 2015, PcP Corporation implemented an overall policy for Corporate Social Responsibility, including human rights, climate, and environment. Once per year CSR is subject on the agenda for a Board Meeting, latest on 26.08.2021, the policy of PcP Corporation was reframed from CSR to ESG, and PcP Corporation’s "Business Principles, ESG policy and effort " was signed by the board. Actions and decisions made by the board are noted and followed up via the summary of the Board Meeting. For more information, please visit: https://www.pcp-corp.com/en/about/ueneral/corporate-social-responsibility.

PcP Corporation has developed its core business to meet its strategic challenges in a profitable and socially responsible way. The ESG policy and effort is based on the compliance of PcP Corporation with all local and global laws and regulations. The ESG policy of PcP Corporation is based on the ten principles of corporate social responsibility in the UN Global Compact: The Universal Declaration of Human Rights (principles 1-2), The International Labor Organization's Declaration on Fundamental Principles and Rights at Work (principles 3-6), The Rio Declaration on Environment and Development (principles 7-9) and The United Nations Convention Against Corruption (principle 10). To build on the principles, the ESG initiatives have been framed around the UN Sustainable Development Goals, and embedded the business model and strategy. PcP Corpoation focuses its efforts, where it can have a material impact and minimize any risks, and strives to continuously be an attractive employer, supplier, customer and community member.

PcP Corporation does not make a dedicated COP-report (Communication on Progress). Still, it has always been good practice and part of the values of PcP Corporation to manage for long-term sustainability and uphold responsible business ethics. In 2020, PcP Corporation decided to commit to and to implement initiatives and KPls related to UN's Sustainable Development Goals No. 8 (Decent Work and Economic Growth), No. 9 (Industry, Innovation, and Infrastructure), No. 11 (Sustainable Cities and Communities) and No. 12 (Responsible Production and Consumption). All initiatives have been continued and follow-up on in 2021.

PcP Corporation policies and specific initiatives re. the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work (UNGC principles 1-6)

PcP Corporation seeks to develop its core business and to handle its strategic challenges in a financially and socially responsible manner and is committed to perform its business in a transparent manner, while complying with legislation in the countries and local societies in which it is operating, and initiatives related to external parties such as suppliers and sub-contractors are to be evaluated .

The specific initiatives of PcP Corporation re. the UNGC principles 1-6 have been framed around UN SDG 8 (Decent work and economic growth), and the approach is codified in the values of PcP Corporation and actively pursued.

PcP Corporation is only present in countries characterized by high levels of regulation and explicit legislation concerning human rights, but still attracting and retaining skilled employees can pose a risk to PcP Corporation, if PcP does not continue to focus on social and employee relationships.

Providing safe and healthy working conditions has the highest priority in PcP Corporation. In 2021, PcP Corporation has continued its focus on a safe working environment in all departments, to prevent occupational injuries through training the employees and following up on accidents as well as registered accidents. As a result, the LTIFR (lost time incident frequency rate) has decreased from 11,35 in 2020 to 8,0 in 2021, but the goal is naturally zero. As a benchmark DA (Confederation of Danish Employers) measured a LTIF rate of 2,3 overall, 3,5 on manufacturing, blue collars and 3,3 for the region of Denmark, where PcP Corporation is situated – note, given the size of PcP Corporation and the number of manhours worked, only one accident within a 12-month period will cause a rate of 4.

A part of the human attitude of PcP Corporation is equal opportunities for all employees irrespective of gender or ethnicity. PcP Corporation hires, remunerate and promote employees based on skills, competences, and performance - not according to gender (over-or under-represented), religion, nor race. PcP Corporation performs its business in a non-discriminatory manner - neither positive nor negative discrimination, and PcP Corporation upholds the freedom of association and the effective recognition of the right to collective bargaining. The efforts in 2021 have therefore consisted in continuing to focus on the fact that suppliers and partners share PcP Corporation's set of attitudes and values in relation to human rights. In 2021, PcP Corporation has not been aware of transgressions of either local legislation or of PcP Corporation's policy for human rights. Key functions of PcP Corporation (purchasing and sales) continue to receive training and instruction, to ensure that the staff knows the values and policies of the PcP Group, and to ensure that PcP stays in compliance with the rules.

Further, PcP Corporation continuously develops employees' competence and flexibility, and PcP Corporation has entered a cooperation with local authorities and language schools about the activation of refugees and training of foreign workers, and carries out voluntary activities and social actions to achieve its strategic goals.

And lastly, the working environment in the factories and in the administration is evaluated on an ongoing basis evaluated, and corrective actions are regularly implemented.

PcP Corporation policies and specific initiatives re. The Rio Declaration on Environment and Development (UNGC principles 7-9)
PcP Corporation complies with relevant environmental laws and legislation, and continuously strives to reduce its environmental impact and promote responsible consumption through targeted and systematic efforts to continuously protect the environment through energy and material optimization, pollution prevention, waste minimization and environmental management. The ambition is to implement the same or similar politics and principles in all PcP Corporation entities and any non-compliant practices will promptly be met with corrective actions.

Specifically, PcP Corporation framed its approach around in 2020 around the UN's Sustainable Development Goals No. 9 (Industry, Innovation, and Infrastructure), No. 11 (Sustainable Cities and Communities) and No. 12 (Responsible Production and Consumption).

Material consumption of steel and aluminum is the single major driver of the environmental impact of PcP Corporation, and a number of initiatives focusing on reducing the consumption have been executed in 2021, and will continue.

The R&D department has focused on developing more sustainable and resilient products for infrastructure and buildings through increasing the strength-to-weight ratio to support the achievement of UN SDGs nos. 9 and 11, and the Supply Chain department has focused on using as high a degree of recycled steel and aluminum as possible, reducing waste, and ensuring that the primary suppliers of metals have established and follow plans for reducing their environmental impacts, to support the achievement of UN SDG no. 12. Relevant employees of PcP Corporation's purchase department receive training and instructions, to ensure that PcP Corporation and its primary suppliers work towards the fulfilment of UN SDG No. 12, and in both 2020 and 2021, all of the primary suppliers lived up to the requirement.

Energy consumption is the second largest driver of the environmental impact of PcP Corporation. In 2021, PcP Corporation has invested in further automatization in the factories, better insulation of the factory in Vildbjerg, replacing old light-sources with LED, and enhanced the awareness in the factories. As a result, the kWh electricity consumed per m2 grating produced has decreased by an estimated 2,6% from 2020 to 2021.

To further support the efforts of PcP Corporation, the process to obtain ISO 14001 certification has been started in 2021.

All PcP Corporation companies are environmentally approved, if necessary, in accordance with local requirements. PcP Corporation is not involved in any pending environmental cases.

PcP Corporation policies and specific initiatives re. The United Nations Convention Against Corruption (UNGC principle 10)
PcP Corporation works against corruption in all its forms, including extortion and bribery. PcP Corporation conducts its business with high ethical standards, honesty, and respect for others, and complies with the laws and regulations of the countries in which PcP Corporation operates.

PcP Corporation has described policies on corruption and bribery. There are specific rules about receiving and giving gifts, approval of expenses, and the non-participation of PcP Corporation or its employees in any form of non-competition activities. There is ongoing follow-up on these rules.

PcP Corporation is not aware of any corruption or bribery events by PcP Corporation during 2021.

Stakeholders and communication
PcP Corporation continuously seeks to develop and maintain good relationships with relevant stakeholders as such relationships are considered to be of great value to the group in terms of positive development.

PcP Corporation has drawn up a communications policy and additional policies on various key areas such as staff, environment and responsibility towards customers and society as a whole. The policies and related procedures are to ensure that information of importance for e.g. investors, employees and authorities is forwarded to same and published in accordance with current rules and agreements. Part of the responsibility of the board of directors is to ensure both compliance and current adaptation of the guidelines in accordance with the development within the group as well as in its environment.

Staff matters and know how
During the year, the group has an increase in number of competent and experienced employees, which has strengthened the group's base in terms of commercial power, technical competence and managerial insight, while restructuring in minor legal entities has resulted in a reduction in the number of employees.

Development in the total workforce:

	Denmark	Abroad
Staff beginning 2021	161	125
Recruitments net during the year	6	1
Staff year end 2021	167	126

On average, PcP Corporation has employed 282 people during 2021. In 2020 the figure showed 294.

The engineering and production activity of PcP Corporation requires special skills and knowledge of the techniques in this particular field of business. The objective of the group is to always be up to speed with the latest developments within this field of expertise as well as to ensure rapid adaptability.

In order to continue to maintain the high level of knowledge it is crucial that PcP Corporation can continuously recruit and retain staff with the necessary professional skills in production and in administration.

Corporate governance
The board of directors and the executive board consistently seek to ensure that the company's management structure and control systems are appropriate and that they function satisfactorily. On an ongoing basis, the management also develops and maintains internal procedures, to achieve the active, safe and profitable management of the company.

The planning of management tasks is based on the Companies Act, the Danish Financial Statements Act, the Articles of Association of the group, as well as on good practice for companies of the same size and with the same international reach as PcP Corporation.

By virtue of its status as a company owned by a private equity fund, PcP Corporation strives to comply with the Active Owners guidelines for responsible ownership and good corporate governance. The report refers to www.aktiveejere.dk for further information on guidelines, and likewise. The usual channels shall publish the group annual accounts. Based on the size of the company, no Audit Committee has been established, as these tasks are handled by the Board of Directors.

Responsibilities of the board of directors
On a current basis, the board of directors of PcP Corporation ensures that the executive board complies with the objectives, the strategies and the business procedures adopted. Information from the executive board is provided systematically at meetings and through written and oral reports. Such reporting includes developments in the outside world, the company's development and profitability and the financial position, including an evaluation of the business risks and of the financial risks.

In addition to the general meeting, the board of directors meets five times a year according to a scheduled meeting calendar. The agendas for the four meetings have been structured according to a rotation system, ensuring that the board during a calendar year will discuss all relevant issues. Between the ordinary board meetings, the board of directors are kept informed on a current basis of the company's results and financial position, and the board will be convened for extraordinary meetings if circumstances call for it. Further information concerning the board of directors appears in note 27.

Fee to the board of directors
Directors' fees and remuneration to the executive employees comprise a fixed salary with no incentive pay.

Shareholding by the board of directors, the executive board and the executive employees
At year-end, Maj Invest Equity 4 K/S and the executive board (via Nila Invest Herning ApS) have been registered as owners of a minimum of 5 % of the voting rights or of the share capital (share-holders ownership interest and voting rights are identical) in PcP Corporation. By means of an ownership interest of 74 %, the private equity fund Maj Invest Equity 4 K/S is controlling the company. Partner Mr. Niels Garde Toft represents the private equity fund on the board of directors. Board of Directors and Executive Management own togther 92% of the voting rights or of the share capital.

Dividend policy
Any distribution of dividend will take place with due consideration to necessary consolidation of equity as a basis for the company's continued expansion.

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

Pursuant to Danish legislation on gender composition (Section 99b of the Danish Financial Statements Act) and PcP Corporation's commitment in 2020 to implement initiatives and KPIs related to UN's Sustainable Development Goals No. 8 (Decent Work and Economic Growth), attention is given to the split between genders. The business area of PcP Corporation is a traditionally male-dominated field, so women are the under-represented sex. Even considering the field, PcP Corporation is making an effort to get women into the organization at all levels. What is defined as ‘enough women' will always be influenced by the requirements of the position and the proportion of women with the right skills, education, ambitions, etc.

The commitment to UN's SDG No. 8 has forced a set of measurements and targets. The overall target for PcP Corporation is that the under-represented gender must represent a minimum of 19% at all levels.

The performance ultimo 2021 is 20% on the management level, on the 11% on mid-management level and 18% in the full organization. Management and mid-management levels are unchanged from 2020, whereas the overall level in 2020 was 19%. In 2019, the figures were 25%, 10% and overall, 17%. In 2018, the overall KPI showed 15%. When recruiting new managers, the first priority is competencies and skills, however, if two candidates have the same level qualifications, any woman will be given priority. While and it is nice to see that the representation between the two gender is becoming more equal.

The owners of PcP Corporation originally decided that the members of the board appointed by the general meeting should represent a minimum of 25 % of the under-represented gender. In 2021, the gender composition of the board of the company, as appointed by the general meeting, was four men and no women and does thus not yet meet the target. The company is not currently considering changing the composition of the board of directors as there is a balance in respect of skills and capability. When a vacancy on the board occurs, the company will make sure that the law regarding the under-represented Gender is considered.

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

PcP Corporation has focus on how data are handled. PcP place a high value on moral obligations to treat data with respect and transparency.

The group has a Policy regarding Personal Data / Privacy Policy. The Policy applies to PcP Corporation A/S and all underlying companies and their employees.

The Policy and the business procedures regarding data processing by PcP together with the practical processing constitute the PcP's policy and rules on data handling.

In line with increased focus on the protection of personal data, GDPR and data in general, PcP also hold a strong focus on treating data ethically correct. Not only in accordance with applicable law, but also in line with moral compass.

Data ethics at PcP is based on following core areas: customer, staff and supplier data, internal processes and how PcP acts in relation to the outside world. Data Processing Agreements are in place where relevant.

Customers, suppliers, and present / old employees are always able to request and gain insight to the personal information PcP stores about them and how PcP process this information. PcP work continuously with optimization of the information structure, so that PcP thereby ensure a continuous overview and increased transparency towards our partners.

PcP doesn't sell or disclose personal information to others without consent or legitimate reason. Legitimate grounds can be disclosed to the auditor, the tax authority, and the Data Inspectorate both in Denmark and abroad.

PcP continuously focuses on what information and data are stored, what information and data are passed on to third parties, and regular ongoing follow-ups and checks are performed on this.

PcP Corporation publishes selected relevant sections of the Policy on www.pcp-corp.com, and the Policy is reviewed annually or as required, including if significant changes in the assumptions underlying the Policy is changed and afterwards approved by the PcP Board of Directors.

Accounting policies

The annual report for PcP Corporation A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large 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 income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting 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.

Accounting policies

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.
Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

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.

The consolidated financial statements
The consolidated income statements comprise the parent company PcP Corporation A/S and those group enterprises of which PcP Corporation A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Accounting policies

Consolidation policies
The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Income statement

Revenue
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.

Cost of sales
Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income
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.

Accounting policies

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible 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.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

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

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

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
Buildings	20-50 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, land, 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 group 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 group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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.

Accounting policies

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

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.

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.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Accounting policies

Reserve for foreign currency translation
The reserve for foreign currency translation arises when translating accounting items in foreign currency.

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

The reserve is distributable.

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
As administration company, PcP Corporation A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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.

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.

Accounting policies

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.

Deferred income

Payments received concerning future income are recognised under deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows 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.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group'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 flows from investment activities

Cash flows 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 group'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.

Segmental statement

Information on activity and geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
1	Revenue	383.675.475	343.453.672	249.600	249.600
	Change in inventories of finished goods and work in progress	-1.813.167	-3.751.634	0	0
	Other operating income	4.912.536	3.404.423	0	0
	Costs of raw materials and consumables	-145.206.563	-127.563.420	0	0
	Other external expenses	-47.824.035	-44.789.654	-407.372	-330.497
	Gross profit	**193.744.246**	**170.753.387**	**-157.772**	**-80.897**
3	Staff costs	-130.966.459	-130.079.722	0	0
	Depreciation, amortisation, and impairment	-18.412.490	-18.051.610	-200.004	-200.004
	Operating profit	**44.365.297**	**22.622.055**	**-357.776**	**-280.901**
	Income from investments in subsidiaries	0	0	31.751.948	14.142.305
	Other financial income from subsidiaries	0	0	0	204.793
	Other financial income	176.937	121.330	118.076	65.503
4	Other financial expenses	-1.496.220	-4.244.715	-474.294	-1.299.662
	Pre-tax net profit or loss	**43.046.014**	**18.498.670**	**31.037.954**	**12.832.038**
	Tax on net profit or loss for the year	-11.932.843	-5.400.227	75.217	266.405
5	**Net profit or loss for the year**	**31.113.171**	**13.098.443**	**31.113.171**	**13.098.443**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
6	Acquired concessions, patents, licenses, trademarks, and similar rights	283.299	483.303	283.299	483.303
7	Goodwill	70.836.573	77.041.221	0	0
	Total intangible assets	71.119.872	77.524.524	283.299	483.303
8	Property	51.655.395	58.210.952	0	0
9	Plant and machinery	18.071.258	17.740.108	0	0
10	Other fixtures and fittings, tools and equipment	3.854.043	6.403.844	0	0
	Total property, plant, and equipment	73.580.696	82.354.904	0	0
11	Investments in subsidiaries	0	0	208.442.215	205.307.520
	Total investments	0	0	208.442.215	205.307.520
	Total non-current assets	**144.700.568**	**159.879.428**	**208.725.514**	**205.790.823**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Current assets				
	Raw materials and consumables	29.769.423	21.843.728	0	0
	Work in progress	11.310.772	11.651.790	0	0
	Manufactured goods and goods for resale	16.121.751	17.593.900	0	0
	Total inventories	57.201.946	51.089.418	0	0
	Trade receivables	53.942.844	37.320.228	0	0
	Receivables from subsidiaries	0	0	4.833.725	12.664.439
	Income tax receivables	0	0	8.642.582	3.956.404
	Other receivables	1.638.014	1.573.135	6.076	5.788
12	Prepayments	1.922.194	1.754.762	0	0
	Total receivables	57.503.052	40.648.125	13.482.383	16.626.631
	Cash and cash equivalents	50.652.331	39.153.702	7.102.411	0
	Total current assets	**165.357.329**	**130.891.245**	**20.584.794**	**16.626.631**
	Total assets	**310.057.897**	**290.770.673**	**229.310.308**	**222.417.454**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
13	Contributed capital	10.000.000	10.000.000	10.000.000	10.000.000
	Reserve for foreign currency translation	901.324	-937.588	0	0
	Reserve for hedging transactions	277.749	132.191	277.749	132.191
	Retained earnings	204.876.209	173.763.038	205.777.533	172.825.450
	Total equity	**216.055.282**	**182.957.641**	**216.055.282**	**182.957.641**
	Provisions				
14	Provisions for deferred tax	3.785.768	3.771.033	62.326	94.961
	Total provisions	**3.785.768**	**3.771.033**	**62.326**	**94.961**
	Long term labilities other than provisions				
15	Mortgage loans	8.837.098	15.589.424	0	0
16	Other banking institutions	0	0	0	0
17	Bank debts	4.010.588	5.213.822	0	0
18	Lease liabilities	1.528.070	2.487.252	0	0
19	Other payables	3.975.760	7.110.225	0	0
	Total long term liabilities other than provisions	18.351.516	30.400.723	0	0

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Current portion of long term liabilities	10.925.329	28.426.682	0	23.000.000
	Bank loans	0	0	0	8.214.817
	Prepayments received from customers	769.202	551.313	0	0
	Trade payables	30.598.758	18.419.959	0	0
	Payables to subsidiaries	0	0	13.013.182	7.945.585
	Income tax payable	2.087.052	546.618	0	0
	Other payables	26.761.836	25.501.988	179.518	204.450
20	Deferred income	723.154	194.716	0	0
	Total short term liabilities other than provisions	71.865.331	73.641.276	13.192.700	39.364.852
	Total liabilities other than provisions	**90.216.847**	**104.041.999**	**13.192.700**	**39.364.852**
	Total equity and liabilities	**310.057.897**	**290.770.673**	**229.310.308**	**222.417.454**

2 Fees, auditor
21 Disclosures on fair value
22 Charges and security
23 Contingencies
24 Financial risks
25 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Reserve for foreign currency translation	Reserve for hedging transactions	Retained earnings	Total
Equity 1 January 2020	10.000.000	0	0	160.664.595	170.664.595
Profit or loss for the year brought forward	0	0	0	13.098.443	13.098.443
Fair value adjustments of hedging instruments for the year	0	0	169.476	0	169.476
Tax on adjustment	0	0	-37.285	0	-37.285
Exchange rate adjustments	0	-937.588	0	0	-937.588
Equity 1 January 2021	10.000.000	-937.588	132.191	173.763.038	182.957.641
Profit or loss for the year brought forward	0	0	0	31.113.171	31.113.171
Fair value adjustments of hedging instruments for the year	0	0	186.613	0	186.613
Tax on adjustment	0	0	-41.055	0	-41.055
Foreign currency translation adjustments	0	1.838.912	0	0	1.838.912
	10.000.000	**901.324**	**277.749**	**204.876.209**	**216.055.282**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for hedging transactions	Retained earnings	Total
Equity 1 January 2020	10.000.000	0	0	160.664.595	170.664.595
Distributed dividend	0	0	0	17.000.000	17.000.000
Share of results	0	14.142.305	0	-1.043.862	13.098.443
Fair value adjustments of hedging instruments for the year	0	0	169.476	0	169.476
Tax on adjustment	0	0	-37.285	0	-37.285
Exchange rate adjustments	0	-937.588	0	0	-937.588
Distributed dividend	0	-17.000.000	0	0	-17.000.000
Transferred	0	3.795.283	0	-3.795.283	0
Equity 1 January 2021	10.000.000	0	132.191	172.825.450	182.957.641
Distributed dividend	0	0	0	30.601.723	30.601.723
Share of results	0	31.751.948	0	-638.777	31.113.171
Fair value adjustments of hedging instruments for the year	0	0	186.613	0	186.613
Tax on adjustment	0	0	-41.055	0	-41.055
Exchange rate adjustments	0	1.838.912	0	0	1.838.912
Distributed dividend	0	-30.601.723	0	0	-30.601.723
Transferred	0	-2.989.137	0	2.989.137	0
	10.000.000	**0**	**277.749**	**205.777.533**	**216.055.282**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2021	2020
	Net profit or loss for the year	31.113.171	13.098.443
26	Adjustments	27.780.806	25.712.237
	Change in working capital	-7.470.103	18.513.927
	Cash flows from operating activities before net financials	51.423.874	57.324.607
	Interest received, etc.	176.937	121.330
	Interest paid, etc.	-1.496.220	-4.244.715
	Cash flows from ordinary activities	50.104.591	53.201.222
	Income tax paid	-10.377.674	-5.607.106
	Cash flows from operating activities	**39.726.917**	**47.594.116**
	Purchase of property, plant, and equipment	-8.322.776	-10.757.857
	Sale of property, plant, and equipment	9.645.048	3.746.985
	Cash flows from investment activities	**1.322.272**	**-7.010.872**
	Repayments of long-term payables	-29.550.560	-18.194.133
	Cash flows from investment activities	**-29.550.560**	**-18.194.133**
	Change in cash and cash equivalents	**11.498.629**	**22.389.111**
	Cash and cash equivalents at 1 January	39.153.702	16.764.591
	Cash and cash equivalents at 31 December	**50.652.331**	**39.153.702**
	Cash and cash equivalents		
	Cash and cash equivalents	50.652.331	39.153.702
	Cash and cash equivalents at 31 December	**50.652.331**	**39.153.702**

Notes

All amounts in DKK.

1. Revenue

Segmental statement

Information on activity and geographical markets is provided. The segment information follows the consolidated accounting policies, risks and internal financial control systems.

All amounts in TDKK

Year 2021

Gratings ect. 264.906, other goods 118.769, total 383.675.

Scandinavia 207.381, other countries 176.294, total 383.675.

Year 2020

Gratings ect. 245.482, other goods 97.972, total 343.454.

Scandinavia 194.824, other countries 148.630, total 343.454.

	Group 2021	2020
2. Fees, auditor		
Total fee for auditors	1.268.677	1.119.235
Fee concerning compulsory audit, Partner Revision A/S	383.235	341.600
Fee concerning compulsory audit, others	445.838	441.864
Other services	439.604	335.771
	1.268.677	**1.119.235**

Notes

All amounts in DKK.

	Group 2021	Group 2020	Parent 2021	Parent 2020
3. Staff costs				
Salaries and wages	114.701.805	113.575.719	0	0
Pension costs	7.702.172	7.993.347	0	0
Other costs for social security	8.562.482	8.510.656	0	0
	130.966.459	**130.079.722**	**0**	**0**
Executive board and board of directors	2.469.308	2.510.010	0	0
Average number of employees	282	294	0	0
4. Other financial expenses				
Financial costs, group enterprises	0	0	224.872	17.243
Other financial costs	1.496.220	4.244.715	249.422	1.282.419
	1.496.220	**4.244.715**	**474.294**	**1.299.662**

	Parent 2021	Parent 2020
5. Proposed appropriation of net profit		
Reserves for net revaluation according to the equity method	31.751.948	14.142.305
Allocated from retained earnings	-638.777	-1.043.862
Total allocations and transfers	**31.113.171**	**13.098.443**

Notes

All amounts in DKK.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
6. Acquired concessions, patents, licenses, trademarks, and similar rights				
Cost 1 January	2.000.000	2.000.000	2.000.000	2.000.000
Cost 31 December	**2.000.000**	**2.000.000**	**2.000.000**	**2.000.000**
Amortisation and writedown 1 January	-1.516.697	-1.316.693	-1.516.697	-1.316.693
Amortisation for the year	-200.004	-200.004	-200.004	-200.004
Amortisation and writedown 31 December	**-1.716.701**	**-1.516.697**	**-1.716.701**	**-1.516.697**
Carrying amount, 31 December	**283.299**	**483.303**	**283.299**	**483.303**

	Group 31/12 2021	Group 31/12 2020
7. Goodwill		
Cost 1 January	124.093.135	124.093.135
Cost 31 December	**124.093.135**	**124.093.135**
Amortisation and writedown 1 January	-47.051.914	-40.847.266
Amortisation for the year	-6.204.648	-6.204.648
Amortisation and writedown 31 December	**-53.256.562**	**-47.051.914**
Carrying amount, 31 December	**70.836.573**	**77.041.221**

Notes

All amounts in DKK.

	Group 31/12 2021	Group 31/12 2020
8. Property		
Cost 1 January	134.991.521	137.486.534
Translation by use of the exchange rate valid on balance sheet date 31 December	728.474	-620.744
Additions during the year	2.289.376	726.583
Disposals during the year	-20.555.882	-2.600.852
Cost 31 December	**117.453.489**	**134.991.521**
Depreciation and writedown 1 January	-76.780.569	-74.136.933
Translation by use of the exchange rate valid on balance sheet date 31 December	-172.899	151.685
Depreciation for the year	-3.751.306	-3.833.162
Depreciation and writedown, assets disposed of	14.906.680	1.037.841
Depreciation and writedown 31 December	**-65.798.094**	**-76.780.569**
Carrying amount, 31 December	**51.655.395**	**58.210.952**
9. Plant and machinery		
Cost 1 January	146.801.776	143.836.395
Translation by use of the exchange rate valid on balance sheet date 31 December	754.844	-646.832
Additions during the year	5.128.901	7.489.768
Disposals during the year	-4.453.898	-3.877.555
Cost 31 December	**148.231.623**	**146.801.776**
Depreciation and writedown 1 January	-129.061.668	-128.941.830
Translation by use of the exchange rate valid on balance sheet date 31 December	-650.638	547.957
Depreciation for the year	-4.869.729	-4.545.350
Depreciation and writedown, assets disposed of	4.421.670	3.877.555
Depreciation and writedown 31 December	**-130.160.365**	**-129.061.668**
Carrying amount, 31 December	**18.071.258**	**17.740.108**
Lease assets are recognised at a carrying amount of	2.378.093	2.932.284

Notes

All amounts in DKK.

		Group 31/12 2021	31/12 2020
10.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January	20.861.235	20.130.199
	Translation by use of the exchange rate valid on balance sheet date 31 December	63.538	-60.683
	Additions during the year	904.499	2.541.506
	Disposals during the year	-372.718	-1.749.787
	Cost 31 December	**21.456.554**	**20.861.235**
	Depreciation and writedown 1 January	-14.457.391	-12.658.496
	Translation by use of the exchange rate valid on balance sheet date 31 December	-51.227	40.753
	Depreciation for the year	-3.419.195	-3.416.413
	Depreciation and writedown, assets disposed of	325.302	1.576.765
	Depreciation and writedown 31 December	**-17.602.511**	**-14.457.391**
	Carrying amount, 31 December	**3.854.043**	**6.403.844**
	Lease assets are recognised at a carrying amount of	655.490	889.130

Notes

All amounts in DKK.

	Parent 31/12 2021	Parent 31/12 2020
11. Investments in subsidiaries		
Acquisition sum, opening balance 1 January	243.205.007	239.739.602
Additions during the year	0	3.465.405
Cost 31 December	**243.205.007**	**243.205.007**
Revaluations, opening balance 1 January	9.154.427	6.612.871
Exchange rate adjustment	1.838.912	-937.588
Results for the year before goodwill amortisation	37.956.596	20.346.953
Dividend	-30.601.723	-17.000.000
Other movements in capital	145.558	132.191
Revaluation 31 December	**18.493.770**	**9.154.427**
Amortisation of goodwill, opening balance 1 January	-47.051.914	-40.847.266
Amortisation of goodwill for the year	-6.204.648	-6.204.648
Depreciation on goodwill 31 December	**-53.256.562**	**-47.051.914**
Carrying amount, 31 December	**208.442.215**	**205.307.520**
The item includes goodwill with an amount of	70.836.573	77.041.221

Subsidiaries:

	Domicile	**Equity interest**
PcP. Danmark A/S	Herning, Denmark	100 %
P.F. Værktøj. Herning ApS	Herning, Denmark	100 %
Nordjysk Døgngalvanisering A/S	Rebild, Denmark	100 %
ElefantRiste A/S	Herning, Denmark	100 %
Elefant Gratings Ltd.	Wolverhampton, England	100 %
PcP. Norge AS	Stavanger, Norway	100 %
PcP. Gratings Ltd.	Wolverhampton, England	100 %
PcP. Deutschland GmbH	Breckerfeld, Germany	100 %
PcP. Nederland B.V.	Oudenbosch, Netherlands	100 %
PcP. Belgium S.A.	Sprimont, Belgium	100 %
PcP. Sverige AB	Gøteborg, Sweden	100 %
Guardrail Engineering Ltd.	Wolverhampton, England	100 %

Notes

All amounts in DKK.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
12. Prepayments				
Prepaid insurance and subscriptions	1.922.194	1.754.762	0	0
	1.922.194	**1.754.762**	**0**	**0**

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
13. Contributed capital				
Contributed capital 1 January	10.000.000	10.000.000	10.000.000	10.000.000
	10.000.000	**10.000.000**	**10.000.000**	**10.000.000**

The share capital consists of 10.000.000 shares, each with a nominal value of DKK 1. No shares hold particular rights.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
14. Provisions for deferred tax				
Provisions for deferred tax 1 January	3.771.033	3.616.494	94.961	138.962
Deferred tax of the results for the year	14.735	154.539	-32.635	-44.001
	3.785.768	**3.771.033**	**62.326**	**94.961**
The following items are subject to deferred tax:				
Intangible assets	62.326	94.961	62.326	94.961
Property, plant, and equipment	4.405.271	4.071.774	0	0
Internal profit inventories	-735.102	-654.638	0	0
Current assets	183.503	237.911	0	0
Liabilities	-130.230	21.025	0	0
	3.785.768	**3.771.033**	**62.326**	**94.961**

Notes

All amounts in DKK.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
15. Mortgage loans				
Total mortgage loans	12.186.803	19.249.066	0	0
Share of amount due within 1 year	-3.349.705	-3.659.642	0	0
	8.837.098	**15.589.424**	**0**	**0**
Share of liabilities due after 5 years	2.272.497	4.921.739	0	0
16. Other banking institutions				
Total other banking institutions	0	23.000.000	0	23.000.000
Share of amount due within 1 year	0	-23.000.000	0	-23.000.000
	0	**0**	**0**	**0**
17. Bank debts				
Total bank debts	4.734.665	5.898.927	0	0
Share of amount due within 1 year	-724.077	-685.105	0	0
	4.010.588	**5.213.822**	**0**	**0**
Share of liabilities due after 5 years	2.322.560	3.194.309	0	0

Notes

All amounts in DKK.

		Group 31/12 2021	31/12 2020
18.	**Lease liabilities**		
	Total lease liabilities	2.491.054	3.480.616
	Share of amount due within 1 year	-962.984	-993.364
		1.528.070	**2.487.252**
	Share of liabilities due after 5 years	0	0
19.	**Other payables**		
	Total other payables	9.864.323	7.198.796
	Share of amount due within 1 year	-5.888.563	-88.571
	Total other payables	**3.975.760**	**7.110.225**
	Share of liabilities due after 5 years	0	5.356.176
20.	**Deferred income**		
	Prepayments/deferred income	723.154	194.716
		723.154	**194.716**

21. Disclosures on fair value

Group

	Derived financial instruments
Fair value at 31 December	-286.760
Change in fair value of the year recognised in the equity	186.613

Notes

All amounts in DKK.

22. Charges and security

Parent enterprise

Stocks/shares in Danish and Swedish group enterprises representing a book value of 167.910 TDKK on 31 december 2021 are provided as security for the group commitment to Nordea Bank A/S, credit line 35.000 TDKK.

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

Group

There has been given a negative pledge as security for group enterprises accounts with banks.

As security for the mortgage/bank debt, 16.953 TDKK, mortgage nominal 77.027 TDKK has been granted on land and property representing a book value of 50.974 TDKK on 31 december 2021.

Chattel mortgage deed 3.000 TDKK on specific machine.
The machine is representing a book value of 0 DKK on 31 December 2021.

There is provided mortgage deed in some operating assets as security for bank debt and leasing liabilities. The operating assets is representing a book value of 3.033 TDKK on 31 December 2021. Debt on 31 December 2021 2.491 TDKK.

Notes

All amounts in DKK.

23. Contingencies

Contingent assets

The Group has a off balance deferred tax asset in some group enterprises taken into account the uncertainties regarding their timely utilization. The off balance deferred tax asset amount to 2.914 TDKK.

Contingent liabilities

Parent enterprise
The company has provided guarantees for the bank debts of the group enterprises credit line 35.000 TDKK.

There has been given a letter of support for group enterprises.

The company has provided guarantees for mortgage debt in some group companies, debt 31 December 2021 12.218 TDKK.

The company has provided guarantees for lease debt in some group companies, debt 31 December 2021 2.366 TDKK.

Group
Operational leasing contracts with an average annual leasing payment 3.500 TDKK.
Total outstanding leasing payments 7.771 TDKK.

Rent contracts with an average annual rent 1.866 TDKK.
The rent in the notice period 4.231 TDKK.

Joint taxation

The company is the administration company of the group of companies 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.

Notes

All amounts in DKK.

24. Financial risks

Interest rate risks

The group 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 2021, -286.760 DKK is booked under other debts. The market value interest rate swap agreement comprises nominal 744.586 EUR and interest rate between -0,57 % and 3,0 %.

25. Related parties

Controlling interest

Maj Invest Equity 4 K/S Copenhagen Denmark	Majority shareholder

Other related parties

Group enterprises, members of the board and executive board of the group enterprises. Together they own 18 % of the share capital.

Transactions

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

	Group 2021	Group 2020
26. Adjustments		
Depreciation, amortisation, and impairment	18.412.490	18.051.610
Profit from disposal of non-current assets	-3.883.810	-1.862.985
Other financial income	-176.937	-121.330
Other financial expenses	1.496.220	4.244.715
Tax on net profit or loss for the year	11.932.843	5.400.227
	27.780.806	**25.712.237**

Notes

All amounts in DKK.

27. Board information

Hans Lohmann (Appointed by MIE4 Holding 3 ApS per 15.05.2013):
Executive board: Bluecap Invest ApS, Sjørring Invest Ejendomsselskab ApS.

Board of directors: PcP Corporation A/S, PcP. Danmark A/S, Koatek A/S, Nordjysk Døgngalvanisering A/S, Elefantriste A/S, Arne Poulsen Automobiler A/S, Sjørring Maskinfabrik A/S, Sjørring Invest ApS, Milton Megatherm A/S, Roll O Matic A/S, Koatek Ejendomme ApS, Budweg Caliper A/S, Caphol Budweg Caliper ApS, Metallum Holding ApS, Bluecap Invest ApS.

Niels Garde Toft (Appointed by MIE4 Holding 3 ApS per 27.06.2013):
Executive board: Aclass Holding ApS, RoM Invest ApS, MIE5 Holding 7 ApS, Maks ApS.

Board of directors: PcP Corporation A/S, PcP. Danmark A/S, Fonden LDE 2 GP, Aclass A/S, Roll O Matic A/S.

Martin Krogh Pedersen (Appointed by Nila Invest, Herning ApS per 15.05.2013):
Executive board: KP Components Group A/S, MHKP Holding ApS, MHKPO ApS, MHKPS ApS.

Board of directors: PcP Corporation A/S, PcP. Danmark A/S, Ringkjøbing Landbobank Aktieselskab, KP Components A/S, KP Components AB, KP Componets Inc., KP Components Group A/S, KP Group Holding ApS, Techo A/S.

Jesper Kirkeby Hansen (Appointed by MIE4 Holding 3 ApS per 30.06.2015):
Executive board: Tefcold A/S and Churchtown ApS.

Board of directors: PcP Corporation A/S, PcP. Danmark A/S, Interlevin Holdings Limited, Interlevin Refrigeration Limited, Nosreti Velkoobchod s.r.o., Nosreti SK s.r.o.