Annual report

2019

GPV International A/S

CVR No. 66945715

Lysholt Allé 11
DK-7100 Vejle

Approved at the Annual General Meeting,
2 March 2020

Conductor

Henrik Tornbjerg

> **Accomplish More**
Electronics Manufacturing Services Worldwide

GPV

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Entity details

Entity

GPV International A/S
Lysholt Allé 11
DK-7100 Vejle

Central Business Registration No: 66945715
Registered in: Vejle
Financial year: 01.01.2019 - 31.12.2019

Phone: +4572191919
Web Page: www.gpv-group.com

Board of Directors

Jens Bjerg Sørensen, Chairman
Jørn Ankær Thomsen
Poul Erik Schou-Pedersen
Lars Aagaard Nielsen
Bjarne Skaarup Jepsen, Employee director
Tove Davidsen, Employee director
Ole Christensen, Employee director

Executive Board

Bo Lybæk, Chief Executive Officer

Entity auditors

Ernst & Young
Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28
Havnegade 33
6700 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GPV International A/S for the financial year 1 January – 31 December 2019.

The annual report is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2019 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2019.

In our opinion the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 2 March 2020

Executive Board

Bo Lybæk
Chief Executive Officer

Board of Directors

Jens Bjerg Sørensen
Chairman

Jørn Ankær Thomsen

Poul Erik Schou-Pedersen

Lars Aagaard Nielsen

Bjarne Skaarup Jepsen
Employee director

Tove Davidsen
Employee director

Ole Christensen
Employee director

Independent auditor's reports

To the shareholders of GPV International A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of GPV International A/S for the financial year 1 January – 31 December 2019, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the 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 International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of 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 Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Management's responsibilities for the financial statements

- 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.

Esbjerg, 2 March 2020

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Hammer-Pedersen	Søren Jensen
State Authorised	State Authorised
Public Accountant	Public Accountant
MNE-no. 21334	MNE-no. 32733

Financial highlights

Key figures	2019 tDKK	2018 tDKK	2017 tDKK	2016* tDKK	2015/16 tDKK
Revenue	2,855,514	1,218,303	1,147,519	667,630	853,768
Operating profit/loss before depreciation and amortisation (EBITDA)	195,532	113,716	105,633	68,625	80,613
Operating profit/loss (EBIT)	75,141	74,765	78,338	49,721	55,590
Net financials	(12,771)	(3,607)	5,643	(5,186)	(4,923)
Profit/loss for the year	47,316	63,221	92,884	49,976	50,820
Total assets	2,444,483	2,317,904	910,771	675,909	586,079
Investments in property, plant and equipment	87,078	113,800	76,166	37,993	15,118
Equity	895,815	779,997	280,782	205,504	132,551
Interest-bearing debt, net	819,053	811,974	350,504	239,731	279,091
Employees in average	3,621	1,453	1,302	1,074	1,078
Ratios					
EBITDA margin (%)	6.8	9.3	9.2	10.3	9.4
EBIT margin (%)	2.6	6.1	6.8	7.4	6.5
Net margin (%)	1.7	5.2	8.1	7.5	6.0
Financial gearing	0.9	1.0	1.2	1.2	2.1
Return on equity (%)	5.6	11.9	38.2	29.6	36.9
Return on invested capital (%)	6.0	7.1	15.3	15.7	13.9
Equity ratio (%)	36.7	33.7	31.0	30.4	22.6

* The financial year 2016 covers a nine months period (1 April – 31 December 2016).

Financial highlights

Financial highlights are defined and calculated as follows.

	Calculation formula	Ratio effect
EBITDA margin (%)	$\frac{\text{(EBITDA) x 100}}{\text{Revenue}}$	The Entity's profitability before depreciation and amortisation.
EBIT margin (%)	$\frac{\text{(EBIT) x 100}}{\text{Revenue}}$	The Entity's profitability
Net margin (%)	$\frac{\text{Profit/(loss) for the year x 100}}{\text{Revenue}}$	The Entity's operating profitability
Financial gearing	$\frac{\text{Net interest bearing debt}}{\text{Equity}}$	The Entity's financial gearing based on carrying amount
Return on equity (%)	$\frac{\text{Profit/(loss) for the year x 100}}{\text{Average equity}}$	The Entity's return on capital in- vested in the Entity by the owners
Return on invested capital (%)	$\frac{\text{(EBITA) x 100}}{\text{Average invested capital}}$	The Entity's return on capital invested
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The Entity's equity ratio and financial strength

Management commentary

Management Commentary

GPV's 2019 performance is satisfactory, showing an increase in revenue of 134% primarily coming from the acquisition of CCS Group, an operating profit before depreciation and amortisation (EBITDA) with an increase of 72% and a cash flow from operating activities at DKK 231 million.

To strengthen our market and manufacturing platform further GPV acquired end of 2018 the Swiss EMS company CCS Group. This acquisition has positioned GPV with a strong market position in Northern Europe, Central Europe (DACH area) and Americas, and with a manufacturing platform in Europe, Asia and Americas with service offerings within high-mix/low-medium volume EMS, product design, box build, high precision mechanics and cable harness.

During 2019 we have been working with a range of strategic initiatives with the aim of further strengthening the platform for our core business, and simultaneously we have been integrating the CCS Group into GPV under the headline: "Prompt merger in the market, step-by-step operations and back-office integration". The integration has been successfully concluded by the end of 2019.

During 2019, we have continued a high level of investments primarily in new capacity, including an expansion of our facility in Bangkok, Thailand, to follow the increasing demand from our existing customers as well as from new customers.

At the end of 2019, GPV stands as a healthy, well-developed business with a sound base of competent employees and with an appropriate production footprint in Asia, Europe and the Americas – a strong platform as the future basis for value-adding growth for our valued customers, for GPV, and for our owners.

Financial developments in the financial year 2019

Total revenue for FY 2019 came to DKK 2,856 million (FY 2018 DKK 1,218 million). We have seen a revenue increase of 134% from 2018, hereof DKK 1,580 million from the acquisition of CCS Group.

For FY 2019, operating profit before depreciation and amortisation (EBITDA) amounted to DKK 195.5 million (FY 2018 DKK 113.7 million) including negative effect from purchase price allocation and integration costs, which is a satisfactory level.

For FY 2019, operating profit (EBIT) amounted to DKK 75.1 million (FY 2018 DKK 74.8 million), which is a satisfactory level. Profit for the year came to DKK 47.3 million (FY 2018 DKK 63.2 million).

The balance sheet from CCS Group per December 31, 2018 was consolidated into the annual report of GPV for FY 2018. The acquisition influence GPV profitability for the financial year 2019 negatively with purchase price allocation (PPA) costs amounting to DKK 16.3 million on operating profit before depreciation and amortisation (EBITDA), DKK 38.1 million on operating profit (EBIT) and DKK 31.7 million on profit for the year.

The total cash flow from operating activities for FY 2019 amounted to DKK 231.2 million (FY 2018 DKK 39,6 million) and net investments equals DKK 87.6 million in new production equipment (FY 2018 DKK 740.6 million incl. the acquisition of CCS Group amounting to DKK 628.1 million).

At year-end 2019, total assets amounted to DKK 2,444 million against DKK 2,318 million for the previous year.

At the financial year-end, total equity amounted to DKK 896 million (DKK 780 million at the financial year-end 2018) including a positive exchange-rate adjustment in the year of DKK 65 million.

Events subsequent to the financial year-end

No material events have occurred after the end of the financial year.

Outlook 2020

GPV will in 2020 continue the development of the recurring business and continue to deliver high quality products to all our customers. With the focus on investments in new automated production technology and with the extended footprint with manufacturing capabilities in Denmark, Switzerland, Austria, Germany, Slovakia, Thailand, Sri Lanka, China and Mexico GPV have a strong position.

Our service offerings towards our customers cover design & engineering, electronics and mechanics manufacturing, cable harness assembly, box-build, mechatronics products and together with strong logistic and total life cycle management approach. With this strong geographical and service platform GPV continue our focused efforts to increase the value creation for our customers and to explore the market potential.

The trend towards outsourcing of production, within the industries in which GPV is operating, is expected to continue in 2020. The customers will focus further on their core competencies and reduce their investments in capital equipment and inventories, and at the same time via GPV gain access to flexibility and an outsourcing partner that can handle manufacturability studies, complex production and transfer of production sites, together with product development, test design, testing and logistics.

GPV will in 2020 have a continued focus on capacity and invest in extended capacity when deemed a requirement.

We expect FY 2020 will continue to be characterised by unsecure market conditions in US and China challenged by the trade war, and expectations of challenging development in Europe. Against this outlook, GPV expects a stable development in revenue, operating profit before depreciation and amortization (EBITDA) and operating profit (EBIT) as well as a positive cash flow from operating activities for 2020.

Management will closely follow developments in 2020 and take the steps necessary to secure continued competitiveness and the required liquid resources.

Employee development and appraisal

It is an essential prerequisite for the continued development of our business that we are able to attract, retain, develop and motivate employees who have the necessary skills and capability. Important elements to support this include the delegation of responsibility and competencies as well as cross-organisational solutions.

Our focus on Service Excellence and environmental management

We have uncompromising focus on timely delivery of faultless, secure and functional products and services that fulfil expectations and requirements from our customers. The competence and commitment of all employees are a prerequisite for achieving this. In 2019 we have seen an easing-up of the raw material supply situation resulting in a normalisation of the service level. We expect that our service level will continue at a high level in 2020.

GPV is also determined to ensure environmental management as well as responsible behaviour in all areas. Because GPV is an international supplier, it is imperative that GPV makes sure that all environmental and quality requirements are channelled to our partners and suppliers to ensure the same high levels of quality, environment, safety and ethics throughout the value chain.

Quality management

GPV's quality system is based on the standard ISO 9001. In addition, GPV has obtained a number of important quality certifications as well as plant and workmanship approvals.

In all manufacturing sites, GPV holds a number of general as well as industry-specific certifications and workmanship standards aiming to fulfil the needs of and requirements from our customers.

A total list of certificates and approvals can be found on GPV's homepage at:

www.gpv-group.com/about-gpv/awards-certificates/

Environmental management

GPV makes continuous efforts to mitigate the environmental impact of our business activities. Our largest environmental impact relates to the consumption of energy, raw materials and the derived materials waste.

Our policy is always to comply with the rules and regulations that apply and to commit to making progress at our own initiative within environment, health and safety.

Corporate Responsibility

GPV is dedicated to be a responsible employer and a good corporate citizen. Our Code of Conduct (COC) represents our core values and reflects our continued commitment to ethical business practices and regulatory compliance.

We take a serious view of any suspicion of breach of GPV Code of Conduct, and in any cases of non-compliance with the Code of Conduct, we will act.

Corporate Social Responsibility (CSR)

For GPV's statutory description of Corporate Social Responsibility, hereunder human rights, social and labour conditions, climate, environment and anti-corruption, in accordance with §99a and b in the Financials Statements act, please refer to Schouw & Co at

http://schouw.dk/en/about-us/corporate-governance/

GPV strives continually to improve our work environment. We aim to strengthen and implement a shared corporate culture, which is to help us treat all colleagues equally.

Please refer to the statement in the annual report for 2019 of the ultimate parent company Schouw & Co., on policies and targets regarding gender representation in management:

Working Environment

In GPV the number of working hours lives up to the local labour legislation. In situations where law or agreements require overtime pay or other kind of nuisance bonus, such payment is paid. Further GPV in Thailand is certified according to TLS 8001 on Social Accountability.

GPV ensures that all phases of the supply chain is planned and organised to promote a safe, healthy and responsible working environment.

The purpose is to avoid accidents and to ensure that the physical and mental conditions of the employees will not deteriorate. It is indeed important to GPV to have healthy employees. GPV ensures that efforts to improve the general health are part of the GPV way to act.

GPV helps improving the health of our employees by combining the efforts to improve the work environment with initiatives targeting a healthier lifestyle and an improved well-being.

Freedom of Association

GPV does not interfere with the employees' choice of union or other association and respects the employees' right to organise and enter into collective bargaining.

Child Labour

GPV does not accept child labour. GPV is aware of and respects the ban against child labour as expressed in the EU Directive 94/33/EC of 22 June 1994 on the protection of young people in the workplace, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention No. 138 of 26 June 1973 on Minimum Age, ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour as well as the UN Convention on the Rights of the Child of 20 November 1989.

Conflict Minerals

GPV support Section 1502 of the 2010 Dodd-Frank Act Wall Street Reform and Consumer Protection Act that promote transparency and customer awareness regarding the use of Conflict Minerals.

GPV does not directly purchase any Conflict Minerals from any source and does not knowingly procure any product containing Conflict Minerals.

For our Conflict Minerals Statement, we refer to the Company's website at:

www.gpv-group.com/about-gpv/downloads/

Corruption

As a company operating and delivering globally GPV is exposed to different cultures primarily in Asia, Europe and the Americas. As expressed in our Code of Conduct, we pride ourselves of acting credibly and with integrity in all of our operations, and we do not accept or offer bribes.

GPV is aware of and observes all applicable laws, rules and regulations in the various countries in which we operate. GPV is responsible for understanding these laws, rules and regulations and how they apply to our business and jobs, and for preventing, detecting and reporting instances of non-compliance to the relevant individuals, institutions or authorities.

GPV sources raw materials and services in different countries. Our ambition is for our suppliers to meet our Code of Conduct which governs ethical, social and environmental responsibilities. GPV will in 2020 conduct supplier audits in business ethics.

For a full CSR policy and achieved results we refer to the Company's website at:

http://www.gpv-group.com/about-gpv/csr-business-continuity-plan-threat-analysis/

GPV has no material outstanding environmental issues

GPV operates in compliance with all existing environmental rules and regulations and has set up task forces to handle the Company's environmental affairs.

Liquidity risk / capital resources

GPV Group is predominately financed by the resources and credit facilities of the parent company Schouw & Co. The financing from the parent company consists of a credit facility established in 2016 with a banking consortium consisting of Danske Bank, DNB and Nordea. The facility has a limit of DKK 2,100 million and currently DKK 1,100 million is drawn down as of 31 December 2019. Additionally, in April 2019, a Schuldschein loan in three tranches with a maturity of 5 to 7 years has been issued. These loans are issued with a total value of EUR 136 million (DKK 1,016 million).

Schouw & Co. has expanded its cooperation with the global bank HSBC (Hong Kong & Shanghai Banking Corporation) in 2019. Through HSBC, loan facilities have been established in areas where it may be difficult to establish intra-group loans and where foreign subsidiaries have previously used local banks on less attractive terms. Schouw & Co. has established loans and loan facilities with HSBC totaling DKK 509 million, where DKK 306 million were drawn down at 31 December 2019.

GPV Group is like other larger subsidiaries in Schouw & Co. co-guarantor for the credit facilities and Schuldschein loans of the parent company. In total, GPV Group has provided guarantee for loans and loan facilities of DKK 3,625 million out of which DKK 2,396 million were drawn down at 31 December 2019.

Debtor risk

The major part of GPV's production is delivered to customers that use GPV as a regular partner. Such customers are mostly world class in what they do, well-reputed and often large international companies.

Debtor creditworthiness is monitored on an ongoing basis, and we perform an in-depth credit assessment of new customers and ongoing assessment of existing customers. In recent years, no material debtor losses have been recorded.

Furthermore, debtor insurance with regard to the existing and new customer portfolios is being reviewed on a current basis.

Consolidated financial statements

Income statement

Notes		2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
3	Revenue	2.855.514	1.218.303
4,7	Cost of sales	-2.414.675	-959.225
	Gross profit/loss	**440.839**	**259.078**
6	Other operating income	6.545	1.381
4,7	Distribution costs	-122.504	-47.089
4,5,7	Administrative expenses	-249.392	-138.407
6	Other operation expenses	-347	-198
	Operating profit/loss	**75.141**	**74.765**
8	Financial income	46.834	5.672
9	Financial expenses	-59.605	-9.279
	Profit/loss before tax	**62.370**	**71.158**
10	Tax on profit/loss for the year	-15.054	-7.937
	Profit/loss for the year	**47.316**	**63.221**
	Attributable to:		
	Minority interests	-170	0
	Shareholders of GPV International A/S	47.486	63.221
		47.316	**63.221**

Statement of other comprehensive income

Notes		2019	2018
	Profit/loss for the year	**47.316**	**63.221**
	Other comprehensive income		
20	Exchange differences on translation of foreign operations	65.279	35.999
	Remeasurement of the defined benefit obligation	3.219	0
20	Net (loss) / gain on cash flow hedges	0	-5
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	**68.498**	**35.994**
	Total recognised other comprehensive income	**115.814**	**99.215**

Balance sheet

Notes		2019 Dec 31 tDKK	2018 Dec 31 tDKK
	Assets		
	Non current assests:		
	Goodwill	173.576	168.331
	Other intangible assets	248.077	260.412
11	**Intangible assets**	**421.653**	**428.743**
	Land and buildings	211.408	169.943
	Plant and machinery	247.296	240.955
	Other fixtures, tools and equipment	18.968	17.699
	Assets under construction, etc.	47.783	41.102
12	**Property, plant and equipment**	**525.455**	**469.699**
13	Leased assets	124.463	0
10	Deferred tax	42.652	25.337
	Receivables	6.183	5.617
	Other non-current assets	**173.298**	**30.954**
	Total non-current assets	**1.120.406**	**929.396**
	Current assets:		
14	Inventories	733.497	819.374
15	Receivables	421.142	408.798
	Income tax	1.867	1.952
	Cash and cash equivalents	167.571	158.384
	Total current assets	**1.324.077**	**1.388.508**
	Total assets	**2.444.483**	**2.317.904**

Balance sheet

Notes		2019 Dec 31 tDKK	2018 Dec 31 tDKK
	Liabilities and equity		
16	Share capital	50.000	50.000
	Exchange adjustment reserve	62.732	-2.547
	Retained earnings	783.249	732.544
	Share of equity attributable to the parent company	**895.981**	**779.997**
	Minority interests	-166	0
	Total equity	**895.815**	**779.997**
	Non-current liabilities		
17	Other liabilities	101.048	285
10	Deferred tax	42.841	34.496
21	Pension liabilities	90.819	82.981
17	Payables to ultimate parent company	351.076	350.963
	Provisions	15.781	6.899
	Non-current liabilities total	**601.565**	**475.624**
	Current liabilities		
17	Current portion of non-current debt	29.581	540
17	Credit institutions	0	163.669
17	Payables to ultimate parent company	531.092	454.901
	Trade payables	261.323	295.952
	Prepayment received from customers	11.189	12.632
18	Others payables	93.760	114.445
	Income tax	20.158	20.144
	Current liabilities total	**947.103**	**1.062.283**
	Total liabilities	**1.548.668**	**1.537.907**
	Total liabilities and equity	**2.444.483**	**2.317.904**

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Cash flow statement

Notes		2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
	Profit before tax	62.370	71.158
	Adjustment for operating items of a non-cash nature, etc.:	28.354	0
7	Depreciation and impairment losses	120.392	38.894
6	Other operating items, net	8.689	1.829
8	Financial income	-46.834	-5.672
9	Financial expenses	59.605	9.279
	Cash flows from operating activities before changes in working capital	**232.576**	**115.488**
23	Changes in working capital	48.918	-64.121
	Cash flows from operating activities after changes in working capital	**281.494**	**51.367**
	Interest income received	221	5.687
	Interest expenses paid	-25.247	-9.279
	Cash flows from ordinary activities	**256.468**	**47.775**
	Income tax paid	-25.253	-8.172
	Cash flows from operating activities	**231.215**	**39.603**
	Investing activities:		
	Purchase of intangible assets	-1.235	0
12	Purchase of property, plant and equipment	-87.078	-113.800
	Sale of property, plant and equipment	788	1.309
	Acquisition of enterprises	0	-628.136
	Addition/disposal of other financial assets	-35	0
	Cash flows from investing activities	**-87.560**	**-740.627**
	Financing activities:		
	Repayment of non-current liabilities	-27.193	-3.413
	Increase (repayment) of bank overdrafts	-167.164	-4.748
	Shareholders:		
	Capital reduction/increase	0	400.000
	Furhter minority shaeholders	4	0
	Change in payables to ultimate parent company	55.376	440.133
	Cash flows from financing activities	**-138.977**	**831.972**
	Cash flows for the year	4.678	130.948
	Cash and cash equivalents at the beginning of the year	158.384	26.479
	Value adjustment of cash and cash equivalents	4.509	957
	Cash and cash equivalents at the end of the year	**167.571**	**158.384**
	Cash and cash equivalents at year-end are composed of:		
	Cash	167.571	158.384
	Cash and cash equivalents at the end of the year	**167.571**	**158.384**

Equity statement

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2019	**50.000**	**0**	**-2.547**	**732.544**	**0**	**779.997**	**0**	**779.997**
Other comprehensive income in 2019								
Exchange rate adjustment of foreign subsidiaries	0	0	65.279	0	0	65.279	0	65.279
Remeasurement of the defined benefit obligation	0	0	0	3.219	0	3.219	0	3.219
Profit for the year	0	0	0	47.486	0	47.486	-170	47.316
Total recognised comprehensive income	**0**	**0**	**65.279**	**50.705**	**0**	**115.984**	**-170**	**115.814**
Transactions with the owners								
Capital increase	0	0	0	0	0	0	0	0
Dividend distributed	0	0	0	0	0	0	0	0
Addition/disposal of minority interests	0	0	0	0	0	0	4	4
Transactions with the owners for the period	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**4**
Equity at Dec 31, 2019	**50.000**	**0**	**62.732**	**783.249**	**0**	**895.981**	**-166**	**895.815**

Equity statement

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2018	**10.000**	**5**	**-38.546**	**309.323**	**0**	**280.782**	**0**	**280.782**
Other comprehensive income in 2018								
Exchange rate adjustment of foreign subsidiaries	0	0	35.999	0	0	35.999	0	35.999
Value adjustment of hedging instruments recognised in the year	0	-5	0	0	0	-5	0	-5
Profit for the year	0	0	0	63.221	0	63.221	0	63.221
Total recognised comprehensive income	**0**	**-5**	**35.999**	**63.221**	**0**	**99.215**	**0**	**99.215**
Transactions with the owners								
Capital increase	40.000	0	0	360.000	0	400.000	0	400.000
Dividend distributed	0	0	0	0	0	0	0	0
Addition/disposal of minority interests	0	0	0	0	0	0	0	0
Transactions with the owners for the period	**40.000**	**0**	**0**	**360.000**	**0**	**400.000**	**0**	**400.000**
Equity at Dec 31, 2018	**50.000**	**0**	**-2.547**	**732.544**	**0**	**779.997**	**0**	**779.997**

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1. Accounting policies

Basis of preparation

GPV International A/S (the Company) is a limited company incorporated and domiciled in Denmark. GPV is principally engaged within electronic manufacturing services, mechatronics and high precision mechanics. Information on the Group's ultimate parent is presented in note 16. Information on other related party relationships of the Group is provided in note 24.

The consolidated financial statements of GPV International A/S and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements.

The annual report also complies with the International Financial Reporting Standards (IFRS) as issued by the IASB and Danish disclosure requirements.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that are measured at fair value.

The consolidated financial statements are presented in Danish Kroner (DKK) and all values are rounded to the nearest thousand (tDKK) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at 31 December 2019.

Subsidiaries are entities over which GPV has control. GPV has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement in the entity, and has the ability to affect those returns through its power over the entity.

Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries' financial statement items are fully recognised in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

New and amended standards and interpretations

Effective from 1 January 2019, the Group has implemented IFRS 16 Leases. IFRS 16 has affected recognition and measurement in the annual report.

Effect of IFRS 16

Effective from 1 January 2019, the Group has implemented the new standard on leases, IFRS 16, using the modified retrospective transition method and has therefore not restated the comparative figures, which are still presented in accordance with the rules of IAS 17 and IFRIC 4. The accounting policies of IAS 17 and IFRIC 4 are presented separately if they deviate significantly from the accounting policies of IFRS 16.

As opposed to previously, the Group must now recognise all leases in the balance sheet, including operating leases, with a few exceptions. Consequently, a lease commitment measured at the present value of the future lease payments, see description below, must now be realised together with a corresponding leased asset adjusted for payments made to the lessor prior to the commencement of the lease and incentive payments received from the lessor. The Group has decided not to recognise costs directly related to the leased asset.

In accordance with the transitional provisions of IFRS 16, when implementing the standard, the Group has chosen:

- Not to recognise leases with a term of less than 12 months or of low value.
- Not to reassess whether a contract is or comprises a lease.
- To determine a discount rate on a portfolio of leases with similar characteristics.

When assessing the future lease payments, the Group reviewed its operating leases and identified the lease payments related to a lease component that are fixed or variable but change in line with changes in an index or an interest rate. The Group has chosen not to recognise payments related to service components as part of the lease commitment.

When assessing the expected lease term, the Group identified the non-cancellable lease term of the lease plus periods covered by an extension option that Management is reasonably likely to exercise and plus periods covered by a termination option that Management is reasonably unlikely to exercise.

For leases on equipment, the Group has assessed that the expected lease term is the non-cancellable lease term in the leases, as the Group has not historically exercised the extension options in similar leases.

When assessing the expected lease term of leases on properties, the Group has divided its portfolio into land and buildings, production and machinery, cars and other equipment. For property, the Group assesses for strategic reasons that the expected lease term is 5-10 years, whereas the lease term for equipment is assessed to be 4-8 years, cars to be 3-6 years and other assets to be 3-8 years.

When discounting the lease payments to present value, the Group used its incremental borrowing rate, which is the costs of obtaining external financing for a corresponding asset with a financing period corresponding to the term of the lease denominated in the currencies in which lease payments are settled. The Group has documented the incremental borrowing rate of each portfolio of leases with similar characteristics.

In the assessment of the Group's incremental borrowing rate, the Group determined its incremental borrowing rate for its leases of properties based on an interest rate of a mortgage credit bond with a term corresponding to the term of the lease and denominated in the same currencies in which the lease payments are settled. The interest rate of the financing of the share for which a mortgage loan cannot be used is estimated based on a reference rate of a credit margin derived from the Group's current credit facilities. The Group has corrected the credit margin for the lessor's right to take back the asset in case of default on lease payments (secured debt).

The effect of the implementation of IFRS 16 is disclosed in note 19.

Foreign currency translation

The Group's consolidated financial statements are presented in Danish Kroner (DKK), which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the exchange rate at the transaction date and the exchange rate at the payment date, as well as the exchange rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical exchange rates.

On consolidation, the assets and liabilities of foreign operations are translated into DKK at the rates of exchange prevailing at the reporting date and their statement of profit or loss are translated at monthly average exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive relating to that particular foreign operation is recognised in the income statement.

Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks (cash flow hedges). Such derivative financial instruments are initially recognised at cost value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are recognised as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement as financial expenses. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment affects profit or loss.

Shareholders' Equity

Reserve for net revaluation according to the equity method: Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realization of investments, or a change in accounting estimates.

The reserve cannot be recognised as a negative amount.

Dividend: Dividend proposed for the year is recognized as a liability in the financial statements at the time of adoption by the shareholders at the Annual General Meeting. The dividend proposed in respect of the financial year is stated as a separate item under equity.

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised. The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments considered to be a part of the net investment or as hedging of the net investment. On realisation, accumulated value adjustments are taken from equity to financial income and expenses in the income statement.

Income statement

Revenue

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in all of its revenue arrangements.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 75 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue is measured excluding VAT and other taxes and duties charged on behalf of third parties. All discounts granted are deducted from revenue.

Production costs

Production costs comprise costs, including depreciation, wages and salaries, incurred in generating the revenue for the year. Production costs include direct and indirect costs for raw materials and consumables, wages and salaries, maintenance, depreciation and impairment of production plant as well as costs and expenses relating to the operation, administration and management of factories. Also included are inventory impairment.

Distribution costs

Distribution costs comprise expenses incurred in connection with the distribution of goods sold during the year and in connection with sales campaigns, etc. launched during the year under review, including cost of sales and logistics staff, advertising and exhibition costs, as well as depreciation/amortisation and impairment losses.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses. Administrative expenses also comprise impairment on receivables.

Employee benefits

Equity-settled share options are measured at fair value at the grant date and their value is recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity as a shareholder transaction.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, changes in the estimated number of vested options are adjusted to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of options granted is estimated using a valuation model that takes into account the terms and conditions of the options granted.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature relative to the companies' activities, including gains and losses on replacement of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are computed as the difference between the selling price and the carrying amount at the date of disposal.

Financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income tax and deferred tax

The tax for the year consists of current tax and changes in deferred tax for the year. The tax for the year is recognised in the income statement, other comprehensive income or equity.

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used. Adjustment is made for deferred tax concerning unrealised intercompany profits and losses eliminated. Changes in deferred tax due to changed tax rates are recognised in the income statement.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the GPV Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The company is jointly taxed with its owned Danish subsidiary. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is, as follows:

Goodwill	Indefinite useful lives	No amortisation
Other intangibles	Finite useful live (5-20 years)	Amortised on a straight line basis

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures, tools and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-8 years

Land is not depreciated.

The cost of an asset is divided into separate components which are depreciated separately if their useful lives differ. The residual values and useful lives are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is recognised in the income statement as production costs, distribution costs or administrative expenses.

Leases applicable from 1 January 2019

Leased assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Group in the lease term, and when the Group obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, lease commitments are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease commitment:

- Fixed payments.
- Variable payments that change concurrently with changes to an index and an interest rate based on said index or interest rate.
- Payments overdue subject to a residual value guarantee.
- Exercise price of call options that it is highly probable that Management will exercise.
- Payments subject to an extension option that it is highly probable that the Group will exercise.
- Penalty related to a termination option unless it is highly probable that the Group will not exercise the option.

The lease commitment is measured at amortised cost according to the effective interest method. The lease commitment is recalculated when the underlying contractual cash flows change due to changes in an index or an interest rate if the Group's estimate of a residual value guarantee changes or if the Group changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

On initial recognition, the leased asset is measured at cost, corresponding to the value of the lease commitment adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like and less discounts or other types of incentive payments received from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an interest rate.

Leased assets are depreciated on a straight-line basis over the expected lease term, which is:

Property	5-10 years
Equipments	5-8 years
Cars	3-6 years
Other asset	3-8 years

The Group presents the leased asset and the lease commitment separately in the balance sheet.

The Group has chosen not to recognise leased assets of a low value and short-term leases in the balance sheet. Instead, related lease payments are recognised on a straight-line basis in the income statement.

The related lease liability is disclosed in current and non-current other liabilities in the financial statement.

Leases applicable before 1 January 2019

For financial reporting purposes, leases are classified as finance leases and operating leases.

A lease is classified as a finance lease when the most significant risks and rewards of ownership of the leased asset are transferred to the lessee. All other leases are classified as operating leases.

The cost of assets held under finance leases is recognised at the lower of fair value of the assets and the present value of the future minimum lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the Group's incremental borrowing rate is used as discount rate.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

Assets held under operating leases are recognised, measured and presented in the balance sheet as the Group's other similar assets. Lease income is recognised in the income statement on a straight-line basis over the lease term.

Impairment of non-current assets

Non-current assets with definite useful lives are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs, based on a normal operating activity.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Trade receivables

Receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Impairment of trade receivables is calculated using the simplified expected credit loss method, based on historical loses adjusted for forward looking information. Impairment on receivables, after initial recognition of the receivables, are recognised in the income statement under administrative expenses.

Employee obligations

Pension obligations and similar non-current liabilities

The Group has entered into pension schemes and similar arrangements with the Swiss part of the Group's employees.

Contributions to defined contribution plans where the Group makes fixed pension contributions to independent pension funds are recognised in the income statement in the period to which they relate, and any outstanding contributions are recognised as other payables in the balance sheet.

For defined benefit plans, an annual actuarial calculation (the projected unit credit method) is made of the value in use of future benefits earned by employees under the defined benefit plan. The value in use is determined on the basis of assumptions about the future development in variables such as salary levels, interest rates, inflation, retirement age and mortality. The value in use is determined only for benefits earned by employees from their employment with the Group. The actuarially calculated value in use less the fair value of any plan assets is recognised as pension obligations in the balance sheet.

Pension costs for the year are recognised in profit or loss based on actuarial estimates at the beginning of the year. Any difference between the calculated development in plan assets and pension obligations and realised amounts determined at year end constitutes actuarial gains or losses and is recognised in other comprehensive income.

If changes or reductions in benefits relating to services rendered by employees in previous years result in changes in the actuarially calculated value in use, the changes or reductions are recognised as past service costs. Past service costs are recognised as costs immediately at the earlier of the date of the change or reduction and the date when a related restructuring or termination benefit is recognised.

If a net pension plan constitutes an asset, the asset is recognised only in so far as it equals future refunds from the plan or will lead to reduced future contributions to the plan.

Long-term employee benefits are recognised based on an actuarial calculation. Actuarial gains and losses are recognised immediately in profit or loss. Other long-term employee benefits include jubilee benefits, etc.

Further details are disclosed in note 21.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Financial liabilities

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities also include the outstanding obligation under finance leases, measured at amortised cost. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Other Provisions

These comprise the anticipated costs of warranty obligations. Provisions are recognized when, as a consequence of a past event, the company has a legal or constructive obligation and it is likely that the obligation will materialize.

Other liabilities

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the profit/loss before tax adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting.

Trade receivables

Management applies estimates in the assessment of the likelihood that receivables at the balance sheet date will be received.

Debtor creditworthiness is monitored on an ongoing basis, and we perform an in-depth credit assessment of new customers and ongoing assessment of existing customers. In recent years, no material debtor losses have been recorded.

Furthermore, debtor insurance with regard to the existing and new customer portfolios is being reviewed on a current basis.

Inventories

The uncertainty attaching to estimating inventories is related to any impairment to net realisable value.

Pension obligations

Pension obligations are the net liabilities of defined benefit obligations and the dedicated assets adjusted for the effect of minimum funding and asset ceiling requirements. Plans with a funding surplus are presented as net assets on the balance sheet. The defined benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance sheet date. Plan assets are measured at fair value. The pension cost charged to the income statement consists of calculated amounts for vested benefits and interest in addition to settlement gains or losses, etc. Interest on plan assets is calculated with the same rates as used for discounting the obligations. Actuarial gains/losses are recognized in other comprehensive income.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The primarily part of the deferred tax assets are tax losses carried forward. These losses relate to the Parent Company and do not expire. The losses may not be used to offset taxable income elsewhere in the Group. The tax value of tax loss carry forwards has been recognised, as it has been considered sufficiently probably that the losses will be utilised within five years.

Further details on taxes are disclosed in note 10.

Notes

Note 3 - Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 31 December 2019			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	512.983	1.905.211	437.320	2.855.514
Total revenue from contracts with customers	**512.983**	**1.905.211**	**437.320**	**2.855.514**

	For the year ended 31 December 2018			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	463.030	565.411	189.862	1.218.303
Total revenue from contracts with customers	**463.030**	**565.411**	**189.862**	**1.218.303**

Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days.

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of goods:

The performance obligation is satisfied upon delivery and payment is generally due within 30 to 75 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Notes

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 4 - Costs		
Cost of sales:		
Cost of goods sold	-1.823.512	-742.689
Inventory impairments	-4.725	-611
Reversed inventory impairments	1.259	0
Total cost of sales	**-1.826.978**	**-743.300**
Staff costs:		
Wages and salaries	-494.102	-188.799
Defined contribution pension plans	-29.630	-6.867
Defined benefit pension plans	-10.596	0
Other social security costs	-44.727	-3.481
Share-based payment	-2.353	-1.819
Total staff costs	**-581.408**	**-200.967**
Staff costs are recognised as follows:		
Production	-367.135	-96.906
Distribution	-66.100	-16.510
Administration	-148.173	-87.551
Staff costs recognised in the income statement	**-581.408**	**-200.967**
Average number of employees	**3.621**	**1.453**

Determination of remuneration to the Board of Directors and the Executive Board

Staff costs include salaries and bonuses to the Board of Directors and the Executive Board of tDKK 6,076 (2018 tDKK 4,875)

Share-based payments

Staff costs include share-based payment of tDKK 1.291 (2018 tDKK 1.089)

Share-based payments

Executive Management and senior managers in GPV are covered by the parent company Schouw & Co.'s share option programme. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at the time for granting (2019: DKK 510,30) plus a premium (2019 allocation: 3%) from the date of grant until the date of exercise.

The costs related to the programme are calculated according to "Black & Scholes" and are expensed as staff costs linearly over the period of the option and settled to the parent company.

OUTSTANDING OPTIONS	Executive management	Others	Total	Average exercise price in DKK (1)	Fair value (DKK) per option (2)	Total fair value in DKK (2)	Exercisable from	Exercisable until
Granted in 2016	15.000	6.000	21.000	450,88	69,65	1.463	March 2019	March 2020
Granted in 2017	20.000	14.000	34.000	671,93	68,45	2.327	March 2020	March 2021
Granted in 2018	20.000	18.000	38.000	705,58	58,51	2.223	March 2021	March 2022
Total outstanding options at December 31st 2018	55.000	38.000	93.000			6.013		
Granted in 2019	20.000	20.000	40.000	574,35	71,47	2.859	March 2022	March 2023
Exercised (from 2016 grant)	-15.000	-6.000	-21.000			-1.463		
Total outstanding options at 31 December 2019	60.000	52.000	112.000			7.409		

(1) exercised after 4 years (at the latest possible date)

(2) at the date of grant

In 2019 21,000 options are exercised, from the 2016 grants. The options are exercised at an average price of 432,63 DKK.

Fair value assumptions:

	2019 grants	2018 grants	2017 grants	2016 grants
Expected volatility	29,23%	21,10%	23,27%	31,50%
Expected term	48 mo.	48 mo.	48 mo.	48 mo.
Expected dividend per share	13 DKK	12 DKK	10 DKK	8 DKK
Risk-free interest rate	-0,52%	-0,38%	-0,25%	0,10%

The expected volatility is calculated as 12 months' historical volatility based on average prices. If the option holders have not exercised their share options within the specified period, the share options will lapse without any compensation to the holders. Exercise of the share options is contingent on the holder being in continuing employment during the above-mentioned periods. If the holder leaves the company before a share option vests, the holder may in some cases have a right to exercise the share option early during a four-week period following Schouw & Co.'s next stock announcement. In the event of early exercise the number of share options will be reduced proportionally.

Notes

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 5 - Fees to auditors appointed by the general meeting		
Audit fees	-2.574	-594
Fees for other services	-756	-734
Total fee	**-3.330**	**-1.328**

Note 6 - Other operation income and costs		
Gains on the disposal of property, plant and equipment and intangible assets	185	449
Other operating income	6.360	932
Total other operating income	**6.545**	**1.381**
Losses on the disposal of property, plant and equipment and intangible assets	-211	0
Other operating costs	-136	-198
Total other operating costs	**-347**	**-198**

Note 7 - Depreciation, amortisation and impairment losses		
Depreciation is recognised in the income statement as follows:		
Cost of sales	-85.418	-32.895
Distribution costs	-17.799	-945
Administrative expenses	-17.175	-5.054
Total depreciation, amortisation and impairment losses	**-120.392**	**-38.894**

Note 8 - Financial income		
Interest income	19	1
Exchange rate adjustments	46.594	5.671
Other financial income	221	0
Total financial income	**46.834**	**5.672**

Note 9 - Financial expenses		
Interest expense	-3.370	-192
Interests to loans from ultimate parent	-20.894	-9.087
Exchange rate adjustments	-34.358	0
Other financial expenses	-983	0
Total financial expenses	**-59.605**	**-9.279**

Notes

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 10 - Tax on the profit for the year		
Tax for the year is composed as follows:		
Tax on the profit for the year	-15.054	-7.937
	-15.054	**-7.937**
Tax on the profit for the year has been calculated as follows:		
Current tax	-24.740	-5.540
Deferred tax	9.686	-2.468
Tax on other comprehensive income	0	71
	-15.054	**-7.937**
Effective tax rate:		
Calculated 22.0% tax of the profit for the year	-13.721	-15.655
Adjustment on deferred tax assets	298	68
Non-deductible costs and non-taxable income	-1.631	7.625
Recognised tax income	**-15.054**	**-7.962**
Effective tax rate	**24,1%**	**11,2%**
Deferred tax asset		
Intangible assets	-45.079	-43.468
Property, plant and equipment	6.085	3.579
Inventories	3.176	-4.337
Receivables	-12.540	-354
Equity	31	498
Provisions	30.648	14.148
Liabilities other than provisions	2.262	1.585
Tax losses carried forward	15.228	19.190
	-189	**-9.159**
Deferred tax not recognised	**0**	**0**
	-189	**-9.159**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	42.652	25.337
Deferred tax (liability)	-42.841	-34.496
Net deferred tax at 31 December	**-189**	**-9.159**

The tax value of tax loss carry forwards that may be carried forward for an unlimited period has been recognised as it has been considered sufficiently probably according to the budgets, and the losses is expected to be utilised within three to five years.

Notes

Note 11 - Intangible assets

tDKK	Goodwill	Other intangible assets	Total
Cost at Jan 1, 2019	168.331	262.145	430.476
Foreign exchange adjustment	5.245	8.095	13.340
Additions - by purchase	0	1.235	1.235
Cost at Dec 31, 2019	**173.576**	**271.475**	**445.051**
Amortisation and impairment at Jan 1, 2019	0	1.733	1.733
Foreign exchange adjustment	0	473	473
Impairment	0	146	146
Amortisation	0	21.046	21.046
Amortisation and impairment at Dec 31, 2019	**0**	**23.398**	**23.398**
Carrying amount at Dec 31, 2019	**173.576**	**248.077**	**421.653**
Amortised over (years)		5-20	
Cost at Jan 1, 2018	9.752	9.451	19.203
Foreign exchange adjustment	2.535	4.040	6.575
Additions on company acquisitions	156.044	248.654	404.698
Cost at Dec 31, 2018	**168.331**	**262.145**	**430.476**
Amortisation and impairment at Jan 1, 2018	0	788	788
Amortisation	0	945	945
Amortisation and impairment at Dec 31, 2018	**0**	**1.733**	**1.733**
Carrying amount at Dec 31, 2018	**168.331**	**260.412**	**428.743**
Amortised over (years)		5-20	

Notes

Note 12 - Property, plant and equipment

tDKK	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under con-struction	Total
Cost at Jan 1, 2019	199.780	391.621	53.273	41.208	685.882
Foreign exchange adjustment	20.369	24.219	3.060	5.595	53.243
Additions	29.040	45.050	8.090	4.898	87.078
Disposals	0	-1.420	-570	0	-1.990
Transferred/reclassified	3.239	573	0	-3.812	0
Cost at Dec 31, 2019	**252.428**	**460.043**	**63.853**	**47.889**	**824.213**
Depreciation at Jan 1, 2019	29.837	150.666	35.574	106	216.183
Foreign exchange adjustment	3.037	11.976	2.191	0	17.204
Impairment	0	0	173	0	173
Depreciation	8.490	51.002	7.169	0	66.661
Depreciation of disposed assets	0	-1.241	-222	0	-1.463
Transferred/reclassified	-344	344	0	0	0
Depreciation at Dec 31, 2019	**41.020**	**212.747**	**44.885**	**106**	**298.758**
Carrying amount at Dec 31, 2019	**211.408**	**247.296**	**18.968**	**47.783**	**525.455**
Depreciated over (years)	10-50	5-10	3-7		
Cost at Jan 1, 2018	168.517	251.568	42.156	5.907	468.148
Foreign exchange adjustment	8.596	9.168	1.245	265	19.274
Additions	369	26.887	4.392	82.152	113.800
Additions on company acquisitions	15.370	76.207	5.511	0	97.088
Disposals	0	-11.995	-131	-302	-12.428
Transferred/reclassified	6.928	39.786	100	-46.814	0
Cost at Dec 31, 2018	**199.780**	**391.621**	**53.273**	**41.208**	**685.882**
Depreciation at Jan 1, 2018	22.113	130.775	30.227	101	183.216
Foreign exchange adjustment	1.041	4.646	782	5	6.474
Depreciation	6.349	26.999	4.602	0	37.950
Depreciation of disposed assets	0	-11.420	-37	0	-11.457
Transferred/reclassified	334	-334	0	0	0
Depreciation at December 31, 2018	**29.837**	**150.666**	**35.574**	**106**	**216.183**
Carrying amount at Dec 31, 2018	**169.943**	**240.955**	**17.699**	**41.102**	**469.699**
Depreciated over (years)	10-50	5-10	3-7		

Notes

Note 13 - Lease assets

tDKK	Property	Cars	Other assets	Total
Cost at Jan 1, 2019	0	0	0	0
Transferred from property, plant and equipment	0	0	0	0
Effect at transition to IFRS 16	129.049	5.081	1.893	136.023
Cost at Jan 1, 2019 according to IFRS 16	**129.049**	**5.081**	**1.893**	**136.023**
Foreign exchange adjustment	2.425	7	4	2.436
Additions	17.028	1.694	39	18.761
Additions on company acquisitions	0	0	0	0
Disposals	0	-411	0	-411
Disposals on company divestment	0	0	0	0
Re-measure / modification of lease assets	0	0	0	0
Cost at Dec 31, 2019	**148.502**	**6.371**	**1.936**	**156.809**
Amortisation and impairment at Jan 1, 2019	0	0	0	0
Foreign exchange adjustment	308	3	2	313
Impairment	0	0	0	0
Amortisation	29.028	2.563	775	32.366
Amortisation and impairment of disposed assets	0	-333	0	-333
Amortisation and impairment at Dec 31, 2019	**29.336**	**2.233**	**777**	**32.346**
Carrying amount at Dec 31, 2019	**119.166**	**4.138**	**1.159**	**124.463**

Lease agreement not recognised in the balance sheet	Service	Small value assets	Short term leases	Total
Due for payment within 1 year	2.512	1.065	73	3.650
Due for payment within >1-5 years	1.468	700		2.168
Due for payment after 5 years	1.198	0		1.198
Total commitments of service / small value / short term leases at Dec 31, 2019	**5.177**	**1.765**	**73**	**7.015**

Recognised in the profit and loss statement in 2019	Service	Small value assets	Short term leases	Total
Expensed in the year	**3.490**	**1.165**	**140**	**4.795**

Notes

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 14 - Inventories		
Raw materials and consumables	512.702	556.834
Work in progress	136.649	171.665
Finished goods and goods for resale	84.146	90.875
Inventories total at the lower of cost and net realisable value	**733.497**	**819.374**
Cost of inventories for which impairment losses have been recognised	203.929	171.209
Accumulated impairment losses on inventories	-82.236	-76.795
Net sales value	**121.693**	**94.414**

During 2019, tDKK 4.725 (2018: tDKK 611) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 15 - Receivables		
Receivables from ultimate parent company	22.563	0
Trade receivables	374.552	385.369
Other receivables	15.830	14.859
Prepayment	8.197	8.570
Receivables in total	**421.142**	**408.798**

Trade receivables can be specified as follows:

		Due between (tDKK)			
2019	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	297.484	74.716	8.191	8.847	389.238
Impairment losses on trade receivables	-2.164	-44	-3.855	-8.623	-14.686
Trade receivables in total	**295.320**	**74.672**	**4.336**	**224**	**374.552**
Expected credit loss rate	0,7%	0,1%	47,1%	97,5%	3,8%

		Due between (tDKK)			
2018	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	307.558	72.023	4.716	4.298	388.595
Impairment losses on trade receivables	0	0	-3	-3.223	-3.226
Trade receivables net	**307.558**	**72.023**	**4.713**	**1.075**	**385.369**
Proportion of the total receivables which is expected to be settled					99,2%
Impairment percentage	0,0%	0,0%	0,1%	75,0%	0,8%

Notes

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 16 - Share capital		
The share capital consist of 2,500 shares of each DKK 20,000	50.000	50.000

The shares have not been divided into classes. In 2018 the has been issued 2,000 new shares with the value of 40,000 tDKK.
The Company has registered the following shareholder to hold 100 % of the voting capital or of the nominal value of the Company:

Aktieselskabet Schouw & Co., Aarhus, Denmark

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 17 - Credit institutions and borrowings		
Non-current borrowings		
Non-current payables to the ultimate parent company	351.076	350.963
Other liabilities	101.048	285
Total credit institutions and borrowings	**452.124**	**351.248**
Current borrowings		
Bank loans	53	0
Lease liabilities	29.528	540
Credit institutions	0	163.669
Payables to the ultimate parent company	531.092	454.901
Total current borrowings	**560.673**	**619.110**
Total borrowings	**1.012.797**	**970.358**
Nominal value	1.012.797	970.358
Maturity of non-current and current borrowings		
Less than one year	560.673	619.110
Between one and five years	445.103	351.248
More than five years	7.021	0
Total maturity of non-current and current borrowings	**1.012.797**	**970.358**

GPV International A/S' borrowings are mainly in DKK, EUR, USD, CHF & THB, and with floating interest rates. The fair value of the floating rate loans approximates the carrying amount.

Notes

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 18 - Other short-term payables		
VAT and duties	10.431	675
Wages and salaries, personal income taxes, social security costs, etc., payable	32.501	26.049
Holiday pay obligation	13.200	21.057
Current provisions	4.423	4.751
Other costs payable	33.205	61.913
Total other short-term payables	**93.760**	**114.445**

Notes

Note 19 - Leases opening balance

tDKK	Property	Cars	assets	Total
Lease liability end of 2018 according to IAS 17:				
Financial leases	0	0	801	801
Operational leases and rent commitments	116.300	5.840	2.569	124.709
Total liability according to IAS 17	**116.300**	**5.840**	**3.370**	**125.510**
Lease assets at jan 1, 2019 (note 13)				
Effect at transition to IFRS 16	129.049	5.081	1.893	136.023
Right of use assets according to IFRS 16 (equals lease liability)	**129.049**	**5.081**	**1.893**	**136.023**
Difference between liability acc. IAS 17/IFRS 16	-12.749	759	1.477	-10.513
The difference is thus explained				
Discounted with another maturity profile (longer)	-12.749	0	0	-12.749
Other	0	759	1.477	2.236
Total difference between liability acc. IAS 17 /IFRS 16	**-12.749**	**759**	**1.477**	**-10.513**

*) Included in liability in IAS 17 - excluded under IFRS 16

Notes

Note 20 - Financial risks

Liquidity risk

GPV Group is largely financed by the parent company Schouw & Co. Schouw & Co. has in 2016 established a credit facility of DKK 1.8 billion plus a accordion of DKK 0,3 billion with a bank consortium consisting of Danish Bank, DNB and Nordea. Additionally, in April 2019, a Schuldschein loan in three tranches with a maturity of 5 to 7 years has been issued. These loans are issued with a total value of EUR 136 million (DKK 1,016 million).

Schouw & Co. has expanded its cooperation with the global bank HSBC (Hong Kong & Shanghai Banking Corporation) in 2019, and has established loans and loan facilities with HSBC totalling DKK 509 million.

The ultimate parent company Schouw & Co. provide adequate funds for GPV Group's continued operations and development.

Interest rate risk

In considerable extent, the interest-bearing assets and liabilities are exposed to interest risk. In the Parent Company all interest-bearing assets and liabilities is financed though the ultimate parent company Schouw & Co A/S and at both fixed and floating rates.

Currency risk

GPV actively monitors and manages interest rate and foreign exchange risks with the purpose of minimizing overall risks. GPV Group does not engage in any speculation in financial instruments.

The primary exposure for GPV is related to unrealised deviations in the valuation of equity of our subsidiaries in especially Thailand (THB), Sri Lanka (CHF) and Switzerland (CHF).

A 5% depreciation of each currency to which the entities in the Group has significant exposure based on the enitites functional currency would have a positive impact on profit (loss) for the year at approximately DKK 5,139 thusand (2018: DKK 19,183 thusand). These numbers are based on the balance sheet amounts in foreign currencies in the entities per December 31.

Notes

Note 20 - Financial risks

The Group's foreign exchange risks recognised in the balance sheet at December 31, 2019

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Net position after hedging
EUR/DKK	0	19.789	-366.317	-346.528	-346.528
USD/DKK	0	18.590	-19.285	-695	-695
NOK/DKK	0	35.099	-680	34.419	34.419
EUR/CHF	22.471	33.861	-12.167	44.165	44.165
EUR/CNY	12.132	0	0	12.132	12.132
USD/CHF	22.691	49.882	-23.248	49.325	49.325
USD/CNY	13.883	0	0	13.883	13.883
DKK/THB	7.113	9.226	-4.566	11.773	11.773
EUR/THB	21.442	46.809	-20.476	47.775	47.775
USD/THB	18.695	62.809	-47.760	33.744	33.744
USD/MXN	5.029	4.048	-9.586	-509	-509
Other	2.730	2.405	-7.401	-2.266	-2.266
	126.186	**282.518**	**-511.487**	**-102.783**	**-102.783**

The group's foreign exchange risks recognised in the balance sheet at December 31, 2018

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Net position after hedging
EUR/DKK	0	16.354	-419.642	-403.288	-403.288
USD/DKK	0	9.603	-48.401	-38.798	-38.798
NOK/DKK	0	23.180	-13.701	9.479	9.479
EUR/CHF	4.924	9.984	-28.761	-13.853	-13.853
LKR/CHF	10.853	105	-25.826	-14.868	-14.868
USD/CHF	2.062	5.893	-3.144	4.811	4.811
DKK/THB	916	20.264	-30.249	-9.069	-9.069
EUR/THB	19.148	50.561	-25.076	44.633	44.633
NOK/THB	0	15.538	-600	14.938	14.938
USD/THB	10.628	68.623	-51.250	28.001	28.001
Other	2.047	3.296	-10.988	-5.645	-5.645
	50.578	**223.401**	**-657.638**	**-383.659**	**-383.659**

For trade receivables and payables as well as other receivables and payables the fair value approximates the carrying amount due to the short term nature of these balances.

Notes

Note 21 - Pensions and other post-employment benefit plans

The Groups danish pension obligations are covered by insurance. For employees in GPV Switzerland SA the company has two defined benefit pension plans (funded). The defined benefit pension plans for Swiss employees require contributions to be made to separately administered funds. The obligation is calculated actuarially at present value at the balance sheet date.

These two plans are governed by the employment laws of Switzerland. The level of benefits provided depends on the member's and the employer's annual contributions and the annuity factor at retirement age. The funds have the legal form of a foundation and they are governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the Euroland pension plan as required by Euroland's employment legislation. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of a combined 40% in equity and property and 60% in debt instruments. Euroland's employment legislation requires the Group to clear any plan deficit (based on a valuation performed in accordance with the regulations in Euroland) over a period of no more than five years after the period in which the deficit arises. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed in accordance with the regulations in Euroland) will arise.

The pension plans are exposed to Switzerland's inflation, interest rate risks and changes in the life expectancy for pensioners. As the plan assets include significant investments in Swiss equities. 20% of our assets are invested in the 75 largest shares in the Swiss Performance Index (SPI), 30% are comprises in foreign sharestor and 30% are invested in real estate portfolio comprises directly held residential properties in Switzerland and commercial properties in Germany.

Participants are insured against the financial consequences of retirement, disability and death. The pension plans guarantee a minimum interest credit and fixed conversion rates at retirement. Contributions are paid by both the employee and the employer. The plans must be fully funded. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, reduction of benefits or a combination of both. The pension plans include a risk-sharing element between GPV Switzerland SA and the plan participants.

The latest actuarial assessments of liabilities and assets have been made by Prevanto AG. The asset valuations are based on their composition and general expectations of economic development. The present value of the scheme's liabilities and the related pension costs relating to the current and previous financial years have been calculated using the Projected Unit Credit Method.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the Group's plans are shown below:

Notes

Note 21 - Pensions and other post-employment benefit plans

	tDKK
Principal assumptions	
Discount rate	0,3%
Mortality table	BVG 2015 GT
Future salary increase	1%
Reconciliation of defined benefit obligation	
Present value of defined benefit obligation at Jan 1, 2019	-337.402
Addition due to business combination	0
Change in consolidation scope	0
Current service cost (employer)	-7.929
Employees' contributions	-5.875
Interest expense on defined benefit obligation	-2.900
Past service cost, curtailments, settlements, plan amendments	0
Benefits paid (incl. benefits paid directly by employer)	26.200
Transfer payments in/out	0
Experience gains (losses) on defined benefit obligation	392
Actuarial gains (losses) arising from change in demographic assumptions	0
Actuarial gains (losses) arising from change in financial assumptions	-25.066
Currency gains (losses)	-11.160
Present value of defined benefit obligation at Dec 31, 2019	**-363.741**
Reconciliation of fair value of plan assets	
Fair value of plan assets at Jan 1, 2019	263.747
Addition due to business combination	0
Change in consolidation scope	0
Interest income on plan assets	2.254
Employees' contributions	5.875
Employer's contributions (expected for following year)	5.882
Curtailments, settlements, plan amendments	0
Benefits paid by fund	-26.200
Transfer payments in/out	0
Administration cost (excluding asset management cost)	-254
Return on plan assets excl. interest income	27.911
Currency gains (losses)	8.724
Fair value of plan assets at Dec 31, 2019	**287.938**
Defined benefit obligations for Swiss employees	75.803
Other defined benefit obligations	15.016
Total	**90.819**

Notes

Note 21 - Pensions and other post-employment benefit plans

	2019 Dec 31 tDKK
Costs are includeded in the following accounts	
Cost of sales	5.277
Distribution costs	1.415
Administrative expenses	1.491
Other operation expenses	0
	8.184
Aggregation of assets	
Cash and cash equivalents	26.461
Debt instruments - Fair value level 1	40.760
Equity instruments - Fair value level 1	125.434
Real estate located in Switzerland - Fair value level 3.	81.843
Other	13.440
	287.938

A quantitative sensitivity analysis for significant assumptions as shown below:

Sensitivities	
Decrease of discount rate -0.5%	
Effect on defined benefit obligation	-28.990
Effect on service cost	-15.206
Increase of discount rate +0.5%	
Effect on defined benefit obligation	22.922
Effect on service cost	-13.048
Decrease of salary increases -0.5%	
Effect on defined benefit obligation	2.570
Effect on service cost	-13.729
Increase of salary increases +0.5%	
Effect on defined benefit obligation	-2.694
Effect on service cost	-14.210

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The expected payments or contributions to the defined benefit plan during the next year amounts to 8.610 tDKK. The average duration of the defined benefit plan obligation at the end of the reporting period is 17.6 years.

Notes

Note 22 - Collaterals and Contingent liabilities

Collaterals

GPV Group is predominately financed by the resources and credit facilities of the parent company Schouw & Co. The financing from the parent company consists of a credit facility established in 2016 with a banking consortium consisting of Danske Bank, DNB and Nordea. The facility has a limit of DKK 2,100 million and currently DKK 1,100 million is drawn down as of 31st of December. Additionally, in April 2019, a Schuldschein loan in three tranches with a maturity of 5 to 7 years has been issued. These loans are issued with a total value of EUR 136 million (DKK 1,016 million).

Schouw & Co. has expanded its cooperation with the global bank HSBC (Hong Kong & Shanghai Banking Corporation) in 2019. Through HSBC, loan facilities have been established in areas where it may be difficult to establish intra-group loans and where foreign subsidiaries have previously used local banks on less attractive terms. Schouw & Co. has established loans and loan facilities with HSBC totalling DKK 509 million, where DKK 306 million were drawn down at 31st of December.

GPV Group is like other larger subsidiaries in Schouw & Co. co-guarantor for the credit facilities and Schuldschein loans of the parent company. In total, GPV Group has provided guarantee for loans and loan facilities of DKK 3,625 million out of which DKK 2,396 million were drawn down at 31st of December.

Contingent liabilities
The Company is jointly taxed with the Danish consolidated companies of the Schouw & Co. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies. Schouw & Co. serves as the administration company in a Danish joint taxation agreement.

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 23 - Changes in working capital		
Change in inventories	101.473	-42.708
Change in receivables	26.454	-14.590
Change in trade payables and other payables	-79.009	-6.823
Changes in working capital in total	**48.918**	**-64.121**

Notes

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 24 - Related parties		
Sales of goods and services to related companies	0	69
Purchase of goods and services from related parties	-5	-69
Management fee to ultimate parent company	-1.700	-1.300
Interest Income to ultimate parent company	19	0
Interest expenses to ultimate parent company	-20.894	-9.086
Receivables from ultimate parent company	22.563	0
Receivables from related companies	0	5
Payables to ultimate parent company	882.168	805.864
Payables to related companies	0	17

GPV International A/S is included in the consolidated financial statements of Aktieselskabet Schouw & Co., Aarhus, Denmark.

GPV International A/S' related parties with controlling influence comprise the company's shareholders, the Supervisory Board, the Managing Board, as well as relatives of these persons. Related parties also comprise companies in which the individuals have significant influence.

GPV Internation A/S trades on normal market conditions with companies in which the same individuals have controlling influence.

Note 25 - Events after the balance sheet

No material events have occured after the end of the financial year.

Note 26 - Standards issued but not yet effective

IASB has on the time of the publication of this annual report released several new accountings standards and other pronouncements that are not applicable to GPV Group in 2019, including additions to IFRS 3 and IAS 1.

GPV Group will disclose these new accountings standards and pronouncements as they become applicable to the group according to EU's dates of application. Our assessment concludes that none of the above accountings standards and pronouncements will affect the recognition and measurement in GPV Group.

Parent financial statements

Income statement

Notes		2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
3	Revenue	541.090	452.054
4,6	Cost of sales	-500.874	-411.930
	Gross profit/loss	**40.216**	**40.124**
5	Other operating income	51.048	49.111
4,6	Distribution costs	-18.132	-16.739
4,6	Administrative expenses	-71.997	-66.002
5	Other operation expenses	-1.736	0
	Operating profit/loss	**-601**	**6.494**
13	Investments in group enterprises	51.779	66.062
7	Financial income	19.313	5.633
8	Financial expenses	-22.682	-12.012
	Profit/loss before tax	**47.809**	**66.177**
9	Tax on profit/loss for the year	-323	-2.956
	Profit/loss for the year	**47.486**	**63.221**
	Attributable to:		
	Shareholders of GPV International A/S	47.486	63.221

Statement of other comprehensive income

Notes			
	Profit/loss for the year	**47.486**	**63.221**
	Other comprehensive income		
20	Exchange differences on translation of foreign operations	65.279	35.999
	Remeasurement of the defined benefit obligation	3.219	0
20	Net (loss) / gain on cash flow hedges	0	-5
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	**68.498**	**35.994**
	Total recognised other comprehensive income	**115.984**	**99.215**
	Attributable to:		
	Shareholders of GPV International A/S	115.984	99.215

Balance sheet

Notes		2019 Dec 31 tDKK	2018 Dec 31 tDKK
	Assets		
	Goodwill	9.752	9.752
	Other intangible assets	6.773	7.718
10	**Intangible assets**	**16.525**	**17.470**
	Land and buildings	3.078	3.004
	Plant and machinery	62.026	68.977
	Other fixtures, tools and equipment	4.540	3.563
	Assets under construction, etc.	339	0
11	**Property, plant and equipment**	**69.982**	**75.544**
	Non-current assets		
13	Investments in group enterprises	1.198.938	1.086.759
12	Leased assets	27.714	0
9	Deferred tax	25.406	25.337
15	Receivables from related parties	143.562	218.456
	Deposits	4.084	3.591
	Other non-current assets	**1.399.705**	**1.334.143**
	Total non-current assets	**1.486.212**	**1.427.157**
	Current assets		
14	Inventories	128.146	131.784
15	Receivables	148.869	125.756
	Income tax	1.854	1.918
	Cash and cash equivalents	36	60
	Total current assets	**278.905**	**259.518**
	Total assets	**1.765.118**	**1.686.675**

Balance sheet

Notes		2019 Dec 31 tDKK	2018 Dec 31 tDKK
	Liabilities and equity		
16	Share capital	50.000	50.000
	Exchange adjustment reserve	3.770	3.770
	Reserve for net revaluation according to the equity method	446.894	326.617
	Retained earnings	395.317	399.610
	Total equity	**895.981**	**779.997**
	Non-current liabilities		
	Other liabilities	25.459	0
17	Payables to ultimate parent company	351.076	350.963
	Total non-current liabilities	**376.535**	**350.963**
	Current liabilities		
17	Current portion of non-current debt	6.495	0
17	Payables to ultimate parent company	396.217	454.564
	Trade payables	66.407	70.623
	Prepayment received from customers	125	267
18	Others payables	23.359	30.261
	Total current liabilities	**492.602**	**555.715**
	Total liabilities	**869.137**	**906.678**
	Total liabilities and equity	**1.765.118**	**1.686.675**

19 Leases opening balance
20 Financial risks
21 Contingent liabilities
22 Changes in working capital
23 Related parties
24 Events after the balance sheet
25 Standards issued but not yet effective

Cash flow statement

Notes		2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
	Profit before tax	47.809	66.177
	Adjustment for operating items of a non-cash nature, etc.	3.283	4.320
6	Depreciation and impairment losses	23.001	13.038
	Other operating items, net	0	-275
	Income from investments in group enterprises after tax	-51.779	-66.062
7	Financial income	-19.313	-5.633
8	Financial expenses	22.682	12.012
	Cash flows from operating activities before changes in working capital	**25.683**	**23.577**
22	Changes in working capital	-23.167	-50.538
	Cash flows from operating activities	**2.516**	**-26.961**
	Interest income received	5.969	5.633
	Interest expenses paid	-21.323	-9.153
	Cash flows from ordinary activities	**-12.838**	**-30.481**
	Income tax paid	-328	-367
	Cash flows from operating activities	**-13.166**	**-30.848**
	Investing activities:		
11	Purchase of property, plant and equipment	-11.011	-34.185
	Sale of property, plant and equipment	1.311	0
13	Acquisition of enterprises	0	-668.203
	Additions/disposals of other financial assets	7.605	0
	Cash flows from investing activities	**-2.095**	**-702.388**
	Financing activities:		
	Repayment of non-current liabilities	-2.556	0
	Increase (repayment) of interest bearing debt to group enterprises	77.907	-107.447
	Shareholders:		
	Change in payables to ultimate parent company	-60.114	440.698
	Capital reduction/increase	0	400.000
	Cash flows from financing activities	**15.237**	**733.251**
	Cash flows for the year	-24	15
	Cash and cash equivalents at the beginning of the year	60	45
	Cash and cash equivalents at the end of the year	**36**	**60**
	Cash and cash equivalents at year-end are composed of:		
	Cash	36	60
	Cash and cash equivalents at the end of the year	**36**	**60**

Parent Company

Equity statement

	Share capital	Reserve for net revaluation according to the equity method	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2019	**50.000**	**326.617**	**3.770**	**399.610**	**0**	**779.997**
Other comprehensive income in 2019						
Exchange rate adjustment of foreign subsidiaries	0	65.279	0	0	0	65.279
Value adjustment of hedging instruments recognised during the year	0	0	0	0	0	0
Remeasurement of the defined benefit obligation		3.219	0	0	0	3.219
Profit for the year	0	51.779	0	-4.293	0	47.486
Total recognised comprehensive income	**0**	**120.277**	**0**	**-4.293**	**0**	**115.984**
Transactions with the owners						
Capital increase	0	0	0	0	0	0
Dividend distributed	0	0	0	0	0	0
Addition/disposal of minority interests	0	0	0	0	0	0
Transactions with the owners for the period	**0**	**0**	**0**	**0**	**0**	**0**
Equity at Dec 31, 2019	**50.000**	**446.894**	**3.770**	**395.317**	**0**	**895.981**

Equity statement

	Share capital	Reserve for net revaluation according to the equity method	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2018	**10.000**	**231.715**	**-3.384**	**42.451**	**0**	**280.782**
Other comprehensive income in 2018						
Exchange rate adjustment of foreign subsidiaries	0	28.845	7.154	0	0	35.999
Value adjustment of hedging instruments recognised during the year	0	-5	0	0	0	-5
Profit for the year	0	66.062	0	-2.841	0	63.221
Total recognised comprehensive income	**0**	**94.902**	**7.154**	**-2.841**	**0**	**99.215**
Transactions with the owners						
Capital increase	40.000	0	0	360.000	0	400.000
Dividend distributed	0	0	0	0	0	0
Addition/disposal of minority interests	0	0	0	0	0	0
Transactions with the owners for the period	**40.000**	**0**	**0**	**360.000**	**0**	**400.000**
Equity at Dec 31, 2018	**50.000**	**326.617**	**3.770**	**399.610**	**0**	**779.997**

Notes to the parent financial statements

Notes to the parent financial statements

1. Accounting policies

For general information about the Parent Company, GPV International A/S including description of its principal activities, reference is made to note 1 in the consolidated financial statements.

Basis of preparation

The separate financial statements of the Parent Company have been included in the Annual Report as required by the Danish Financial Statements Act.

The separate financial statements of the Parent Company for 2019 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements.

The financial statements of the Parent Company are presented in Danish Kroner (DKK) and all values are rounded to the nearest thousand (tDKK) except when otherwise indicated.

The separate financial statements have been prepared on a historical cost basis.

Financial statements of the Parent Company

The accounting policies of the Parent Company are consistent with those applied in the consolidated financial statements (refer to note 1 in the consolidated financial statements) with the following exceptions:

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of GPV International A/S are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see consolidated financial statements above.

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

2. Significant accounting estimates and judgements

In connection with the preparation of the parent company financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

Management assesses that, in respect of the financial reporting for the Parent Company, no accounting estimates or judgements are made when applying the Parent Company's accounting policies which are significant to the financial reporting apart from those disclosed in note 2 to the consolidated financial statements.

Notes

Note 3 - Revenue from contracts with customers

Disaggregated revenue information
Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 31 December 2019			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	208.211	245.922	86.957	541.090
Total revenue from contracts with customers	**208.211**	**245.922**	**86.957**	**541.090**

	For the year ended 31 December 2018			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	168.044	238.774	45.237	452.054
Total revenue from contracts with customers	**168.044**	**238.774**	**45.237**	**452.054**

Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days.

Performance obligations
Information about the Group's performance obligations are summarised below:

Sale of goods:

The performance obligation is satisfied upon delivery and payment is generally due within 30 to 75 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Notes

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 4 - Costs		
Cost of sales:		
Cost of goods sold	-505.607	-413.111
Inventory impairments	-2.388	1.181
Reversed inventory impairments	345	0
Total cost of sales	**-507.650**	**-411.930**
Staff costs:		
Wages and salaries	-103.984	-98.021
Remuneration to the Board of Directors	-685	-125
Defined contribution pension plans	-7.276	-6.867
Other social security costs	-1.532	-2.082
Share-based payment	-2.353	-1.819
Total staff costs	**-115.830**	**-108.914**
Staff costs are recognised as follows:		
Production	-60.330	-60.955
Distribution	-9.260	-9.184
Administration	-46.240	-38.775
Staff costs recognised in the income statement	**-115.830**	**-108.914**
Average number of employees	**225**	**243**

Determination of remuneration to the Board of Directors and the Executive Board

Reference is made to note 4 in the consolidated financial statements.

Share-based payments

Reference is made to note 4 in the consolidated financial statemens.

Notes

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 5 - Other operation income and costs		
Gains on the disposal of property, plant and equipment and intangible assets	0	275
Charged to group enterprises	51.048	48.836
Charges from group enterprises	-1.609	0
Other losses	-127	0
Total other operating income	**49.312**	**49.111**

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 6 - Depreciation, amortisation and impairment losses		
Depreciation is recognised in the income statement as follows:		
Cost of sales	-19.101	-10.583
Distribution costs	-1.120	-945
Administrative expenses	-2.780	-1.510
Total depreciation, amortisation and impairment losses	**-23.001**	**-13.038**

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 7 - Financial income		
Interest income	0	10
Interests from group loans	5.969	5.623
Exchange rate adjustments	13.344	0
Total financial income	**19.313**	**5.633**

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 8 - Financial expenses		
Interest expense	-883	0
Interests from group loans	-20.471	-9.086
Exchange rate adjustments	-1.358	-2.859
Other financial expenses	30	-67
Total financial expenses	**-22.682**	**-12.012**

Notes

	2019 1/1 - 31/12 tDKK	2018 1/1 - 31/12 tDKK
Note 9 - Tax on the profit for the year		
Tax for the year is composed as follows:		
Tax on the profit for the year	-323	-2.956
	-323	**-2.956**
Tax on the profit for the year has been calculated as follows:		
Current tax	-392	-104
Deferred tax	69	-2.852
	-323	**-2.956**
Effective tax rate:		
Calculated 22.0% tax of the profit for the year	-10.518	-14.559
Non-deductible costs and non-taxable income	10.195	11.603
Recognised tax income	**-323**	**-2.956**
Effective tax rate	**0,7%**	**4,5%**
Deferred tax asset		
Intangible assets	-1.490	-1.698
Property, plant and equipment	11.491	8.241
Inventories	2.354	1.905
Receivables	405	132
Liabilities other than provisions	721	524
Tax losses carried forward	11.925	16.233
	25.406	**25.337**
Deferred tax not recognised	**0**	**0**
	25.406	**25.337**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	25.406	25.337
Deferred tax (liability)	0	0
Net deferred tax at 31 December	**25.406**	**25.337**

The tax value of tax loss carry forwards that may be carried forward for an unlimited period has been recognised as it has been considered sufficiently probably according to the budgets, and the losses is aspected to be utilised within three to five years.

Notes

Note 10 - Intangible assets

tDKK	Goodwill	Other intangible assets	Total
Cost at Jan 1, 2019	9.752	9.451	19.203
Cost at Dec 31, 2019	**9.752**	**9.451**	**19.203**
Amortisation and impairment at Jan 1, 2019	0	1.733	1.733
Amortisation	0	945	945
Amortisation and impairment at Dec 31, 2019	**0**	**2.678**	**2.678**
Carrying amount at Dec 31, 2019	**9.752**	**6.773**	**16.525**
Amortised over (years)		10	

Cost at Jan 1, 2018	9.752	9.451	19.203
Cost at Dec 31, 2018	**9.752**	**9.451**	**19.203**
Amortisation and impairment at Jan 1, 2018	0	788	788
Amortisation	0	945	945
Amortisation and impairment at Dec 31, 2018	**0**	**1.733**	**1.733**
Carrying amount at Dec 31, 2018	**9.752**	**7.718**	**17.470**

Notes

Note 11 - Property, plant and equipment

tDKK	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under con-struction	Total
Cost at Jan 1, 2019	8.469	137.974	21.610	0	168.053
Additions	584	6.726	2.837	864	11.011
Disposals	0	0	-786	-525	-1.311
Cost at Dec 31, 2019	**9.053**	**144.700**	**23.661**	**339**	**177.753**
Depreciation at Jan 1, 2019	5.465	68.997	18.047	0	92.509
Depreciation	510	13.677	1.074	0	15.261
Depreciation at Dec 31, 2019	**5.975**	**82.674**	**19.121**	**0**	**107.770**
Carrying amount at Dec 31, 2019	**3.078**	**62.026**	**4.540**	**339**	**69.983**
Depreciated over (years)	10-50	5-10	3-7		

tDKK	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under con-struction	Total
Cost at Jan 1, 2018	8.469	104.588	20.252	770	134.079
Additions	0	20.627	1.259	12.299	34.185
Disposals	0	-211	0	0	-211
Transferred/reclassified	0	12.970	99	-13.069	0
Cost at Dec 31, 2018	**8.469**	**137.974**	**21.610**	**0**	**168.053**
Depreciation at Jan 1, 2018	4.977	58.412	17.027	0	80.416
Depreciation	488	10.585	1.020	0	12.093
Depreciation at December 31,2018	**5.465**	**68.997**	**18.047**	**0**	**92.509**
Carrying amount at Dec 31, 2018	**3.004**	**68.977**	**3.563**	**0**	**75.544**
Depreciated over (years)	10-50	5-10	3-7		

Notes

Note 12 - Lease assets

tDKK	Property	Cars	Other assets	Total
Cost at Jan 1, 2019	0	0	0	0
Effect at transition to IFRS 16	27.883	1.730	0	29.613
Cost at Jan 1, 2019 according to IFRS 16	**27.883**	**1.730**	**0**	**29.613**
Additions	4.393	503	0	4.896
Disposals	0	-17	0	-17
Cost at Dec 31, 2019	**32.276**	**2.216**	**0**	**34.492**
Amortisation and impairment at Jan 1, 2019	0	0	0	0
Amortisation	5.877	918	0	6.795
Amortisation and impairment of disposed assets	0	-17	0	-17
Amortisation and impairment at Dec 31,	**5.877**	**901**	**0**	**6.778**
Carrying amount at Dec 31, 2019	**26.399**	**1.315**	**0**	**27.714**

Lease agreement not recognised in the balance sheet	Service	Small value assets	Short term leases	Total
Due for payment within 1 year	233	0	0	233
Due for payment within >1-5 years	511	0		511
Due for payment after 5 years	0	0		0
Total commitments of service / small value / short term leases at Dec 31, 2019	**744**	**0**	**0**	**744**

Recognised in the profit and loss statement in 2019	Service	Small value assets	Short term leases	Total
Expensed in the year	**217**	**0**	**0**	**217**

Notes

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 13 - Investments in group enterprises		
Cost at January 1	760.142	91.939
Additions	0	668.203
Disposals	-13.924	0
Cost at December 31	**746.218**	**760.142**
Adjustments at January 1	326.617	231.715
Foreign exchange adjustments	65.279	28.845
Remeasurement of the defined benefit	3.219	-5
Disposals for the year	5.826	0
Share of the profit/loss for the year	51.779	66.062
Adjustments at December 31	**452.720**	**326.617**
Carrying amount at December 31	**1.198.938**	**1.086.759**

GPV International A/S has in April 2019 performed a solvent liquidation of the danish subsidiary BHE A/S. The 28. December 2018 GPV International A/S acquired all the shares in CCS Group.

Name	Registered Office	Ownership interest 2019	Ownership interest 2018
GPV Asia (Thailand) Co. Ltd.	Thailand, Bangkok	100%	100%
GPV Americas México S.A.P.I de CV	Mexico, Guadalajara	100%	100%
GPV DACH AG	Switzerland, Lachen	100%	100%
GPV DACH (Asia) AG	Switzerland, Lachen	100%	100%
GPV Switzerland SA	Switzerland, Mendrisio	100%	100%
GPV Austria GmbH	Austria, Frankenmarkt	100%	100%
GPV Austria Cable GmbH	Austria, Frankenmarkt	100%	100%
GPV Slovakia s.r.o	Slovakia, Hlohovec-Sulekovo	100%	100%
GPV Asia (Hong Kong) Ltd.	China, Hong Kong	100%	100%
GPV Lanka (Private) Ltd.	Sri Lanka, Kochchikade	100%	100%
GPV Zhongshan Co. Ltd	China, Zhongshan	100%	100%
GPV Germany GmbH	Germany, Hildesheim	100%	100%
GPV Property Solution (private) Limited*)	Sri Lanka, Kochchikade	49%	0%

*) GPV International A/S has the majority in voting rights in GPV Property Solution (private) Limited.

Notes

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 14 - Inventories		
Raw materials and consumables	91.529	98.074
Work in progress	28.327	17.548
Finished goods and goods for resale	8.290	16.162
Inventories total at the lower of cost and net realisable value	**128.146**	**131.784**
Cost of inventories for which impairment losses have been recognised	12.246	10.585
Accumulated impairment losses on inventories	-10.700	-8.657
Net sales value	**1.546**	**1.928**

During 2019, tDKK -2,043 (2018: tDKK 1,183) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

	2019	2018
Note 15 - Receivables		
Receivables from group enterprises, non-current	143.562	218.456
Receivables from ultimate parent company	1.880	0
Receivables from group enterprises, current	28.012	31.307
Trade receivables	111.524	89.309
Other receivables	2.892	1.604
Prepayment	4.561	3.536
Receivables in total	**292.431**	**344.212**

Trade receivables can be specified as follows:

		Due between (tDKK)			
2019	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	86.458	25.873	483	551	113.365
Impairment losses on trade receivables	-1.000	-44	-246	-551	-1.841
Trade receivables in total	**85.458**	**25.829**	**237**	**0**	**111.524**
Expected credit loss rate	1,2%	0,2%	51,0%	100,0%	1,6%

		Due between (tDKK)			
2018	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	72.461	17.160	188	100	89.909
Impairment losses on trade receivables	0	-312	-188	-100	-600
Trade receivables in total	**72.461**	**16.848**	**0**	**0**	**89.309**
Proportion of the total receivables which is expected to be settled					99,3%
Impairment percentage	0,0%	1,8%	100,0%	100,0%	0,7%

Notes

Note 16 - Share capital

Reference is made to note 16 in the consolidated financial statements.

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 17 - Credit institutions and borrowings		
Non-current borrowings		
Payables to ultimate parent company	351.076	350.963
Total credit institutions and borrowings	**351.076**	**350.963**
Current borrowings		
Payables to the ultimate parent company	396.217	454.564
Total current borrowings	**396.217**	**454.564**
Total borrowings	**747.293**	**805.527**
Nominal value	747.293	805.527
Maturity of non-current and current		
Less than one year	396.217	454.564
Between one and five years	351.076	350.963
More than five years	0	0
Total maturity of non-current and current borrowings	**747.293**	**805.527**

GPV International A/S' borrowings are mainly in EUR & DKK. All borrowings are with floating interest rate.

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 18 - Other short-term payables		
VAT and duties	1.022	802
Wages and salaries, personal income taxes, social security costs, etc., payable	8.903	5.327
Holiday pay obligation	6.951	9.510
Other costs payable	6.483	14.622
Total other short-term payables	**23.359**	**30.261**

Notes

Note 19 - Leases opening balance

tDKK	Property	Cars	Other assets	Total
Lease liability end of 2018 according to IAS 17:				
Financial leases	19.751	18	0	19.769
Operational leases and rent commitments	8.132	1.712	0	9.844
Total liability according to IAS 17	**27.883**	**1.730**	**0**	**29.613**
Lease assets at jan 1, 2019 (note 12)				
Effect at transition to IFRS 16	27.883	1.730	0	29.613
Right of use assets according to IFRS 16 (equals lease liability)	**27.883**	**1.730**	**0**	**29.613**
Difference between liability acc. IAS 17/IFRS 16	0	0	0	0
Total difference between liability acc. IAS 17 /IFRS 16	**0**	**0**	**0**	**0**

Notes

Note 20 - Financial risk

Liquidity risk

GPV Group is largely financed by the parent company Schouw & Co. Schouw & Co. has in 2016 established a credit facility of DKK 1.8 billion plus a accordion of DKK 0,3 billion with a bank consortium consisting of Danish Bank, DNB and Nordea. Additionally, in April 2019, a Schuldschein loan in three tranches with a maturity of 5 to 7 years has been issued. These loans are issued with a total value of EUR 136 million (DKK 1,016 million).

Schouw & Co. has expanded its cooperation with the global bank HSBC (Hong Kong & Shanghai Banking Corporation) in 2019, and has established loans and loan facilities with HSBC totalling DKK 509 million.

The ultimate parent company Schouw & Co. provide adequate funds for GPV Group's continued operations and development.

Interest rate risk

In considerable extent, the interest-bearing assets and liabilities are exposed to interest risk. In the parent company all interest-bearing assets and liabilities is financed though the ultimate parent company Schouw & Co. and at both fixed and floating rates.

Currency risk

GPV actively monitors and manages interest rate and foreign exchange risks with the purpose of minimizing overall risks. GPV does not engage in any speculation in financial instruments.

The primary exposure for GPV is related to unrealised deviations in the valuation of equity of our subsidiaries in especially Thailand.

The company's foreign exchange risks recognised in the balance sheet at 31 December, 2019

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Net position after hedging
EUR / DKK	0	19.789	-366.317	-346.528	-346.528
USD /DKK	0	18.590	-19.285	-695	-695
NOK / DKK	0	35.099	-680	34.419	34.419
Other	0	46	-221	-175	-175
	0	**73.524**	**-386.503**	**-312.979**	**-312.979**

Notes

Note 20 - Financial risk

The company's foreign exchange risks recognised in the balance sheet at 31 December, 2018

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Net position after hedging
EUR / DKK	0	14.248	-419.642	-405.394	-405.394
CHF / DKK	0	0	-2.289	-2.289	-2.289
USD /DKK	0	9.603	-48.401	-38.798	-38.798
NOK / DKK	0	23.180	-13.701	9.479	9.479
Other	267	1.136	-189	1.214	1.214
	267	**48.167**	**-484.222**	**-435.788**	**-435.788**

For trade receivables and payables as well as other receivables and payables the fair value approximates the carrying amount due to the short term nature of these balances.

Notes

Note 21 - Collaterals and Contingent liabilities

Reference is made to note 22 in the consolidated financial statement.

	2019 Dec 31 tDKK	2018 Dec 31 tDKK
Note 22 - Changes in working capital		
Change in inventories	1.596	-42.284
Change in receivables	5.484	-28.041
Change in trade payables and other payables	-30.247	20.309
Other changes	0	-522
Changes in working capital in total	**-23.167**	**-50.538**
Note 23 - Related parties		
Sales of goods and services to group enterprises	5.721	7.486
Purchase of goods and service from group enterprises	-119.148	-116.627
Charged to group enterprises	51.048	48.817
Interest expenses to group enterprises	0	0
Interest income from group enterprises	5.965	5.623
Sales of goods and services to related companies	0	69
Purchase of goods and services from related parties	-5	-69
Management fee to ultimate parent company	-1.700	-1.349
Interest income from ultimate parent company	3	0
Interest expenses to ultimate parent company	-20.471	-9.086
Receivables from ultimate parent company	1.880	0
Receivables from related companies	0	0
Receivables from group enterprises	171.574	249.763
Payables to ultimate parent company	747.293	805.527
Payables to related companies	0	17
Payables to group enterprises	19.529	0

Reference is made to note 24 in the consolidated financial statement.

Note 24 - Events after the balance sheet

No material events have occured after the end of the financial year.

Note 25 - Standards issued but not yet effective

Reference is made to note 26 in the consolidated financial statement.