Annual report

2017

GPV International A/S

CVR No. 66945715

Håndværkervej 3 - 5
DK-6880 Tarm

Approved at the Annual General Meeting, 7 March 2018

Conductor

Henrik Tornbjerg

> ***Accomplish More***
> *Electronics Manufacturing Services Worldwide*

GPV

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Entity details

Entity

GPV International A/S
Håndværkervej 3-5
DK-6880 Tarm

Central Business Registration No: 66945715
Registered in: Ringkøbing-Skjern
Financial year: 01.01.2017 - 31.12.2017

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

Board of Directors

Jens Bjerg Sørensen, Chairman
Jørn Ankær Thomsen
Poul Erik Schou-Pedersen
Poul Viggo Bartels Petersen
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 2017

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 2017 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2017.

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.

Tarm, 27. February 2018

Executive Board

Bo Lybæk
Chief Executive Officer

Board of Directors

Jens Bjerg Sørensen
Chairman

Jørn Ankær Thomsen

Poul Erik Schou-Pedersen

Poul Viggo Bartels Petersen

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 financial statements of GPV International A/S for the financial year 1 January – 31 December 2017, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The 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 financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017 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 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 Company 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 the work we have performed, 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 misstatements of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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.

Independent auditor's report

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Esbjerg, 27. February 2018

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

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

Financial highlights

	2017 tDKK	2016* tDKK	2015/16 tDKK	2014/15** tDKK	2013/14** tDKK
Key figures					
Revenue	1,147,519	667,630	853,768	797,863	731,036
Operating profit/loss (EBIT)	78,338	49,721	55,590	54,569	18,375
Net financials	5,643	(5,186)	(4,923)	(39,173)	(629)
Profit/loss for the year	92,884	49,976	50,820	14,031	12,995
Total assets	907,053	675,909	586,079	651,275	486,636
Investments in property, plant and equipment	76,166	37,993	15,118	120,669	83,593
Equity	280,782	205,504	132,551	142,533	42,342
Interest-bearing debt, net	350,504	239,731	279,091	267,479	212,953
Employees in average	1,302	1,074	1,078	1,054	960
Ratios					
EBIT margin (%)	6.8	7.4	6.5	6.8	2.5
Net margin (%)	8.1	7.5	6.0	1.8	1.8
Financial gearing (%)	1.2	1.2	2.1	1.9	5.0
Return on equity (%)	38.2	29.6	36.9	15.2	20.3
Return on invested capital (%)	15.3	15.7	13.9	17.3	12.7
Equity ratio (%)	31.0	30.4	22.6	21.9	8.7

* The financial year 2016 covers a nine months period (1 April – 31 December 2016).
**Note that there has been no restatement to IFRS for the years 2013/14 and 2014/15.

Financial highlights

Financial highlights are defined and calculated as follows.

	Calculation formula	Ratio effect
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

As of 1 April, 2016 GPV got a new owner as the shares in the Parent Company GPV International A/S was acquired by the Danish listed company Aktieselskabet Schouw & Co.

As a result of the new ownership, the financial year for GPV was aligned towards that of Schouw & Co., and now follows the calendar year. Consequently, comparatives for FY 2016 comprises nine months only (1 April to 31 December 2016).

We have during 2017 been working with a range of strategic initiatives with the aim of further strengthening the platform for our core business within Electronic Manufacturing Services (EMS), Mechatronics and High Precision Mechanics.

In March 2017 GPV acquired BHE A/S, a larger Danish EMS, and at the end of FY 2017 we have finalised the integration of the acquired activities into GPV's platform in Denmark and Thailand.

During 2017, we have continued a high level of investments primarily in new capacity to follow the increasing demand from our existing customers as well as from new customers.

GPV's 2017 performance is satisfactory, showing an increase in revenue of 31% and an operating profit (EBIT) as well as profit for the year as expected.

At the end of 2017, 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. This together with the investments in new capacity and technology provides a strong platform for securing competitive business that will establish the future basis for value-adding growth for our customers, for GPV, and for our owners.

Financial developments in the financial year 2017

Total revenue for FY 2017 came to DKK 1.148m (FY 2016 [9 month] DKK 668m). We have seen an increase of 31% on a comparative 12-month period in 2016.

For FY 2017, operating profit (EBIT) amounted to DKK 78.3m (FY 2016 [9 month] DKK 49.7m), which is a satisfactory level. Profit for the year came to DKK 92.9m (FY 2016 [9 month] DKK 50.0m).

As a consequence of the high growth in revenue, we have seen an increase in working capital and a need for significant investments in further capacity during FY 2017. In total cash flow from operating activities amounted to DKK -3.8m (FY 2016 [9 month] DKK 77.2m) and net investments equals DKK 103.5m in new production equipment and the acquisition of BHE A/S (FY 2016 [9 month] DKK 37.2m).

At year-end 2017, total assets amounted to DKK 907m against DKK 676m for the previous year.

At the financial year-end, total equity amounted to DKK 281m (DKK 206m at the financial year-end 2016) after a negative exchange-rate adjustment of DKK 17m.

Events subsequent to the financial year-end

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

Outlook 2018

The development of the recurring business has continued over the past year, and with the focus on investments in new automated production technology and the extended footprint with manufacturing capabilities in Mexico, 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 2018. 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 productions sites, together with test design, testing and logistics.

GPV will in 2018 have a continued focus on capacity and invest in extended capacity when deemed a requirement.

We expect FY 2018 will continue to be characterised by unsecure market conditions in China and Russia, expectations of further positive development in Europe and somehow more positive signs in the US. Against this outlook, GPV expects a stable development in revenue and operating profit (EBIT) as well as a positive cash flow from operating activities for 2018.

Management will closely follow developments in 2018 and take the steps necessary to secure future competitiveness and the required liquid resources.

Employee development and appraisal

It is an essential prerequisite for the continued development of our business that in GPV we are able to attract, retain, develop and motivate employees who have the necessary skills and competencies. 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 2017 we have due to the high growth combined with an increasing pressure in the raw material supply situation seen a lower than normal service level. We expect that our service level will be normalised in 2018.

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 production approvals.

Both in Thailand, Denmark and in Mexico 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 is related to the consumption of energy, raw materials and the derived materials waste.

Our policy is to always 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 being 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‘s Code of Conduct, and in any cases of non-compliance with the Code of Conduct, we will act.

Corporate Social Responsibility (CSR)

GPV strives to continually 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 2017 of the ultimate parent company Schouw & Co., on policies and targets regarding gender representation in management:

http://schouw.dk/om-os/corporate-governance/

Working Environment

In GPV the amount 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 a pay will be paid. Further GPV in Thailand is certified according to SA 8000 on Social Accountability.

GPV ensures that in all phases of the supply chain, production 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 2018 conduct training 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 is primarily financed by the parent company Schouw & Co. In 2016 Schouw & Co. has established a credit facility of DKK 1.8bn with a banking consortium consisting of Danske Bank, DNB and Nordea. The parent company Schouw & Co. provide adequate funds for GPV's continued operations and development.

Similar to other major subsidiaries in Schouw & Co. GPV International A/S is liable as a co-guarantor to the credit facility. At December 31 2017, a total of mDKK 927 was drawn on Schouw & Co.'s credit facility of bDKK 1.8.

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		2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
3	Revenue	1.147.519	667.630
4	Cost of sales	-899.281	-521.938
	Gross profit/loss	**248.238**	**145.692**
6	Other operating income	904	729
4,7	Distribution costs	-43.566	-23.321
4,5,7	Administrative expenses	-124.871	-73.257
4,6	Other operation expenses	-2.367	-122
	Operating profit/loss	**78.338**	**49.721**
8	Financial income	12.501	646
9	Financial expenses	-6.858	-5.832
	Profit/loss before tax	**83.981**	**44.535**
10	Tax on profit/loss for the year	8.903	5.441
	Profit/loss for the year	**92.884**	**49.976**
	Attributable to:		
	Shareholders of GPV International A/S	92.884	49.976

Statement of other comprehensive income

Notes			
	Profit/loss for the year	**92.884**	**49.976**
	Other comprehensive income		
20	Exchange differences on translation of foreign operations	-21.758	21.690
20	Net (loss) / gain on cash flow hedges	4.153	1.287
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	**-17.605**	**22.977**
	Total recognised other comprehensive income	**75.279**	**72.953**

Balance sheet

Notes		2017 Dec 31 tDKK	2016 Dec 31 tDKK
	Assets		
	Non current assets:		
	Goodwill	9.752	0
	Other intangible assets	8.663	0
11	**Intangible assets**	**18.415**	**0**
	Land and buildings	146.404	154.396
	Plant and machinery	120.793	66.703
	Other fixtures, tools and equipment	11.929	9.678
	Assets under construction, etc.	5.806	17.249
12	**Property, plant and equipment**	**284.932**	**248.026**
	Deferred tax	31.566	10.766
	Receivables	3.697	3.560
	Other non-current assets	**35.263**	**14.326**
	Total non-current assets	**338.610**	**262.352**
	Current assets:		
14	Inventories	323.858	189.881
15	Receivables	218.106	172.163
	Income tax	3.718	0
	Cash and cash equivalents	26.479	51.513
	Total current assets	**572.161**	**413.557**
	Total assets	**910.771**	**675.909**

Balance sheet

Notes		2017 Dec 31 tDKK	2016 Dec 31 tDKK
	Liabilities and equity		
	Share capital	10.000	10.000
	Hedge reserve	5	4.307
	Exchange adjustment reserve	-38.546	-25.242
	Retained earnings	309.323	216.439
16	**Total equity**	**280.782**	**205.504**
	Non-current liabilities		
17	Other liabilities	0	3.340
	Non-current liabilities total	**0**	**3.340**
	Current liabilities		
17	Current portion of non-current debt	3.325	37.366
17	Credit institutions	7.927	0
17	Payables to ultimate parent company	365.731	250.538
	Trade payables	184.663	129.200
	Prepayment received from customers	789	989
18	Others payables	60.048	47.841
	Income tax	7.506	1.131
	Current liabilities total	**629.989**	**467.065**
	Total liabilities	**629.989**	**470.405**
	Total liabilities and equity	**910.771**	**675.909**

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Cash flow statement

Notes		2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
	Profit before tax	83.981	44.535
	Adjustment for operating items of a non-cash nature, etc.:		
7	Depreciation and impairment losses	27.295	18.904
6	Other operating items, net	4.041	-193
8	Financial income	-12.501	-646
9	Financial expenses	6.858	5.832
	Cash flows from operating activities before changes in working capital	**109.674**	**68.432**
23	Changes in working capital	-97.125	14.167
	Cash flows from operating activities after changes in working capital	**12.549**	**82.599**
	Interest income received	2	163
	Interest expenses paid	-5.909	-5.355
	Cash flows from ordinary activities	**6.642**	**77.407**
	Income tax paid	-10.425	-239
	Cash flows from operating activities	**-3.783**	**77.168**
	Investing activities:		
12	Purchase of property, plant and equipment	-76.166	-37.993
	Sale of property, plant and equipment	2.697	642
13	Acquisition of enterprises	-30.000	0
	Additions/disposals of other financial assets	0	118
	Cash flows from investing activities	**-103.469**	**-37.233**
	Financing activities:		
	Repayment of non-current liabilities	-40.632	-75.153
	Increase (repayment) of bank overdrafts	7.927	0
	Shareholders:		
	Change in payables to ultimate parent company	115.193	167.265
	Cash flows from financing activities	**82.488**	**92.112**
	Cash flows for the year	-24.764	132.047
	Cash and cash equivalents at the beginning of the year	51.515	-82.224
	Value adjustment of cash and cash equivalents	-272	1.690
	Cash and cash equivalents at the end of the year	**26.479**	**51.513**
	Cash and cash equivalents at year-end are composed of:		
	Cash	26.479	51.513
	Short-term debt to banks	0	0
	Cash and cash equivalents at the end of the year	**26.479**	**51.513**

Equity statement

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2017	**10.000**	**4.307**	**-25.242**	**216.439**	**0**	**205.504**
Other comprehensive income in 2017						
Exchange rate adjustment of foreign subsidiaries	0	-8.455	-13.304	0	0	-21.759
Value adjustment of hedging instruments recognised during the year	0	4.153	0	0	0	4.153
Profit for the year	0	0	0	92.884	0	92.884
Total recognised comprehensive income	**0**	**-4.302**	**-13.304**	**92.884**	**0**	**75.278**
Transactions with the owners						
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, 2017	**10.000**	**5**	**-38.546**	**309.323**	**0**	**280.782**

Equity statement

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Apr 1, 2016	**10.000**	**2.853**	**-46.765**	**166.463**	**0**	**132.551**
Other comprehensive income in 2016						
Exchange rate adjustment of foreign subsidiaries	0	167	21.523	0	0	21.690
Value adjustment of hedging instruments recognised during the year	0	1.287	0	0	0	1.287
Profit for the year	0	0	0	49.976	0	49.976
Total recognised comprehensive income	**0**	**1.454**	**21.523**	**49.976**	**0**	**72.953**
Transactions with the owners						
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, 2016	**10.000**	**4.307**	**-25.242**	**216.439**	**0**	**205.504**

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 15. Information on other related party relationships of the Group is provided in Note 23.

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 2017.

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.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. If part of the consideration is contingent on future events, such consideration is recognised in cost of acquisition at fair value. Subsequent changes in the fair value of contingent consideration are recognised in the income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. A positive excess (goodwill) of the consideration transferred (including any previously held equity interests and any non-controlling interests in the acquired business) over the fair value of the identifiable net assets acquired is recorded as goodwill.

Costs directly attributable to the acquisition are expensed as incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values are adjusted retrospectively, including adjustment to goodwill, until 12 months after the acquisition, and comparative figures are restated.

Goodwill is initially measured at cost. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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.

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.

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.

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 the sale of manufactured goods and goods for resale is recognised in the income statement when the significant risks and rewards of ownership of the goods have passed to the buyer to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received.

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 write-downs.

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 write-downs 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 (10 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

Leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases. Finance leases are treated as described under property, plant and equipment and the related obligation as described under financial liabilities. All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of benefits.

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. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Impairment write-downs on receivables are recognised in the income statement under administrative expenses.

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 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 write-down to net realisable value.

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 Group has tDKK 93,709 (2016: tDKK 106,986) of 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

	2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
Note 3 - Revenue		
Sale of goods	1.147.519	667.630
Total revenue	**1.147.519**	**667.630**
Note 4 - Costs		
Cost of sales:		
Cost of goods sold	-694.537	-400.860
Inventory impairments	-3.971	-1.320
Total cost of sales	**-698.508**	**-402.180**
Staff costs:		
Wages and salaries	-181.738	-100.522
Remuneration to the Board of Directors	-125	-125
Defined contribution pension plans	-6.132	-3.693
Other social security costs	-3.077	-3.218
Share-based payment	-1.069	-366
Total staff costs	**-192.141**	**-107.924**
Staff costs are recognised as follows:		
Production	-91.338	-50.666
Distribution	-14.951	-9.306
Administration	-85.852	-47.952
Staff costs recognised in the income statement	**-192.141**	**-107.924**
Average number of employees	**1.302**	**1.074**

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 4,625 (2016 tDKK 4,625)

Share-based payments

Staff costs include share-based payment of tDKK 690 (2016 tDKK 261)

Share option programme
Schouw & Co. Group has an incentive programme for the Executive Board and senior executives, including directors of subsidiaries. The programme entitles participants to acquire shares in Aktiesselskabet Schouw & Co. at a price based on the market price at the allocation date (2017: DKK 597,00) plus a calculated rate (2017: 3%) from the allocation date to the date of exercise.

Outstanding options	Executive Board	Others	Total	Exercise price in DKK *	Fair value in DKK per option (**)	Total fair value in tDKK (**)	Can be exercised from	Can be exercised to
Allocation in 2016	15.000	6.000	21.000	450,88	69,65	1.463	March 2019	March 2020
Allocation in 2017	20.000	14.000	34.000	671,93	68,45	2.327	March 2020	March 2021
Unexercised options in total per. 31 December, 2017	35.000	20.000	55.000					

(*) On exercise after 4 years (at the latest possible moment).
(**) At the date of allocation

The assumptions for determining the fair value of unexercised share options at the date of allocation as follows:

On the date of allocation	2017 allocation	2016 allocation
Expected volatility	23,27%	31,50%
Expected option life	48 months	48 months
Expected dividend per. share	DKK 10	DKK 8
Risk free interest rate	-0,25%	0,10%

The expected volatility is calculated as 12 months' historical volatility based on average share prices. If the option holders have not exercised their options at the end of the specified period, the options will lapse without any compensation to the holders. The exercise of options is subject to the holders being in continuing employment during the above-mentioned vesting periods. If the option beneficiary resigns before the vesting date, the holder may in certain circumstances have a right to early redemption in a 4-week period following the next interim report from Schouw & Co. In the event of early redemption the number of options will be reduced proportionately.

Notes

	2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
Note 5 - Fees to auditors appointed by the general meeting		
Audit fees, EY	-752	-629
Fees for other services, EY	-314	0
Total fee, EY	**-1.066**	**-629**
Note 6 - Other operation income and costs		
Gains on the disposal of property, plant and equipment and intangible assets	0	193
Other operating income	904	536
Total other operating income	**904**	**729**
Losses on the disposal of property, plant and equipment and intangible assets	-2.345	0
Other operating costs	-22	0
Total other operating costs	**-2.367**	**0**
Note 7 - Depreciation, amortisation and impairment losses		
Depreciation is recognised in the income statement as follows:		
Cost of sales	-22.047	-15.960
Distribution costs	-788	0
Administrative expenses	-4.460	-2.944
Total depreciation, amortisation and impairment losses	**-27.295**	**-18.904**
Note 8 - Financial income		
Interest income	2	40
Exchange rate adjustments	12.499	483
Other financial income	0	123
Total financial income	**12.501**	**646**
Note 9 - Financial expenses		
Interest expense	-1.540	-5.832
Interests to loans from ultimate parent	-5.198	0
Other financial expenses	-120	0
Total financial expenses	**-6.858**	**-5.832**

Notes

	2017 1/1 - 31/12 tDKK	2016 1/4 - 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	8.903	5.441
	8.903	**5.441**
Tax on the profit for the year has been calculated as follows:		
Current tax	2.055	0
Deferred tax	22.293	7.507
Tax on other comprehensive income	-15.445	-2.066
	8.903	**5.441**
Effective tax rate:		
Calculated 22.0% tax of the profit for the year	-18.476	-9.798
Adjustment on deferred tax assets	23.429	5.544
Non-deductible costs and non-taxable income	3.950	9.694
Recognised tax income	**8.903**	**5.440**
Effective tax rate	**10,6%**	**12,2%**
Deferred tax asset		
Intangible assets	-1.906	0
Property, plant and equipment	5.841	4.162
Inventories	4.523	3.879
Receivables	132	132
Liabilities other than provisions	2.360	2.726
Tax losses carried forward	20.616	25.533
	31.566	**36.432**
Deferred tax not recognised	**0**	**-25.666**
	31.566	**10.766**

The Group has a non-recognised deferred tax asset of mDKK 0 in 2017 (2016: mDKK 25.7). 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, 2017	0	0	0
Additions on company acquisitions	9.752	9.451	19.203
Disposals	0	0	0
Cost at Dec 31, 2017	**9.752**	**9.451**	**19.203**
Amortisation and impairment at Jan 1, 2017	0	0	0
Amortisation	0	788	788
Amortisation and impairment of disposed assets	0	0	0
Amortisation and impairment at Dec 31, 2017	**0**	**788**	**788**
Carrying amount at Dec 31, 2017	**9.752**	**8.663**	**18.415**
Cost at Apr 1, 2016	0	0	0
Additions on company acquisitions	0	0	0
Disposals	0	0	0
Cost at Dec 31, 2016	**0**	**0**	**0**
Amortisation and impairment at Apr 1, 2016	0	0	0
Amortisation	0	0	0
Amortisation and impairment of disposed assets	0	0	0
Amortisation and impairment at Dec 31, 2016	**0**	**0**	**0**
Carrying amount at Dec 31, 2016	**0**	**0**	**0**

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, 2017	171.233	212.624	37.751	17.249	438.857
Foreign exchange adjustment	-7.560	-4.337	-668	-783	-13.348
Additions	409	22.736	4.400	48.621	76.166
Additions on company acquisitions	0	973	0	0	973
Disposals	0	-32.073	-1.133	-1.294	-34.500
Transferred/reclassified	4.435	51.645	1.806	-57.886	0
Cost at Dec 31, 2017	**168.517**	**251.568**	**42.156**	**5.907**	**468.148**
Depreciation at Jan 1, 2017	16.837	145.921	28.073	0	190.831
Foreign exchange adjustment	-638	-3.530	-483	-14	-4.665
Depreciation	5.914	16.830	3.648	115	26.507
Depreciation of disposed assets	0	-28.446	-1.011	0	-29.457
Depreciation at Dec 31, 2017	**22.113**	**130.775**	**30.227**	**101**	**183.216**
Carrying amount at Dec 31, 2017	**146.404**	**120.793**	**11.929**	**5.806**	**284.932**
Of which assets held under finance lease	0	0	0	0	0
Interest recognised during period	0	0	0	0	0
Legal obligation at December 31. for the purchase of property, plant and equipment	0	0	0	0	0
Depreciated over (years)	10-50 år	5-10 år	3-7 år		

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 Apr 1, 2016	158.238	192.258	35.265	1.556	387.317
Foreign exchange adjustment	8.965	6.743	895	73	16.676
Additions	4.030	14.726	2.204	17.033	37.993
Additions on company acquisitions	0	0	0	0	0
Disposals	0	-2.402	-727	0	-3.129
Transferred/reclassified	0	1.299	114	-1.413	0
Cost at Dec 31, 2016	**171.233**	**212.624**	**37.751**	**17.249**	**438.857**
Depreciation at Apr 1, 2016	11.993	131.074	25.442	0	168.509
Foreign exchange adjustment	578	5.017	485	0	6.080
Depreciation	4.266	11.837	2.801	0	18.904
Depreciation of disposed assets	0	-2.007	-655	0	-2.662
Depreciation at December 31,2016	**16.837**	**145.921**	**28.073**	**0**	**190.831**
Carrying amount at Dec 31, 2016	**154.396**	**66.703**	**9.678**	**17.249**	**248.026**
Of which assets held under finance lease	0	0	0	0	0
Interest recognised during period	0	0	0	0	0
Legal obligation at December 31. for the purchase of property, plant and equipment	0	0	0	0	0
Depreciated over (years)	10-50 år	5-10 år	3-7 år		

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 13 - Acquisitions of subsidiaries		
Fair values at the dates of acquisition:		
Intangible assets	9.450	0
Property, plant and equipment	973	0
Financial assets	575	0
Inventories	23.144	0
Receivables	14.810	0
Deferred tax	-1.361	0
Trade payables	-12.195	0
Other liabilities	-4.283	0
Net assets acquired	**31.113**	**0**
Goodwill	0	0
Of which goodwill from associated companies	9.753	0
Cost	**40.866**	**0**
Of which cash and cash equivalents	-10.866	0
Cash cost total	**30.000**	**0**

Note 14 - Inventories		
Raw materials and consumables (at lower of cost and net realisable value)	211.601	124.351
Work in progress (at lower of cost and net realisable value)	86.322	38.897
Finished goods and goods for resale (at lower of cost and net realisable value)	25.935	26.633
Inventories total at the lower of cost and net realisable value	**323.858**	**189.881**
Cost of inventories for which impairment losses have been recognised	38.977	29.641
Accumulated impairment losses on inventories	-23.019	-18.757
Net sales value	**15.958**	**10.884**

During 2017, tDKK 3,971 (2016: tDKK 2,161) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 15 - Receivables		
Receivables from related companies	35	77
Trade receivables	211.363	164.538
Other receivables	5.174	5.616
Prepayment	1.534	1.933
Receivables in total	**218.106**	**172.164**

Trade receivables can be specified as follows:

		Due between (tDKK)			
2017	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables not considered to be impaired	146.370	59.759	4.791	0	210.920
Trade receivables individually assessed to be impaired	0	0	0	1.043	1.043
Trade receivables in total	**146.370**	**59.759**	**4.791**	**1.043**	**211.963**
Impairment losses on trade receivables	0	0	0	-600	-600
Trade receivables net	**146.370**	**59.759**	**4.791**	**443**	**211.363**
Proportion of the total receivables which is expected to be settled					99,7%
Impairment percentage	0,0%	0,0%	0,0%	57,5%	0,3%

		Due between (tDKK)			
2016	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables not considered to be impaired	122.086	40.687	0	0	162.773
Trade receivables individually assessed to be impaired	0	0	1.525	840	2.365
Trade receivables in total	**122.086**	**40.687**	**1.525**	**840**	**165.138**
Impairment losses on trade receivables	0	0	-433	-167	-600
Trade receivables net	**122.086**	**40.687**	**1.092**	**673**	**164.538**
Proportion of the total receivables which is expected to be settled					99,6%
Impairment percentage	0,0%	0,0%	28,4%	19,9%	0,4%

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 16 - Share capital		
The share capital consist of 500 shares of each DKK 20,000	10.000	10.000

The shares have not been divided into classes. During the last five years, no changes have been made to the share capital.
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

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 17 - Credit institutions and borrowings		
Non-current borrowings		
Bank loans	0	3.340
Total credit institutions and borrowings	**0**	**3.340**
Current borrowings		
Bank loans	3.325	37.292
Finance lease liabilities	0	74
Credit institutions	7.927	0
Payables to the ultimate parent company	365.731	250.538
Total current borrowings	**376.983**	**287.904**
Total borrowings	**376.983**	**291.244**
Nominal value	376.983	291.244
Maturity of non-current and current borrowings		
Less than one year	376.983	250.538
Between one and five years	0	0
More than five years	0	0
Total maturity of non-current and current borrowings	**376.983**	**250.538**

GPV International A/S' borrowings are mainly in DKK, EUR, USD & THB. All bank loans are with fixed interest rate.

Notes

	2017 (tDKK)	
	Capital gain (loss) recognised in equity	Maximum number of months to expiry
Hedging agreements regarding future transaction recognised in equity		
Currency hedging	5	6
Hedging agreements before tax	**5**	
Tax on hedging agreements	0	
Hedging agreements after tax	**5**	

	2016 (tDKK)	
	Capital gain (loss) recognised in equity	Maximum number of months to expiry
Hedging agreements regarding future transaction recognised in equity		
Currency hedging	4.307	18
Hedging agreements before tax	**4.307**	
Tax on hedging agreements	0	
Hedging agreements after tax	**4.307**	

	2017 Dec 31 tDKK	**2016 Dec 31 tDKK**
Note 18 - Other short-term payables		
VAT and duties	2.747	0
Wages and salaries, personal income taxes, social security costs, etc., payable	10.988	14.120
Holiday pay obligation	10.092	10.801
Other costs payable	36.221	22.920
Total other short-term payables	**60.048**	**47.841**

Notes

Note 19 - Leases

Finance leases

The Group has entered into finance lease contracts of which the main contracts relates to machine and cars.
Finance lease liabilities are payable as follows:

	2017 (tDKK)		
	Fututre minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	0	0	0
Between one and five years	0	0	0
More than five years	0	0	0
Total finance leases	**0**	**0**	**0**

	2016 (tDKK)		
	Fututre minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	75	1	74
Between one and five years	0	0	0
More than five years	0	0	0
Total finance leases	**75**	**1**	**74**

Operating leases

The Group has entered into operating lease contracts of which the main contracts relates to lease of building and cars.
The operating lease costs expensed in the income statement during 2017 and 2016 amount to tDKK 7,831 and tDKK 5,768 respectively.

Total commitments fall due as follows (undiscounted):

	2017 Dec 31 tDKK	**2016 Dec 31 tDKK**
Less than one year	9.035	9.072
Between one and five years	7.853	16.308
More than five years	0	0
Total leases	**16.888**	**25.380**

Total commitments represent the total minimum payments at the balance sheet date, undiscounted.

Notes

Note 20 - Financial risks

Liquidity risk

GPV is largely financed by the parent company Schouw & Co. Schouw & Co. has in 2016 etablished a credit facility of bDKK 1.8 with a bank consortium consisting of Danish Bank, DNB and Nordea. The ultimate parent company Schouw & Co. provide adequate funds for GPV'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 all at 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.

The Group's foreign exchange risks recognised in the balance sheet at December 31, 2017

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	0	13.961	-41.273	-27.312	0	-27.312
USD /DKK	0	12.606	-46.549	-33.943	0	-33.943
NOK / DKK	0	18.924	-12.467	6.457	0	6.457
GBP/DKK	0	22	-1	21	0	21
SEK/DKK	0	0	-55	-55	0	-55
JPY/DKK	0	0	-17	-17	0	-17
CHF/DKK	0	0	-24	-24	0	-24
DKK/THB	1.765	10.205	-31.296	-19.326	0	-19.326
EUR/THB	4.843	69.477	-33.501	40.819	3.289	44.108
GBP/THB	0	0	-487	-487	0	-487
JPY/THB	0	0	-993	-993	0	-993
SEK/THB	0	0	-384	-384	0	-384
NZD/THB	0	1.384	-24	1.360	0	1.360
NOK/THB	0	10.622	-405	10.217	0	10.217
USD/THB	16.016	62.292	-58.346	19.962	0	19.962
USD/MXN	3.082	0	0	3.082	0	3.082
	25.706	**199.493**	**-225.822**	**-623**	**3.289**	**2.666**

Notes

The group's foreign exchange risks recognised in the balance sheet at December 31, 2016

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	0	11.058	-10.035	1.023	0	1.023
USD /DKK	0	18	-11.225	-11.207	0	-11.207
NOK / DKK	0	15.721	-10.126	5.595	0	5.595
DKK/THB	12.621	11.121	-7.327	16.415	0	16.415
EUR/THB	12.531	59.797	-65.217	7.111	44.939	52.050
NZD/THB	0	1.068	-3	1.065	0	1.065
NOK/THB	0	9.663	-536	9.127	0	9.127
USD/THB	17.931	49.048	-42.910	24.069	0	24.069
USD/MXN	2.093	0	-823	1.270	0	1.270
	45.176	**157.494**	**-148.202**	**54.468**	**44.939**	**99.407**

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 - Mortgages and securities

As security for the signed lease agreement on the parent company's leased buildings in Tarm a bank guarantee of tDKK 7,907 has been issued.

The land and building in Bangkok has been assigned and provided as security for the debts to TMB Bank, Bangkok. The carrying amount of mortgaged land and building amounts to tDKK 140,217

Note 22 - Contingent liabilities

GPV International A/S is substantially financed by the parent company Schouw & Co.'s cash resources and credit facilities. In 2016 Schouw & Co. established a credit facility of bDKK 1.8 with a bank consortium consisting of Danish Bank, DNB and Nordea. Similar to other major subsidiaries in Schouw & Co., GPV International A/S is liable as a co-guarantor to the credit facility. At December 31 2017, a total of mDKK 927 was drawn on Schouw & Co.'s credit facility of bDKK 1.8.

The company is jointly taxed with the Danish consolidated companies in 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.

	2017 Dec 31 tDKK	**2016 Dec 31 tDKK**
Note 23 - Changes in working capital		
Change in inventories	-116.472	-1.756
Change in receivables	-68.186	-14.197
Change in trade payables and other payables	87.533	26.421
Other changes	0	3.699
Changes in working capital in total	**-97.125**	**14.167**

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 24 - Related parties		
Sales of goods and services to related companies	407	397
Purchase of goods and services from related parties	-10	-2
Management fee to ultimate parent company	-1.000	-675
Interest expenses to ultimate parent company	-5.196	-2.966
Receivables from related companies	35	77
Payables to ultimate parent company	365.731	250.538
Payables to related companies	3	0

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.

26. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9 and is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group plans to adopt the new standard on the required effective date.

No impact expected.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS and is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard in 2018 when the Group expects to generate revenue.

No impact expected.

IFRS 16 Leases

IFRS 16 Leases was issued in January 2016 and will be effective for annual periods beginning on or after 1 January 2019. The standard will significantly change the accounting treatment of leases that are currently classified as operating leases. IFRS 16 requires that all leases – with few exceptions – are recognised in the balance sheet as lease assets with corresponding lease liabilities. Further, the income statements will be affected as the lease expense for all operating leases under IFRS 16 will be split into depreciations and interest expenses, which under the current IAS 17 are recognised in administrative expenses and distribution costs.

GPV has not yet carried out any detailed analysis of the consequences from implementation of IFRS 16. However, the new standard is expected only to have minor impact, as the Group in 2017 has operating lease agreements with minimum payments amounting to DKK 16,888 thousand, corresponding to 1,9 % of the balance sheet, which under IFRS 16 potentially should be recognised in the balance sheet.

Parent financial statements

Income statement

Notes		2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
3	Revenue	352.494	209.470
4	Cost of sales	-328.964	-185.532
	Gross profit/loss	**23.530**	**23.938**
5	Other operating income	48.008	18.489
4,6	Distribution costs	-15.583	-6.890
4,6	Administrative expenses	-51.942	-37.007
4,5,6	Other operation expenses	0	0
	Operating profit/loss	**4.013**	**-1.470**
12	Investments in group enterprises	66.677	49.718
7	Financial income	4.808	128
8	Financial expenses	-5.283	-5.630
	Profit/loss before tax	**70.215**	**42.746**
9	Tax on profit/loss for the year	22.669	7.230
	Profit/loss for the year	**92.884**	**49.976**
	Attributable to:		
	Shareholders of GPV International A/S	92.884	49.976

Statement of other comprehensive income

Notes			
	Profit/loss for the year	**92.884**	**49.976**
	Other comprehensive income		
20	Exchange differences on translation of foreign operations	-21.758	21.690
20	Net (loss) / gain on cash flow hedges	4.153	1.287
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	**-17.605**	**22.977**
	Total recognised other comprehensive income	**75.279**	**72.953**
	Attributable to:		
	Shareholders of GPV International A/S	75.279	72.953

Balance sheet

Notes		2017 Dec 31 tDKK	2016 Dec 31 tDKK
	Assets		
	Goodwill	9.752	0
	Other intangible assets	8.663	0
10	**Intangible assets**	**18.415**	**0**
	Land and buildings	3.492	3.404
	Plant and machinery	46.176	34.904
	Other fixtures, tools and equipment	3.225	2.279
	Assets under construction, etc.	770	1.295
11	**Property, plant and equipment**	**53.664**	**41.882**
	Non-current assets		
12	Equity investments in group enterprises	323.654	249.137
	Deferred tax	28.189	7.230
	Receivables	98.279	3.129
	Other non-current assets	**450.123**	**259.496**
	Total non-current assets	**522.202**	**301.378**
	Current assets		
14	Inventories	89.500	44.362
15	Receivables	113.574	167.453
	Income tax	1.655	0
	Cash and cash equivalents	44	46
	Total current assets	**204.773**	**211.861**
	Total assets	**726.975**	**513.239**

Balance sheet

Notes		2017 Dec 31 tDKK	2016 Dec 31 tDKK
	Liabilities and equity		
	Share capital	10.000	10.000
	Exchange adjustment reserve	-3.384	0
	Reserve for net revaluation according to the equity method	231.715	179.260
	Retained earnings	42.451	16.244
16	**Total equity**	**280.782**	**205.504**
12	Provisions for investment in group enterprises	0	1.606
	Provisions	**0**	**1.606**
	Current liabilities		
17	Payables to ultimate parent company	364.829	250.538
	Trade payables	50.934	30.666
	Prepayment received from customers	789	988
18	Others payables	29.641	23.937
	Total current liabilities	**446.193**	**306.129**
	Total liabilities	**446.193**	**306.129**
	Total liabilities and equity	**726.975**	**513.239**

19 Leases
20 Financial risks
21 Mortgages and securities
22 Contingent liabilities
23 Changes in working capital
24 Relatedmparties
25 Events after the balance sheet
26 Standards issued but not yet effective

Cash flow statement

Notes		2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
	Profit before tax	70.215	42.746
	Adjustment for operating items of a non-cash nature, etc.	-903	0
6	Depreciation and impairment losses	8.838	4.601
	Other operating items, net	-2.229	-403
	Income from investments in group enterprises after tax	-66.677	-49.718
7	Financial income	-4.808	-128
8	Financial expenses	5.283	5.630
	Cash flows from operating activities before changes in working capital	**9.719**	**2.728**
22	Changes in working capital	-41.038	3.645
	Cash flows from operating activities	**-31.319**	**6.373**
	Interest income received	3.973	128
	Interest expenses paid	-5.283	-4.568
	Cash flows from ordinary activities	**-32.629**	**1.933**
	Income tax paid	-1.655	0
	Cash flows from operating activities	**-34.284**	**1.933**
	Investing activities:		
11	Purchase of property, plant and equipment	-19.832	-16.255
	Sale of property, plant and equipment	0	600
13	Acquisition of enterprises	-30.000	0
12	Capital increase	-9.743	0
	Additions/disposals of other financial assets	0	5
	Cash flows from investing activities	**-59.574**	**-15.650**
	Financing activities:		
	Increase (repayment) of bank overdrafts	0	-52.902
	Increase (repayment) of interest bearing debt to group enterprises	-20.434	-7.993
	Shareholders:		
	Change in payables to ultimate parent company	114.291	167.265
	Dividend paid	0	18.489
	Cash flows from financing activities	**93.857**	**124.859**
	Cash flows for the year	-1	111.142
	Cash and cash equivalents at the beginning of the year	46	-111.096
	Cash and cash equivalents at the end of the year	**45**	**46**
	Cash and cash equivalents at year-end are composed of:		
	Cash	44	46
	Short-term debt to banks	0	0
	Cash and cash equivalents at the end of the year	**44**	**46**

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, 2017	**10.000**	**179.260**	**-**	**16.244**	**-**	**205.504**
Other comprehensive income in 2017						
Exchange rate adjustment of foreign subsidiaries	0	-18.375	-3.384	0	0	-21.759
Value adjustment of hedging instruments recognised during the year	0	4.153	0	0	0	4.153
Profit for the year	0	66.677	0	26.207	0	92.884
Total recognised comprehensive income	**0**	**52.455**	**-3.384**	**26.207**	**0**	**75.278**
Transactions with the owners						
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, 2017	**10.000**	**231.715**	**-3.384**	**42.451**	**0**	**280.782**

Equity statement

	Share capital tDKK	Reserve for net revaluation according to the equity method tDKK	Exchange adjustment reserve tDKK	Retained earnings tDKK	Proposed dividend tDKK	Total equity tDKK
Equity at Apr 1, 2016	**10.000**	**282.735**		**-160.184**		**132.551**
Other comprehensive income in 2016						
Exchange rate adjustment of foreign subsidiaries	0	21.690	0	0	0	21.690
Value adjustment of hedging instruments recognised during the year	0	1.287	0	0	0	1.287
Profit for the year	0	49.718	0	258	0	49.976
Total recognised comprehensive income	**0**	**72.695**	**0**	**258**	**0**	**72.953**
Transactions with the owners						
Dividend distributed	0	-176.170	0	176.170	0	0
Addition/disposal of minority interests	0	0	0	0	0	0
Transactions with the owners for the period	**0**	**-176.170**	**0**	**176.170**	**0**	**0**
Equity at Dec 31, 2016	**10.000**	**179.260**	**0**	**16.244**	**0**	**205.504**

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 2017 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements.

The functional currency of the Parent Company is DKK and the financial statements of the Parent Company are presented in tDKK.

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

	2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
Note 3 - Revenue		
Sale of goods	352.494	209.470
Total revenue	**352.494**	**209.470**
Note 4 - Costs		
Cost of sales:		
Cost of goods sold	-325.296	-185.651
Inventory impairments	-3.668	522
Total cost of sales	**-328.964**	**-185.129**
Staff costs:		
Wages and salaries	-89.435	-54.598
Remuneration to the Board of Directors	-125	-125
Defined contribution pension plans	-5.811	-3.676
Other social security costs	-1.361	-1.819
Share-based payment	-1.069	-366
Total staff costs	**-97.801**	**-60.584**
Staff costs are recognised as follows:		
Production	-53.565	-31.536
Distribution	-8.050	-4.685
Administration	-36.186	-24.363
Staff costs recognised in the income statement	**-97.801**	**-60.584**
Average number of employees	**193**	**176**

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

	2017 1/1 - 31/12 tDKK	2016 1/4 - 31/12 tDKK
Note 5 - Other operation income and costs		
Gains on the disposal of property, plant and equipment and intangible assets	2.229	403
Charged to group enterprises	45.779	18.086
Total other operating income	**48.008**	**18.489**

Note 6 - Depreciation, amortisation and impairment losses		
Depreciation is recognised in the income statement as follows:		
Cost of sales	-6.654	-3.836
Distribution costs	-788	0
Administrative expenses	-1.397	-765
Total depreciation, amortisation and impairment losses	**-8.838**	**-4.601**

Note 7 - Financial income		
Interest income	16	128
Interests from group loans	3.957	0
Exchange rate adjustments	835	0
Total financial income	**4.808**	**128**

Note 8 - Financial expenses		
Interest expense	-61	-1.037
Interests from group loans	-5.167	-3.530
Exchange rate adjustments	0	-1.062
Other financial expenses	-56	-1
Total financial expenses	**-5.283**	**-5.630**

Notes

	2017 1/1 - 31/12 tDKK	2016 1/4 - 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	22.669	7.230
	22.669	**7.230**
Tax on the profit for the year has been calculated as follows:		
Deferred tax	22.669	7.230
	22.669	**7.230**
Effective tax rate:		
Calculated 22.0% tax of the profit for the year	-15.447	-9.404
Impairment on deferred tax assets	20.616	0
Non-deductible costs and non-taxable income	17.500	16.634
Recognised tax income	**22.669**	**7.230**
Effective tax rate	**-32,3%**	**-16,9%**
Deferred tax asset		
Intangible assets	-1.906	0
Property, plant and equipment	5.841	4.162
Inventories	2.164	1.396
Receivables	132	132
Liabilities other than provisions	1.342	1.672
Tax losses carried forward	20.616	25.534
	28.189	**32.896**
Deferred tax not recognised	**0**	**-25.666**
	28.189	**7.230**

The Group has a non-recognised deferred tax asset of mDKK 0 in 2017 (2016: mDKK 25.7). 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, 2017	0	0	0
Additions on company acquisitions	9.752	9.451	19.203
Disposals	0	0	0
Cost at Dec 31, 2017	**9.752**	**9.451**	**19.203**
Amortisation and impairment at Jan 1, 2017	0	0	0
Amortisation	0	788	788
Amortisation and impairment of disposed assets	0	0	0
Amortisation and impairment at Dec 31, 2017	**0**	**788**	**788**
Carrying amount at Dec 31, 2017	**9.752**	**8.663**	**18.415**
Cost at Apr 1, 2016	0	0	0
Additions on company acquisitions	0	0	0
Disposals	0	0	0
Cost at Dec 31, 2016	**0**	**0**	**0**
Amortisation and impairment at Apr 1, 2016	0	0	0
Amortisation	0	0	0
Amortisation and impairment of disposed assets	0	0	0
Amortisation and impairment at Dec 31, 2016	**0**	**0**	**0**
Carrying amount at Dec 31, 2016	**0**	**0**	**0**

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, 2017	7.892	86.662	18.398	1.295	114.247
Additions	141	14.426	1.763	3.502	19.832
Disposals	0	0	0	0	0
Transferred/reclassified	436	3.500	91	-4.026	0
Cost at Dec 31, 2017	**8.469**	**104.588**	**20.252**	**770**	**134.079**
Depreciation at Jan 1, 2017	4.488	51.758	16.119	0	72.365
Depreciation	489	6.654	908	0	8.050
Depreciation of disposed assets	0	0	0	0	0
Depreciation at Dec 31, 2017	**4.977**	**58.412**	**17.027**	**0**	**80.415**
Carrying amount at Dec 31, 2017	**3.492**	**46.176**	**3.225**	**770**	**53.664**
Of which assets held under finance lease	0	0	0	0	0
Interest recognised during period	0	0	0	0	0
Legal obligation at December 31. for the purchase of property, plant and equipment	0	0	0	0	0
Depreciated over (years)	10-50 år	5-10 år	3-7 år		

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 Apr 1, 2016	5.090	77.086	17.657	291	100.124
Additions	2.802	11.252	906	1.295	16.255
Disposals	0	-1.967	-165	0	-2.132
Transferred/reclassified	0	291	0	-291	0
Cost at Dec 31, 2016	**7.892**	**86.662**	**18.398**	**1.295**	**114.247**
Depreciation at Apr 1, 2016	4.344	49.691	15.663	0	69.698
Depreciation	144	3.836	621	0	4.601
Deprecitaion of disposed assets	0	-1.769	-165	0	-1.934
Depreciation at Dec 31, 2016	**4.488**	**51.758**	**16.119**	**0**	**72.365**
Carrying amount at Dec 31, 2016	**3.404**	**34.904**	**2.279**	**1.295**	**41.882**
Of which assets held under finance lease	0	0	0	0	0
Interest recognised during period	0	0	0	0	0
Legal obligation at December 31. for the purchase of property, plant and equipment	0	0	0	0	0
Depreciated over (years)	10-50 år	5-10 år	3-7 år		

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 12 - Equity investments in group enterprises		
Cost at January 1	68.272	68.271
Additions	13.924	0
Capital increase	9.743	0
Additions on acquisitions	0	1
Cost at December 31	**91.939**	**68.272**
Adjustments at January 1	180.865	282.735
Foreign exchange adjustments	-18.374	21.689
Adjustments on equity	4.153	1.287
Dividend	0	-176.170
Provision for investment in group enterprises	-1.606	1.606
Share of the profit/loss for the year	66.677	49.718
Adjustments at December 31	**231.715**	**180.865**
Carrying amount at December 31	**323.654**	**249.137**

GPV International A/S has acquired all the shares in BHE A/S with acquisition date on 28. February 2017.
GPV International A/S has added tDKK 9,743 as capital in wholly owned subsidiary, GPV Americas México S.A.P.I de CV.

Name	**Registered Office**	**Ownership interest 2017**	**Ownership interest 2016**
GPV Asia (Thailand) Co. Ltd.	Thailand, Bangkok	100%	100%
GPV Americas México S.A.P.I de CV	Guadalajara	100%	100%
BHE A/S	Denmark, Horsens	100%	0%

Note 13 - Acquisitions of subsidiaries
Reference is made to note 13 in the consolidated financial statements.

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 14 - Inventories		
Raw materials and consumables (at lower of cost and net realisable value)	61.636	24.344
Work in progress (at lower of cost and net realisable value)	18.072	9.681
Finished goods and goods for resale (at lower of cost and net realisable value)	9.792	10.337
Inventories total at the lower of cost and net realisable value	**89.500**	**44.362**
Cost of inventories for which impairment losses have been recognised	24.240	7.511
Accumulated impairment losses on inventories	-9.838	-6.347
Net sales value	**14.402**	**1.164**

During 2017, tDKK 3,971 (2016: tDKK 2,161) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 15 - Receivables		
Receivables from group enterprises	47.166	121.882
Receivables from related companies	35	77
Trade receivables	65.301	43.142
Other receivables	67	1.383
Prepayment	1.005	969
Receivables in total	**113.574**	**167.453**

Trade receivables can be specified as follows:

		Due between (tDKK)			
2017	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables not considered to be	40.522	21.597	2.758	0	64.877
Trade receivables individually assessed to be impaired	0	0	0	1.060	1.060
Trade receivables in total	**40.522**	**21.597**	**2.758**	**1.060**	**65.937**
Impairment losses on trade receivables	0	0	0	-600	-600
Trade receivables net	**40.522**	**21.597**	**2.758**	**460**	**65.337**
Proportion of the total receivables which is expected to be settled					99,1%
Impairment percentage	0,0%	0,0%	0,0%	56,6%	0,9%

		Due between (tDKK)			
2016	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables not considered to be	30.852	11.674	377	0	42.903
Trade receivables individually assessed to be impaired	0	0	0	916	916
Trade receivables in total	**30.852**	**11.674**	**377**	**916**	**43.819**
Impairment losses on trade receivables	0	0	0	-600	-600
Trade receivables net	**30.852**	**11.674**	**377**	**316**	**43.219**
Proportion of the total receivables which is expected to be settled					98,6%
Impairment percentage	0,0%	0,0%	0,0%	65,5%	1,4%

Note 16 - Share capital

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

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 17 - Credit institutions and borrowings		
Current borrowings		
Payables to the ultimate parent company	364.829	250.538
Total current borrowings	**364.829**	**250.538**
Total borrowings	**364.829**	**250.538**
Nominal value	364.829	250.538
Maturity of non-current and current borrowings		
Less than one year	364.829	250.538
Between one and five years	0	0
More than five years	0	0
Total maturity of non-current and current borrowings	**364.829**	**250.538**

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

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 18 - Other short-term payables		
VAT and duties	3.849	0
Wages and salaries, personal income taxes, social security costs, etc., payable	9.873	6.180
Holiday pay obligation	8.201	8.495
Other costs payable	7.718	9.261
Total other short-term payables	**29.641**	**23.936**

Notes

Note 19 - Leases

Operating leases

The Group has entered into operating lease contracts of which the main contracts relates to lease of building and cars.
The operating lease costs expensed in the income statement during 2017 and 2016 amount to tDKK 6,125 and tDKK 4,607 respectively.

Total commitments fall due as follows (undiscounted):

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Less than one year	6.102	5.825
Between one and five years	4.771	7.924
More than five years	0	0
Total leases	**10.873**	**13.749**

Total commitments represent the total minimum payments at the balance sheet date, undiscounted.

Notes

Note 20 - Financial risks

Liquidity risk

GPV is largely financed by the parent company Schouw & Co. Schouw & Co. has in 2016 etablished a credit facility of bDKK 1.8 with a bank consortium consisting of Danish Bank, DNB and Nordea. The ultimate parent company Schouw & Co. provide adequate funds for GPV'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 all at 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 Group's foreign exchange risks recognised in the balance

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	40.575	13.961	-40.696	13.840	0	13.840
USD /DKK	0	12.606	-46.350	-33.744	0	-33.744
NOK / DKK	0	18.924	-12.467	6.457	0	6.457
THB / DKK	95.150	0	0	95.150	0	95.150
	135.725	**45.491**	**-99.513**	**81.703**	**0**	**81.703**

The group's foreign exchange risks recognised in the balance

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	0	11.058	-10.035	1.023	0	1.023
USD /DKK	0	18	-11.225	-11.207	0	-11.207
NOK / DKK	0	15.721	-10.126	5.595	0	5.595
	0	**26.797**	**-31.386**	**-4.589**	**0**	**-4.589**

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 - Mortgages and securities

As security for the signed lease agreement on the parent company's leased buildings in Tarm a bank guarantee of tDKK 7,907 has been issued.

GPV International A/S has issued a letter of support of mDKK 17.9 without any time limit to its group enterprise GPV Asia (Thailand) Co. Ltd. to cover its debts to Siam Commercial Banks. The net deposit in Siam Commercial Bank amounts to mDKK 6.1 at December 31 2017.

Note 22 - Contingent liabilities

GPV International A/S is substantially financed by the parent company Schouw & Co.'s cash resources and credit facilities. In 2016 Schouw & Co. established a credit facility of bDKK 1.8 with a bank consortium consisting of Danish Bank, DNB and Nordea. Similar to other major subsidiaries in Schouw & Co. GPV International A/S is liable as a co-guarantor to the credit facility. At December 31 2017, a total of mDKK 927 was drawn on Schouw & Co.'s credit facility of bDKK 1.8.

The company is jointly taxed with the Danish consolidated companies in 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.

	2017 Dec 31 tDKK	**2016 Dec 31 tDKK**
Note 23 - Changes in working capital		
Change in inventories	-45.138	3.181
Change in receivables	-20.838	-2.854
Change in trade payables and other payables	25.972	4.380
Other changes	-1.034	-1.062
Changes in working capital in total	**-41.038**	**3.645**

Notes

	2017 Dec 31 tDKK	2016 Dec 31 tDKK
Note 24 - Related parties		
Sales of goods and services to group enterprises	7.853	3.841
Purchase of goods and service from group enterprises	-115.926	-46.348
Charged to group enterprises	46.508	17.603
Interest expenses to group enterprises	-63	-564
Interest income from group enterprises	3.957	0
Sales of goods and services to related companies	407	397
Purchase of goods and services from related parties	-10	-2
Management fee to ultimate parent company	-1.000	-675
Interest expenses to ultimate parent company	-5.196	-2.966
Receivables from related companies	35	77
Receivables from group enterprises	47.166	121.882
Payables to ultimate parent company	364.829	250.538
Payables to related companies	3	0

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

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

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