

GPP InvestCo ApS

Ehlersvej 11, 2900 Hellerup

Company reg. no. 39 40 30 80

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 27 August 2020.

Hans Morten Bligaard
Chairman of the meeting

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Notes to users of the English version of this document:

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

Management's report

Today, the executive board has presented the annual report of GPP InvestCo ApS for the financial year 1 January - 31 December 2019 of GPP InvestCo ApS.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2019, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2019.

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

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

Hellerup, 27 August 2020

Executive board

Hans Morten Bligaard

Hiten Ramniklal Shah

Independent auditor's report

To the shareholder of GPP InvestCo ApS

Opinion

We have audited the consolidated financial statements and the financial statements of GPP InvestCo ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, consolidated and of the company, respectively and consolidated statement of cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2019 and of the results of the company's activities, consolidated and of the company, respectively and of consolidated cash flows, for the financial year 1 January - 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 section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 annual accounts and the financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the 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 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 financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 27 August 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Winther Rasmussen
State Authorised Public Accountant
mne28708

Jacob Helly Juell-Hansen
State Authorised Public Accountant
mne36169

Company information

The company

GPP InvestCo ApS
Ehlersvej 11
2900 Hellerup

Company reg. no. 39 40 30 80
Established: 9 March 2018
Domicile: Hellerup
Financial year: 1 January 2019 - 31 December 2019

Executive board

Hans Morten Bligaard
Hiten Ramniklal Shah

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Subsidiary

GPP HoldCo ApS, København

Consolidated financial highlights

DKK in thousands.	<u>2019</u>	<u>2018</u>
Income statement:		
Gross profit	101.989	54.890
Profit from ordinary operating activities	6.432	2.379
Net financials	-3.988	-3.448
Net profit or loss for the year	743	-1.716
Statement of financial position:		
Balance sheet sum	181.997	171.691
Equity	25.593	25.334
Cash flows:		
Operating activities	10.166	-37.841
Investing activities	-10.392	-77.725
Financing activities	2.708	131.685
Total cash flows	2.482	16.119
Employees:		
Average number of full-time employees	191	200
Key figures in %:		
Acid test ratio	195,7	208,1
Equity share	14,1	14,8
Return on equity	2,9	-13,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management commentary

The principal activities of the group

The purpose of the company is to own controlling interests in other non-financial corporations and other related companies.

Concerning the group business consists of two divisions:

- INDUSTRY - system solutions for pneumatic conveying and handling of process material in the plastic, paper and packaging industries
- GRAIN - grain handling equipment

GPP InvestCo ApS is owned by Green Park Partners, a UK based principal investment firm, who acquired the business in 2018. GPP InvestCo ApS was incorporated in March 2018 and made operational as per 1 June 2018.

Development in activities and financial matters

The financial accounts represent the full year period from 1 January to 31 December 2019, whereas the comparable figures for 2018 represent the operational period from 1 June to 31 December 2018.

The groups gross profit for the year is TDKK 101.989. The results from ordinary activities after tax are TDKK 743. The management consider the results to be in line with their expectations.

The equity per 31st December 2019 reads TDKK 25.593 with total assets equal to TDKK 181.997. Goodwill in relation to the acquisition is recorded at TDKK 40.383, after ended negotiations.

Expected developments

The management initially expected an increase in revenue and operating profit margin compared to 2019. However, the breakout of the Covid-19 pandemic in the beginning of 2020 has led the management to revise its projections for the full year of 2020. The Covid-19 pandemic is affecting the business activity in almost all markets worldwide and in both business divisions, especially the investment driven business in the Industry division is projected to be affected negatively.

It is currently not possible to reliably estimate the financial impact of the pandemic, although the management forecasts a material impact on revenue and operating profit margin compared to 2019. The management is taking measures to adjust costs and preserve cash flow to offset the negative economic effects of the Covid-19 pandemic to the widest extent possible.

Events occurring after the end of the financial year

The breakout of the Covid-19 pandemic in the beginning of 2020 has significantly affected business activities in all key markets of the company. Customer demand has decreased, and major sales activities have been prevented due to local lockdown restrictions.

Management commentary

Management has taken measures to reduce cost accordingly. This include participation in governmental salary compensation programs to furlough or implement part time working arrangements for employees to in order to adjust capacity to current activity level.

The final impact on the financial results in 2020 is unknown, as it will depend on the duration of the pandemic, the macroeconomic effect and speed of recovery. However, the management expects the Covid-19 pandemic to have material impact on the financial results of 2020.

Accounting policies

The annual report for GPP InvestCo ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK. The annual report comprises the first full financial year, and consequently, comparative figures are only for the period 9 March 2018 – 31 December 2018 (activity from 1 June 2018).

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

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 and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

If the foreign group enterprises and associates meet the criteria for independent entities, their income statements are translated using an average exchange rate for the period in question and the balance sheet items are translated using the closing rate. Differences arising from translating the equity of foreign group enterprises at the beginning of the year using the closing rate are recognised directly in equity. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

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.

Translation adjustment of balances with foreign group enterprises considered part of the total investment in group enterprises are recognised directly in equity. Likewise, foreign exchange gains and losses on loans and derivatives for the currency hedging of independent foreign group enterprises are recognised directly in equity.

The consolidated financial statements

The consolidated income statements comprise the parent company GPP InvestCo ApS and those group enterprises of which GPP InvestCo ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Accounting policies

In the consolidation process, intercompany income and expenses, shareholding, intercompany balances and dividends, and realised and unrealised profit and loss derived from transactions among the consolidated enterprises will be eliminated.

Equity investments in group enterprises are eliminated by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Income statement

Gross profit

Gross profit comprises revenue, production costs, and other operating income.

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.

Production costs comprise costs, including salaries, wages, and depreciation incurred in order to achieve the revenue of the year. Trade enterprises recognise cost of sales and manufacturing enterprises recognise production costs corresponding to the revenue for the year. These costs include direct and indirect costs of raw materials and consumables, salaries and wages, leasing, and depreciation of production plant.

Furthermore, production costs comprise research costs, development costs which do not meet the criteria for capitalisation, and amortisation of capitalised development costs.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration costs

Administration costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

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

Other operating income comprises accounting items of a secondary nature as regards the principal activities of the enterprise, including lease income from temporary production facilities leased out as well as profit on the disposal of intangible and tangible assets.

Accounting policies

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities.

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses 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 income statement with the amounts concerning the financial year.

Dividend from equity investment in group enterprise is recognised in the financial year in which the dividend is declared.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

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

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is set at 4-7 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Plant and machinery

Plant and machinery are measured at cost with deduction of accrued depreciation and writedown.

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 when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

Accounting policies

	Useful life	Residual value
Plant and machinery	5-10 years	0-20 %
Other operating assets	3-5 years	0-20 %

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 plant and machinery are 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.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

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 assets as well as equity investments in subsidiaries and associates 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 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 derived from the use of the asset or group of assets.

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

Investments

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

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 face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

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

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

GPP InvestCo ApS is jointly taxed with the Danish group companies and acts, in this respect, as the administration company. According to the rules of joint taxation, GPP InvestCo ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

Accounting policies

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

If the settlement of the commitment is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 15 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work. If provisions have an expected due date later than 1 year from the reporting date, they are discounted at the average bond interest.

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.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

Accounting policies

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The statement of cash flows shows group cash flows for the year divided into cash flows derived from operating activities, investment activities, and financing activities, respectively, changes in cash and cash equivalents, and cash and cash equivalents at the beginning and 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 profit or loss for the year adjusted for noncash operating items, changes in the working capital, and income tax paid.

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 comprise changes in the size or composition of the share capital and associated costs. Furthermore, cash flows comprise borrowings, repayments of interest-bearing payables, and payments of dividend to the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits less shortterm bank loans and shortterm financial instruments with a term of less than 3 months which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Income statement

DKK thousand.

Note	Group		Parent	
	1/1 - 31/12 2019	9/3 - 31/12 2018	1/1 - 31/12 2019	9/3 - 31/12 2018
Gross profit	101.989	54.890	0	0
Distribution costs	-21.354	-9.778	0	0
Administration costs	-73.159	-42.507	-142	-110
Other operating costs	-85	-23	0	0
Research and development costs	-959	-203	0	0
Operating profit	6.432	2.379	-142	-110
Other financial income	161	126	0	0
Other financial costs	-4.149	-3.574	0	0
Financing, net	-3.988	-3.448	0	0
Pre-tax net profit or loss	2.444	-1.069	-142	-110
2 Tax on net profit or loss for the year	-1.701	-647	-8	24
3 Net profit or loss for the year	743	-1.716	-150	-86

Statement of financial position at 31 December

DKK thousand.

Note	Group		Parent		
	2019	2018	2019	2018	
Assets					
Non-current assets					
4	Goodwill	40.383	45.976	0	0
5	Development projects	18.625	18.546	0	0
	Total intangible assets	59.008	64.522	0	0
6	Plant and machinery	10.358	4.320	0	0
7	Other operating assets	2.681	2.686	0	0
	Total property, plant, and equipment	13.039	7.006	0	0
8	Equity investment in group enterprise	0	0	27.050	27.050
9	Deposits	1.588	1.588	0	0
	Total investments	1.588	1.588	27.050	27.050
	Total non-current assets	73.635	73.116	27.050	27.050
Current assets					
	Raw materials and consumables	53.954	46.887	0	0
	Total inventories	53.954	46.887	0	0
	Trade receivables	32.959	30.877	0	0
	Income tax receivables	143	0	12	370
	Other receivables	2.705	4.692	0	0
	Total receivables	35.807	35.569	12	370
	Cash on hand and demand deposits	18.601	16.119	1	0
	Total current assets	108.362	98.575	13	370
	Total assets	181.997	171.691	27.063	27.420

Statement of financial position at 31 December

DKK thousand.

Note	Group		Parent	
	2019	2018	2019	2018
Equity and liabilities				
Equity				
Contributed capital	257	257	257	257
Retained earnings	25.336	25.077	26.557	26.707
Total equity	25.593	25.334	26.814	26.964
Provisions				
10 Provisions for pensions and similar obligations	2.094	1.663	0	0
11 Provisions for deferred tax	1.493	846	0	0
12 Other provisions	39.030	39.277	0	0
Total provisions	42.617	41.786	0	0
Liabilities other than provisions				
13 Bank loans	51.968	57.195	0	0
Other debt	6.456	0	0	0
Total long term liabilities other than provisions	58.424	57.195	0	0

Statement of financial position at 31 December

DKK thousand.

Equity and liabilities		Group		Parent	
		2019	2018	2019	2018
Note					
	Current portion of long term payables	6.500	6.500	0	0
	Bank loans	166	402	0	0
	Prepayments received from customers	417	616	0	0
	Trade payables	25.936	22.410	91	110
	Payables to group enterprises	0	0	158	0
	Income tax payable	395	328	0	346
	Other payables	14.461	12.164	0	0
14	Accruals and deferred income	7.488	4.956	0	0
	Total short term liabilities other than provisions	55.363	47.376	249	456
	Total liabilities other than provisions	113.787	104.571	249	456
	Total equity and liabilities	181.997	171.691	27.063	27.420

1 Employee issues

15 Contingencies

Consolidated statement of changes in equity

DKK thousand.

	<u>Contributed capital not paid</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	257	25.077	25.334
Retained earnings for the year	0	743	743
Exchange rate adjustments equity prior year	0	-484	-484
	<u>257</u>	<u>25.336</u>	<u>25.593</u>

Statement of changes in equity of the parent

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	257	26.707	26.964
Retained earnings for the year	0	-150	-150
	<u>257</u>	<u>26.557</u>	<u>26.814</u>

Statement of cash flows

DKK thousand.

Note	Group	
	1/1 - 31/12 2019	9/3 - 31/12 2018
Net profit or loss for the year	743	-1.716
16 Adjustments	12.167	9.231
17 Change in working capital	759	-41.908
Cash flows from operating activities before net financials	13.669	-34.393
Interest received, etc.	162	126
Interest paid, etc.	-4.149	-3.574
Cash flows from ordinary activities	9.682	-37.841
Other cash flows from operating activities	484	0
Cash flows from operating activities	10.166	-37.841
Purchase of intangible assets	-2.364	-67.992
Purchase of property, plant, and equipment	-8.028	-8.145
Purchase of financial instruments	0	-1.588
Cash flows from investment activities	-10.392	-77.725
Long-term payables incurred	1.228	63.695
Repayment, settlement price	1.480	0
Cash capital increase	0	27.050
Opening balance funding, provisions	0	10.940
Other cash flows from financing activities, Earn-Out	0	30.000
Cash flow from financing activities	2.708	131.685
Change in cash and cash equivalents	2.482	16.119
Cash and cash equivalents at 1 January 2019	16.119	0
Cash and cash equivalents at 31 December 2019	18.601	16.119
Cash and cash equivalents		
Cash on hand and demand deposits	18.601	16.119
Cash and cash equivalents at 31 December 2019	18.601	16.119

Notes

DKK thousand.

	1/1 - 31/12 Group 2019	9/3 - 31/12 2018	1/1 - 31/12 Parent 2019	9/3 - 31/12 2018
1. Employee issues				
Salaries and wages	47.528	24.638	0	0
Pension costs	3.133	2.682	0	0
Other costs for social security	6.639	2.217	0	0
Other staff costs	1.657	1.987	0	0
	<u>58.957</u>	<u>31.524</u>	<u>0</u>	<u>0</u>
 Average number of employees	 <u>191</u>	 <u>200</u>	 <u>0</u>	 <u>0</u>
2. Tax on net profit or loss for the year				
Tax on net profit or loss for the year	397	159	-12	-24
Adjustment of deferred tax for the year	647	488	0	0
Adjustment of tax for previous years	657	0	20	0
	<u>1.701</u>	<u>647</u>	<u>8</u>	<u>-24</u>
3. Proposed appropriation of net profit				
Allocated from retained earnings			<u>-150</u>	<u>-86</u>
Total allocations and transfers			<u>-150</u>	<u>-86</u>

Notes

DKK thousand.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
4. Goodwill				
Cost 1 January 2019	48.549	0	0	0
Additions during the year	0	48.549	0	0
Disposals during the year	-798	0	0	0
Cost 31 December 2019	47.751	48.549	0	0
Amortisation and writedown 1 January 2019	-2.573	0	0	0
Amortisation and depreciation for the year	-4.795	-2.573	0	0
Amortisation and writedown 31 December 2019	-7.368	-2.573	0	0
Carrying amount, 31 December 2019	40.383	45.976	0	0
5. Development projects				
Cost 1 January 2019	19.442	0	0	0
Additions during the year	2.364	19.442	0	0
Cost 31 December 2019	21.806	19.442	0	0
Amortisation and writedown 1 January 2019	-896	0	0	0
Amortisation and depreciation for the year	-2.285	-896	0	0
Amortisation and writedown 31 December 2019	-3.181	-896	0	0
Carrying amount, 31 December 2019	18.625	18.546	0	0

Notes

DKK thousand.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
6. Plant and machinery				
Cost 1 January 2019	4.979	0	0	0
Additions during the year	6.978	4.979	0	0
Cost 31 December 2019	11.957	4.979	0	0
Depreciation and writedown 1 January 2019	-659	0	0	0
Amortisation and depreciation for the year	-940	-659	0	0
Depreciation and writedown 31 December 2019	-1.599	-659	0	0
Carrying amount, 31 December 2019	10.358	4.320	0	0
7. Other operating assets				
Cost 1 January 2019	3.167	0	0	0
Additions during the year	1.049	3.167	0	0
Cost 31 December 2019	4.216	3.167	0	0
Amortisation and writedown 1 January 2019	-481	0	0	0
Amortisation and depreciation for the year	-1.054	-481	0	0
Amortisation and writedown 31 December 2019	-1.535	-481	0	0
Carrying amount, 31 December 2019	2.681	2.686	0	0

Notes

DKK thousand.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
8. Equity investment in group enterprise				
Cost 1 January 2019	0	0	27.050	27.050
Carrying amount, 31 December 2019	0	0	27.050	27.050
Ownership				Equity interest
GPP HoldCo ApS, København				100 %
9. Deposits				
Cost 1 January 2019	1.588	0	0	0
Additions during the year	0	1.588	0	0
Cost 31 December 2019	1.588	1.588	0	0
Carrying amount, 31 December 2019	1.588	1.588	0	0
10. Provisions for pensions and similar obligations				
Provisions for pension obligations and similar obligations	2.094	1.663	0	0
	2.094	1.663	0	0

Notes

DKK thousand.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
11. Provisions for deferred tax				
Provisions for deferred tax 1 January 2019	846	0	0	0
Deferred tax relating to the net profit or loss for the year	647	846	0	0
	1.493	846	0	0
12. Other provisions				
Other provisions 1 January 2019	39.277	0	0	0
Change in other provisions for the year	-247	39.277	0	0
	39.030	39.277	0	0
13. Bank loans				
Total bank loans	58.468	63.695	0	0
Share of amount due within 1 year	-6.500	-6.500	0	0
	51.968	57.195	0	0
14. Accruals and deferred income				
Accruals and deferred income	7.488	4.956	0	0
	7.488	4.956	0	0

Notes

DKK thousand.

15. Contingencies

Contingent liabilities

Lease liabilities

The Group have entered into operational leasing contracts. The leasing contracts have between 3 and 57 months left to run, and the total outstanding leasing payment is TDKK 5.220.

The Group have entered into business lease agreement concerning rent of the premises. The contact may be terminated no earlier than 31 May 2028. The outstanding leasing payment for rent of the premises is TDKK 32.462.

The Group have provided a floating charge in favor of Nykredit Bank A/S of 10.000 TDKK. The floating charge covers intangible assets, property, plant and equipment, trade receivables and inventories.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

	Group	
	1/1 - 31/12 2019	9/3 - 31/12 2018
	<u> </u>	<u> </u>
16. Adjustments		
Depreciation and amortisation	9.044	4.609
Other financial income	-161	-126
Other financial costs	4.149	3.574
Other adjustments	-2.566	0
Deferred tax	647	846
Tax on net profit for the year	397	328
Adjustments taxes prior year	657	0
	<u>12.167</u>	<u>9.231</u>

Notes

DKK thousand.

	Group	
	1/1 - 31/12 2019	9/3 - 31/12 2018
	<u> </u>	<u> </u>
17. Change in working capital		
Other changes in working capital	<u>759</u>	<u>-41.908</u>
	<u>759</u>	<u>-41.908</u>