Annual report

2021

GPV International A/S CVR No. 66945715 Lysholt Allé 11 DK-7100 Vejle	Approved at the Annual General Meeting, 2 March 2022 Conductor Henrik Tornbjerg

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

GPV

Table of contents

Entity details

Entity

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

Central Business Registration No: 66945715
Registered in: Vejle
Financial year: 01.01.2021 - 31.12.2021

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

Board of Directors

Jens Bjerg Sørensen, Chairman
Jørn Ankær Thomsen
Poul Erik Schou-Pedersen
Lars Aagaard Nielsen
Bjarne Skaarup Jepsen, Employee director
Kirsten Cecilie Kristensen, Employee director

Executive Board

Bo Lybæk, Chief Executive Officer

Entity auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31
Esbjerg Brygge 28, 2.
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 2021.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2021 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2021.

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

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

Vejle, 22 February 2022

Executive Board

Bo Lybæk
Chief Executive Officer

Board of Directors

Jens Bjerg Sørensen Chairman	Jørn Ankær Thomsen	Poul Erik Schou-Pedersen
Lars Aagaard Nielsen	Bjarne Skaarup Jepsen Employee director	Kirsten Cecilie Kristensen Employee director

Independent auditor's reports

To the shareholders of GPV International A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of GPV International A/S for the financial year 1 January - 31 December 2021, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Esbjerg, 22 February 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Lindholm Jacobsen State Authorised Public Accountant MNE-no. 23328	Palle H. Jensen State Authorised Public Accountant MNE-no. 32115

Financial highlights

Key figures	2021 tDKK	2020 tDKK	2019 tDKK	2018 tDKK	2017 tDKK
Revenue	3,190,517	2,886,803	2,855,514	1,218,303	1,147,519
Operating profit before depreciation and amortisation (EBITDA)	342,300	269,808	195,532	113,716	105,633
Operating profit (EBIT)	228,873	147,517	75,141	74,765	78,338
Net financials	(13,926)	(31,408)	(12,771)	(3,607)	5,643
Profit for the year	194,390	98,402	47,316	63,221	92,884
Total assets	3,209,342	2,350,090	2,444,483	2,317,904	910,771
Investments in property, plant and equipment	88,303	41,812	87,078	113,800	76,166
Equity	1,187,820	931,701	895,815	779,997	280,782
Net interest-bearing debt (NIBD)	823,713	614,910	819,053	811,974	350,504
Employees in average	3,905	3,611	3,621	1,453	1,302
Ratios					
EBITDA margin (%)	10.7	9.3	6.8	9.3	9.2
EBIT margin (%)	7.2	5.1	2.6	6.1	6.8
Net margin (%)	6.1	3.4	1.7	5.2	8.1
NIBD/EBITDA ratio	2.4	2.3	4.2	7.1	3.3
Return on equity (%)	18.3	10.8	5.6	11.9	38.2
Return on invested capital (%)	14.4	10.5	6.0	7.1	15.3
Equity ratio (%)	37.0	39.6	36.7	33.7	31.0

Financial highlights

Financial highlights are defined and calculated as follows.

	Calculation formula	Ratio effect
EBITDA margin (%)	$\frac{\text{(EBITDA) x 100}}{\text{Revenue}}$	The Entity's profitability before depreciation and amortisation.
EBIT margin (%)	$\frac{\text{(EBIT) x 100}}{\text{Revenue}}$	The Entity's profitability
Net margin (%)	$\frac{\text{Profit/(loss) for the year x 100}}{\text{Revenue}}$	The Entity's operating profitability
NIBD/EBITDA ratio	$\frac{\text{Net interest bearing debt}}{\text{EBITDA}}$	The Entity's 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 invested 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

2021 was a year highly influenced by the worldwide material supply shortage situation leading to significant increases in material prices, lead-times on components and other raw materials as well as on electronic components. Together with difficulties in logistics and the continuation of the COVID-19 pandemic this has led to a challenging business landscape.

At the same time GPV have seen an increasing demand from a broad range of customers, and the whole organisation have worked dedicated during 2021 to service customers in the best possible way in this very difficult landscape.

GPV's 2021 performance is despite the situation satisfactory showing an increase in net sales of 11%, and operating profit before depreciation and amortisation (EBITDA) with an increase of 27%. Cash flow from operating activities is influenced by a proactive decision in close corporation with our customers to invest in additional inventories to support deliveries best possible, and that have led to a significant increase in net working capital and a negative cash flow from operating activities at DKK -126 million.

During 2021, we have continued the work with optimization of our performance and to ensure a continued fit of our footprint to our strategy, "Winning our Future". We have during first half of 2021 closed our manufacturing activities in China, and we have instead focused our Chinese activities further on a stronger procurement organization. With this step we aim to secure an even stronger platform for serving the increasing demand from our existing customers as well as from new customers.

In 2021 we have continued working with a range of strategic initiatives with the aim of further strengthening the platform for our core business. During the year we have finalized the first implementation of a new global MES (Manufacturing Execution System) to make sure GPV also in the future will be a relevant partner for our customers and we have prepared for a full rollout. We have continued the work with automation and streamlining administrative procedures also using automation tools.

GPV has a strong market position in Northern Europe, Central Europe and Americas with well-balanced customer portfolio, and with service offerings within high-mix/low-medium volume EMS, product design & engineering, box build, high precision mechanics and cable harness.

At the end of 2021, GPV stands as a healthy, well-developed business with a sound base of competent employees and with an appropriate production footprint in Asia, Europe and the Americas – a strong platform as the future basis for value-adding growth for our valued customers, for GPV, and for our owners.

Financial developments in the financial year 2021

Total net sales for FY 2021 came to DKK 3,191 million (FY 2020 DKK 2,887 million). Despite the present situation with material shortage and logistic issues we have seen an increase in net sales of 11% from 2020.

For FY 2021, operating profit before depreciation and amortisation (EBITDA) amounted to DKK 342 million (FY 2020 DKK 270 million), which is at a satisfactory level.

Operating profit (EBIT) amounted to DKK 229 million (FY 2020 DKK 148 million), which is satisfactory level. Profit for the year came to DKK 194 million (FY 2020 DKK 98 million).

The total cash flow from operating activities for FY 2021 amounted to DKK -126 million (FY 2020 DKK 252 million). Investments in production related equipment and facilities in total for FY 2021 equals DKK 93 million (FY 2020 DKK 48 million).

At year-end 2021, total assets amounted to DKK 3,209 million against DKK 2,350 million for the previous year.

At the financial year-end, total equity amounted to DKK 1.188 million (DKK 932 million at the financial year-end 2020) including a positive exchange-rate adjustment in the year of DKK 29 million and a positive adjustment from defined benefit obligations of DKK 41 million.

COVID-19 pandemic

During 2021 only a limited number of GPV employees have been infected with COVID-19, which has enabled us to maintain a high level of activity and service during the pandemic.

Since mid-March 2020 we have had a task force in place handling high frequency information to customers, internal communication and operational adaptions to COVID-19 hygiene and distance requirements.

As many other global companies, GPV was, and still is, impacted by the COVID-19 pandemic. A few of GPV's sites have in 2021 in shorter periods been lacking employees however it has only had minor impact on the available capacity. In some sites we have utilized the local possibilities for temporary adjustments of the workforce to adapt to variations in demand from our customers.

For shorter periods part of our white-collar employees worked from home, but it has not impacted our operation or the service to our customers. At the end of 2021, we have most of our employees back in the offices, and are working with full capacity. Health and safety of our employees continue to be our first priority.

The unusual corona pandemic situation has also in 2021 moved our business model in a more digital direction with a large portion of communication conducted on digital platforms – customer meetings, internal governance and digitalization of processes like NPI (New Product Implementation), customer audits and compliance audits.

Events subsequent to the financial year-end

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

Outlook 2022

GPV will in 2022 continue the development of the recurring business and continue to deliver high quality products to all our customers. With the focus on investments in new automated production technology and with the current footprint with manufacturing in Denmark, Switzerland, Austria, Germany, Slovakia, Thailand, Sri Lanka and Mexico, together with our global sales and procurement organisation, GPV have a strong position in our core markets.

To further strengthen our footprint, we have in 2021 initiated the expansion of our manufacturing facilities in Sri Lanka with a new and larger electronics site, and in Thailand with a new and larger mechanics site as step one, followed by expansion of the electronics site. The expansions are planned to be finalized beginning of 2023.

Our service offerings towards our customers cover design & engineering, electronics and mechanics manufacturing, cable harness assembly, box-build, mechatronics products together with strong logistic solutions and total life cycle management approach. With this strong platform both geographical and service offering 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 2022. The customers will focus further on their core competencies and reduce their investments in capital equipment and inventories, and at the same time via GPV gain access to flexibility and an outsourcing partner that can handle manufacturability studies, complex production and transfer of production sites, together with product development, test design, testing and logistics.

GPV will in 2022 have a continued focus on capacity and invest in extended capacity when deemed a requirement.

FY 2022 is expected to be characterised by the worldwide material supply shortage situation and the difficulties with logistics. The present COVID-19 pandemic is expected to have a limited influence for our manufacturing sites and for our customers, but some continued governmental restrictions will probably influence on the possibilities for traveling also in 2022. Against this outlook, GPV expects to be able to cope with the challenges and expect a stable development in net sales in the range of DKK 3.2 - 3.4 billion. Operating profit before depreciation and amortisation (EBITDA) is expected in the range of DKK 300 - 340 million, and with a positive cash flow from operating activities for 2022.

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

Employee development and appraisal

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

Our focus on Service Excellence and environmental management

We have uncompromising focus on timely delivery of faultless, secure and functional products and services that fulfil expectations and requirements from our customers. The competence and commitment of all employees are a prerequisite for achieving this. In 2021 we have further tightened our measures, and together with the present challenging material supply situation this have given a temporary decrease in delivery performance in especially the second half of the year. We expect that our delivery performance will raise to a normal high level as the material shortage situation will improve. During 2021 we have continued delivered a very high quality level.

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

Quality management

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

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

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

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

Environmental management

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

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

Corporate Responsibility

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

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

Corporate Social Responsibility (CSR)

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

https://schouw.dk/media/1889/esg-report-2021-eng.pdf

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

Please refer to the statement in the annual report for 2021 of the ultimate parent company Schouw & Co., on policies and targets regarding gender representation in management:

https://schouw.dk/media/1895/schouw-co-annual-report-2021-eng-vf.pdf

Working Environment

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

GPV ensures that all phases of the supply chain are 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 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:

https://www.gpv-group.com/media/1340/gpv-group-statement-on-conflict-minerals.pdf

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 Supplier Code of Conduct which governs ethical, social and environmental responsibilities. GPV will continue to conduct supplier audits in business ethics.

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

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

GPV has no material outstanding environmental issues

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

Data ethics

For GPV's statutory description of data ethics, in accordance with §99d in the Financials Statements act, please refer to the overall Data Ethics Policy published by Schouw & Co. at

https://schouw.dk/media/1889/esg-report-2021-eng.pdf

Liquidity risk / capital resources

GPV Group is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities.

The parent company's source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of DKK 3,275 million. The facility is for a three-year period with the possibility of a one-year extension after year one and two. In connection with the refinancing of the banking facility, the previous banking consortium, consisting of Danske Bank, DNB and Nordea, was expanded with the international bank Hong Kong & Shanghai Banking Corporation (HSBC). The first extension option was utilized in December 2021.

In addition, in April 2019, Schouw & Co. issued a Schuldschein issue totaling EUR 136 million, (DKK 1,011 million) with expiration in 2024 (80%) and 2026 (20%), and in December 2021, a facility was established for a total of DKK 400 million with Nordic Investment Bank. The facility is for a seven-year periode and issued for specific capacity- and development investments in Denmark.

GPV Group, like other major subsidiaries in the Schouw & Co. Group, co-guarantees the aforementioned facilities totaling DKK 4.686 million, where of DKK 1,994 million is utilized. In addition a number of other smaller facilities totaling DKK 136 million established with the Schouw & Co. Group's global banker HSBC, where of DKK 92.1 million is utilized.

Debtor risk

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

Debtor creditworthiness is carefully 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 regarding the existing and new customer portfolios is being reviewed on a current basis.

Consolidated financial statements

Income statement

Notes		2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
3	Revenue	3.190.517	2.886.803
4,7	Cost of sales	-2.643.122	-2.463.283
	Gross profit	**547.395**	**423.520**
6	Other operating income	3.167	6.335
4,7	Distribution costs	-127.919	-111.330
4,5,7	Administrative expenses	-191.746	-169.328
6	Other operating expenses	-2.024	-1.680
	Operating profit	**228.873**	**147.517**
8	Financial income	19.471	38.969
9	Financial expenses	-33.397	-70.377
	Profit before tax	**214.947**	**116.109**
10	Tax on profit for the year	-20.557	-17.707
	Profit for the year	**194.390**	**98.402**
	Attributable to:		
	Minority interests	25	35
	Shareholders of GPV International A/S	194.365	98.367
		194.390	**98.402**

Statement of other comprehensive income

Notes			
	Profit for the year	**194.390**	**98.402**
	Other comprehensive income		
	Exchange differences on translation of foreign operations	28.506	-47.584
	Remeasurement of the defined benefit obligation	40.984	-14.879
	Value adjustment of hedging instruments recognised during the year	-2.761	0
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	**66.729**	**-62.463**
	Total recognised other comprehensive income	**261.119**	**35.939**

Balance sheet

Notes		2021 Dec 31 tDKK	2020 Dec 31 tDKK
	Assets		
	Non current assets		
	Goodwill	181.370	173.986
	Development projects in progress	10.570	5.884
	Other intangible assets	225.975	232.599
11	**Intangible assets**	**417.915**	**412.469**
	Land and buildings	173.290	184.557
	Plant and machinery	224.093	210.615
	Other fixtures, tools and equipment	12.774	13.126
	Assets under construction	60.896	55.818
12	**Property, plant and equipment**	**471.053**	**464.116**
13	Lease assets	76.475	98.097
10	Deferred tax	47.861	48.157
	Receivables	8.326	6.756
	Other non-current assets	**132.662**	**153.010**
	Total non-current assets	**1.021.630**	**1.029.595**
	Current assets		
14	Inventories	1.376.206	675.520
15	Receivables	672.228	508.667
	Income tax	6.048	3.235
	Cash and cash equivalents	133.230	133.073
	Total current assets	**2.187.712**	**1.320.495**
	Total assets	**3.209.342**	**2.350.090**

Balance sheet

Notes		2021 Dec 31 tDKK	2020 Dec 31 tDKK
	Liabilities and equity		
	Equity		
16	Share capital	50.000	50.000
	Hedge reserve	-2.774	0
	Exchange adjustment reserve	43.671	15.148
	Retained earnings	997.086	861.737
	Proposed dividend	100.000	5.000
	Share of equity attributable to the parent company	**1.187.983**	**931.885**
	Minority interests	-163	-184
	Total equity	**1.187.820**	**931.701**
	Non-current liabilities		
17	Other liabilities	53.997	81.813
10	Deferred tax	43.057	39.847
20	Pension liabilities	61.853	106.282
17	Debt to ultimate parent company	349.511	349.722
17	Debt to credit institutions	58.418	0
	Provisions	18.202	16.633
	Non-current liabilities total	**585.038**	**594.297**
	Current liabilities		
17	Current portion of non-current debt	45.489	30.806
17	Debt to ultimate parent company	529.511	367.701
	Trade payables	558.525	247.844
	Prepayment received from customers	110.957	13.821
18	Other short-term payables	175.886	143.730
	Income tax	16.116	20.190
	Current liabilities total	**1.436.484**	**824.092**
	Total liabilities	**2.021.522**	**1.418.389**
	Total liabilities and equity	**3.209.342**	**2.350.090**

19 Financial risks
21 Contingent liabilities
22 Changes in working capital
23 Related parties
24 Events after the balance sheet

Cash flow statement

Notes		2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
	Profit before tax	214.947	116.109
	Adjustment for operating items of a non-cash nature, etc.	-22.460	18.114
7	Depreciation and impairment losses	113.427	122.291
6	Other operating items, net	65.660	-12.136
8	Financial income	-19.471	-38.969
9	Financial expenses	33.397	70.377
	Cash flows from operating activities before changes in working capital	**385.500**	**275.786**
22	Cash flow changes in net working capital	-456.071	25.194
	Cash flows from operating activities after changes in working capital	**-70.571**	**300.980**
	Interest income received	615	768
	Interest expenses paid	-21.421	-24.145
	Cash flows from ordinary activities	**-91.377**	**277.603**
	Income tax paid	-34.459	-25.239
	Cash flows from operating activities	**-125.836**	**252.364**
	Investing activities:		
	Purchase of intangible assets	-4.704	-6.475
12	Purchase of property, plant and equipment	-79.047	-28.131
	Sale of property, plant and equipment	10.716	2.656
	Addition/disposal of other financial assets	-1.401	-885
	Cash flows from investing activities	**-74.436**	**-32.835**
	Financing activities:		
	Repayment of non-current liabilities	-33.662	-33.846
	Increase (repayment) of bank overdrafts	-6	-28
	Proceeds from incurring non current financial liabilities	71.556	0
	Shareholders:		
	Change in payables to ultimate parent company	161.468	-213.527
	Dividend paid	-5.000	0
	Cash flows from financing activities	**194.356**	**-247.401**
	Cash flows for the year	-5.916	-27.872
	Cash and cash equivalents at the beginning of the year	133.073	167.571
	Value adjustment of cash and cash equivalents	6.073	-6.626
	Cash and cash equivalents at the end of the year	**133.230**	**133.073**
	Cash and cash equivalents at the end of the year are composed of:		
	Cash	133.230	133.073
	Cash and cash equivalents at the end of the year	**133.230**	**133.073**

Equity statement

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2021	**50.000**	**0**	**15.148**	**861.737**	**5.000**	**931.885**	**-184**	**931.701**
Other comprehensive income in 2021								
Exchange rate adjustment of foreign subsidiaries	0	-13	28.523	0	0	28.510	-4	28.506
Value adjustment of hedging instruments recognised during the y	0	-2.761	0	0	0	-2.761	0	-2.761
Remeasurement of the defined benefit obligation	0	0	0	40.984	0	40.984	0	40.984
Profit for the year	0	0	0	94.365	100.000	194.365	25	194.390
Total recognised comprehensive income	**0**	**-2.774**	**28.523**	**135.349**	**100.000**	**261.098**	**21**	**261.119**
Transactions with the owners								
Capital increase	0	0	0	0	0	0	0	0
Dividend distributed	0	0	0	0	-5.000	-5.000	0	-5.000
Addition/disposal of minority interests	0	0	0	0	0	0	0	0
Transactions with the owners for the period	**0**	**0**	**0**	**0**	**-5.000**	**-5.000**	**0**	**-5.000**
Equity at Dec 31, 2021	**50.000**	**-2.774**	**43.671**	**997.086**	**100.000**	**1.187.983**	**-163**	**1.187.820**

Equity statement

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK	tDKK
Equity at Jan 1, 2020	**50.000**	**0**	**62.732**	**783.249**	**0**	**895.981**	**-166**	**895.815**
Other comprehensive income in 2020								
Exchange rate adjustment of foreign subsidiaries	0	0	-47.584	0	0	-47.584	-53	-47.637
Remeasurement of the defined benefit obligation	0	0	0	-14.879	0	-14.879	0	-14.879
Profit for the year	0	0	0	93.367	5.000	98.367	35	98.402
Total recognised comprehensive income	**0**	**0**	**-47.584**	**78.488**	**5.000**	**35.904**	**-18**	**35.886**
Transactions with the owners								
Capital increase	0	0	0	0	0	0	0	0
Dividend distributed	0	0	0	0	0	0	0	0
Addition/disposal of minority interests	0	0	0	0	0	0	0	0
Transactions with the owners for the period	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Equity at Dec 31, 2020	**50.000**	**0**	**15.148**	**861.737**	**5.000**	**931.885**	**-184**	**931.701**

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, high precision mechanics and cable harness. Information on the Group's ultimate parent is presented in note 16. Information on other related party relationships of the Group is provided in note 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 additional 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 2021.

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

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

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

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

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

New and amended standards and interpretations

GPV has implemented all new standards, changes to standards and implementations in the year but none of these are relevant for GPV.

Foreign currency translation

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

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

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

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

Derivative financial instruments

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

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

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

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

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

Shareholders' Equity

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

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

The reserve cannot be recognised as a negative amount.

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

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

Income statement

Revenue

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

Sale of goods

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

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

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

Variable consideration

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

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

Production costs

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

Distribution costs

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

Administrative expenses

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

Employee benefits

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

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

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

Other operating income and expenses

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

Financial income

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

Financial expenses

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

Income tax and deferred tax

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

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

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

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

Balance sheet

Intangible assets

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

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

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

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

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

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

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

Property, plant and equipment

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

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

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

Buildings	10-25 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.

Lease assets and lease commitments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Inventories

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

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

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

Trade receivables

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

Employee obligations

Pension obligations and similar non-current liabilities

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

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

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

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

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

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

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

Further details are disclosed in note 20.

Income tax payable or receivable

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

Cash

Cash comprises cash in hand and bank deposits.

Financial liabilities

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

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

Other provisions

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

Other liabilities

Other liabilities are measured at net realisable value.

Cash flow statement

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

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

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

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

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

2. Significant accounting judgements, estimates and assumptions

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

Impairment testing

At the yearly impairment test of goodwill, or if indications of impairment, judgements are applied to assess to which extend the CGU, that the goodwill is related to, can generate sufficient positive cash flows in the future to support the carrying amount of goodwill and the other net assets in the respective entities.

Further details on impairment testing of goodwill are disclosed in note 11.

Trade receivables

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

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

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

Inventories

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

Pension obligations

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

Deferred tax assets

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

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

Further details on taxes are disclosed in note 10.

Notes

Note 3 - Revenue from contracts with customers

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

	For the year ended 31 December 2021			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	452.044	2.179.720	558.753	3.190.517
Total revenue from contracts with customers	**452.044**	**2.179.720**	**558.753**	**3.190.517**

	For the year ended 31 December 2020			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	352.220	1.900.425	634.158	2.886.803
Total revenue from contracts with customers	**352.220**	**1.900.425**	**634.158**	**2.886.803**

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

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

Sale of goods:

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

Notes

	2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
Note 4 - Costs		
Cost of sales:		
Cost of goods sold	-1.937.097	-1.823.603
Inventory impairments	-31.663	-34.377
Reversed inventory impairments	21.868	21.276
Total cost of sales	**-1.946.892**	**-1.836.704**
Staff costs:		
Wages and salaries	-535.104	-486.341
Defined contribution pension plans	-10.196	-13.714
Defined benefit pension plans	-18.583	-14.807
Other social security costs	-47.644	-43.656
Share-based payment	-3.532	-2.461
Total staff costs	**-615.059**	**-560.979**
Staff costs are recognised as follows:		
Production	-459.533	-409.686
Distribution	-59.972	-58.062
Administration	-95.554	-93.231
Staff costs recognised in the income statement	**-615.059**	**-560.979**
Average number of employees	**3.905**	**3.611**

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

Staff costs to the Board of Directors and the Executive Board of tDKK 7,344 (2020 tDKK 6,732), includes share-based payment of tDKK 1,495 (2020 tDKK 1,201).

Share-based payments
Executive Management and senior managers in GPV are covered by the parent company Schouw & Co.'s share option program. The program entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at the time for granting (2021: DKK 666,40) plus a premium (2021 allocation: 2%) from the date of grant until the date of exercise. The exercise price is adjusted less ordinary dividends, which, however, cannot exceed the accrued premium.
The costs related to the program are calculated according to "Black & Scholes" and are expensed as staff costs linearly over the period of the option and settled to the parent company.

OUTSTANDING OPTIONS	Executive management	Others	Total	Average exercise price in DKK (1)	Fair value (DKK) per option (2)	Total fair value in DKK (2)	Exercisable from	Exercisable until
Granted in 2017	20.000	14.000	34.000	671,93	68,45	2.327	March 2020	March 2021
Granted in 2018	20.000	18.000	38.000	705,58	58,51	2.223	March 2021	March 2022
Granted in 2019	20.000	20.000	40.000	574,35	71,47	2.859	March 2022	March 2023
Granted in 2020	20.000	32.000	52.000	523,42	44,10	2.293	March 2023	March 2024
Total outstanding options at December 31st 2020	80.000	84.000	164.000					
Granted in 2021	20.000	32.000	52.000	678,19	125,37	6.519	March 2024	March 2025
Lapsed (from 2017 grant)	-20.000	-14.000	-34.000					
Total outstanding options at 31 December 2021	80.000	102.000	182.000					

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

(2) at the date of grant

In 2021 no options are exercised.

Fair value assumptions:

	2021 grants	2020 grants	2019 grants	2018 grants
Expected volatility	31,58%	22,21%	29,23%	21,10%
Expected term	49 mo.	48 mo.	48 mo.	48 mo.
Expected dividend per share	14 DKK	13 DKK	13 DKK	12 DKK
Risk-free interest rate	-0,54%	-0,97%	-0,52%	-0,38%

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

Notes

	2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
Note 5 - Fees to auditors appointed by the general meeting		
Audit fees	-2.322	-2.020
Fees for other services	-251	-525
Total fee	**-2.573**	**-2.545**
Note 6 - Other operating income and expenses		
Gains on the disposal of property, plant and equipment and intangible assets	331	1.818
Other operating income	2.836	4.517
Total other operating income	**3.167**	**6.335**
Losses on the disposal of property, plant and equipment and intangible assets	-917	-1.676
Other operating expenses	-1.107	-4
Total other operating expenses	**-2.024**	**-1.680**
Note 7 - Depreciation, amortisation and impairment losses		
Depreciation is recognised in the income statement as follows:		
Cost of sales	-87.899	-93.794
Distribution costs	-13.501	-13.716
Administrative expenses	-12.027	-14.781
Total depreciation, amortisation and impairment losses	**-113.427**	**-122.291**
Note 8 - Financial income		
Interest income	0	38
Exchange rate adjustments	18.856	38.163
Other financial income	615	768
Total financial income	**19.471**	**38.969**
Note 9 - Financial expenses		
Interest expense	-2.707	-3.040
Interests on loans from ultimate parent	-17.417	-20.818
Exchange rate adjustments	-11.975	-46.232
Other financial expenses	-1.298	-287
Total financial expenses	**-33.397**	**-70.377**

Notes

	2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
Note 10 - Tax on the profit for the year		
Tax for the year is composed as follows:		
Tax on the profit for the year	-20.557	-17.707
Tax on other comprehensive income	-8.812	2.528
Tax on the profit for the year has been calculated as follows:		
Current tax	-24.498	-24.233
Deferred tax	7.024	6.526
Adjustment of prior-year tax charge	-3.083	0
	-20.557	**-17.707**
Effective tax rate:		
Calculated 22.0% tax of the profit for the year	-47.288	-25.589
Adjustment of calculated tax in foreign subsidiaries relative to 22%	23.087	0
Adjustment on deferred tax assets	6.650	4.071
Non-deductible costs and non-taxable income	162	817
Adjustment of prior-year tax charge	-3.168	2.994
Recognised tax income	**-20.557**	**-17.707**
Effective tax rate	**9,6%**	**15,3%**
Deferred tax asset		
Intangible assets	-37.942	-39.056
Property, plant and equipment	15.922	11.917
Inventories	3.388	3.933
Receivables	-7.294	-11.199
Equity	-6.608	2.500
Provisions	4.213	30.647
Liabilities including provisions	28.305	-3.959
Tax losses carried forward	4.820	13.527
	4.804	**8.310**
Deferred tax not recognised	**40.758**	**48.291**
	45.562	**56.601**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	47.861	48.157
Deferred tax (liability)	-43.057	-39.847
Net deferred tax at 31 December	**4.804**	**8.310**

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	Development projects in progress	Other intangible assets	Total
Cost at Jan 1, 2021	173.986	5.884	272.648	452.518
Foreign exchange adjustment	7.384	-1	11.467	18.850
Additions - by purchase	0	4.687	437	5.124
Disposals	0	0	-137	-137
Cost at Dec 31, 2021	**181.370**	**10.570**	**284.415**	**476.355**
Amortisation and impairment at Jan 1, 2021	0	0	40.049	40.049
Foreign exchange adjustment	0	0	2.162	2.162
Amortisation	0	0	16.333	16.333
Amortisation and impairment of disposed assets	0	0	-104	-104
Amortisation and impairment at Dec 31, 2021	**0**	**0**	**58.440**	**58.440**
Carrying amount at Dec 31, 2021	**181.370**	**10.570**	**225.975**	**417.915**
Amortised over (years)			5-20	
Cost at Jan 1, 2020	173.576	0	271.475	445.051
Foreign exchange adjustment	410	-3	585	992
Additions - by purchase	0	5.887	588	6.475
Cost at Dec 31, 2020	**173.986**	**5.884**	**272.648**	**452.518**
Amortisation and impairment at Jan 1, 2020	0	0	23.398	23.398
Foreign exchange adjustment	0	0	-126	-126
Amortisation	0	0	16.777	16.777
Amortisation and impairment at Dec 31, 2020	**0**	**0**	**40.049**	**40.049**
Carrying amount at Dec 31, 2020	**173.986**	**0**	**232.599**	**412.469**
Amortised over (years)			5-20	

Notes

11. Intangible assets

Goodwill

The Management of GPV Group has tested the value in use of the carrying amount against goodwill in the group companies. In the tests performed, the Management has estimated the expected free cash flow for a five-year budget - and forecast period of the years 2022-2026. The free cash flow after tax has been applied to a discounted cash flow model (the “value in use” principle) for the purpose of assessing each company’s value which subsequently is compared against the carrying amount recognised in the GPV Group consolidated financial statements. As of 31 December 2021, GPV Group has recognised goodwill at a total value of DKKm 181 (2020: DKKm 174) where DKKm 10 are allocated to BHE and DKKm 171 are allocated to GPV DACH Group.

The required rate of return is based on a WACC consisting of a 10-year unit bond plus a premium reflecting the industry/geography specific risks, illiquidity premium and capital structure. The rate of growth used to extrapolate company cash flow is in the terminal period was fixed at 1,5%, a rate not expected to exceed the long-term inflation rate.

Goodwill is ascribed to purchase of the BHE company in 2017 and the GPV DACH Group in 2018. BHE is fully integrated in to the GPV Group, and is impairment tested based on the GPV group CGU.

The estimates are based on a bottom-up-forecasts, the expected sales from our biggest customers and new revenue. The WACC after tax used is 8,0 for GPV Group and 7,8% for GPV DACH Group. The sensitivity analysis for EBIT margin allows a decrease of 1-4pp and for the WACC the analysis allows an increase of 1-4pp. The Management deems therefore that no impairment is need on the goodwill for GPV Group or GPV DACH Group.

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, 2021	231.450	459.604	61.856	55.924	808.834
Foreign exchange adjustment	-4.090	-1.303	-136	-750	-6.279
Additions	957	62.814	4.529	20.003	88.303
Disposals	-188	-5.301	-3.695	-9.680	-18.864
Transferred/reclassified	0	3.819	676	-4.495	0
Cost at Dec 31, 2021	**228.129**	**519.633**	**63.230**	**61.002**	**871.994**
Depreciation at Jan 1, 2021	46.893	248.989	48.730	106	344.718
Foreign exchange adjustment	-695	-1.457	-212	0	-2.364
Reversal of impairment	0	-2.246	0	0	-2.246
Depreciation	8.737	54.220	5.577	0	68.534
Depreciation of disposed assets	-96	-3.966	-3.639	0	-7.701
Depreciation at Dec 31, 2021	**54.839**	**295.540**	**50.456**	**106**	**400.941**
Carrying amount at Dec 31, 2021	**173.290**	**224.093**	**12.774**	**60.896**	**471.053**
Depreciated over (years)	10-25	5-10	3-8		
Cost at Jan 1, 2020	252.428	460.043	63.853	47.889	824.213
Foreign exchange adjustment	-21.239	-20.689	-2.996	-4.178	-49.102
Additions	221	25.712	2.204	13.675	41.812
Disposals	0	-6.391	-1.698	0	-8.089
Transferred/reclassified	40	929	493	-1.462	0
Cost at Dec 31, 2020	**231.450**	**459.604**	**61.856**	**55.924**	**808.834**
Depreciation at Jan 1, 2020	41.020	212.747	44.885	106	298.758
Foreign exchange adjustment	-3.346	-11.957	-2.346	0	-17.649
Impairment	0	2.273	522	0	2.795
Depreciation	9.219	52.734	6.418	0	68.371
Depreciation of disposed assets	0	-6.360	-1.197	0	-7.557
Transferred/reclassified	0	-448	448	0	0
Depreciation at Dec 31, 2020	**46.893**	**248.989**	**48.730**	**106**	**344.718**
Carrying amount at Dec 31, 2020	**184.557**	**210.615**	**13.126**	**55.818**	**464.116**
Depreciated over (years)	10-25	5-10	3-8		

Notes

Note 13 - Lease assets

tDKK	Property	Cars	Other assets	Total
Cost at Jan 1, 2021	151.486	7.494	3.278	162.258
Foreign exchange adjustment	2.869	-23	-5	2.841
Additions	7.079	2.917	245	10.241
Disposals	-5.490	-2.009	-519	-8.018
Cost at Dec 31, 2021	**155.944**	**8.379**	**2.999**	**167.322**
Amortisation and impairment at Jan 1, 2021	59.269	3.300	1.592	64.161
Foreign exchange adjustment	1.687	0	26	1.713
Reversal of impairment	-829	0	0	-829
Amortisation	28.999	2.051	584	31.634
Amortisation and impairment of disposed assets	-3.691	-1.622	-519	-5.832
Amortisation and impairment at Dec 31, 2021	**85.435**	**3.729**	**1.683**	**90.847**
Carrying amount at Dec 31, 2021	**70.509**	**4.650**	**1.316**	**76.475**

Lease agreement not recognised in the balance sheet	Service	Small value assets	Short term leases	Total
Due for payment within 1 year	2.856	612	104	3.572
Due for payment within >1-5 years	1.050	1.185	0	2.235
Due for payment after 5 years	0	211	0	211
Total commitments of service / small value / short term leases at Dec 31, 2021	**3.906**	**2.008**	**104**	**6.018**

Recognised in the profit and loss statement in 2021	Service	Small value assets	Short term leases	Total
Expensed in the year	**4.273**	**344**	**281**	**4.898**

There has not been any COVID-19 related rent concessions in 2021

Notes

Note 13 - Lease assets

tDKK	Property	Cars	Other assets	Total
Cost at Jan 1, 2020	148.502	6.371	1.936	156.809
Foreign exchange adjustment	-1.114	-153	-43	-1.310
Additions	6.331	2.892	1.385	10.608
Disposals	-2.233	-1.616	0	-3.849
Cost at Dec 31, 2020	**151.486**	**7.494**	**3.278**	**162.258**
Amortisation and impairment at Jan 1, 2020	29.336	2.233	777	32.346
Foreign exchange adjustment	-598	-58	-9	-665
Impairment	1.897	0	0	1.897
Amortisation	29.204	2.423	824	32.451
Amortisation and impairment of disposed assets	-570	-1.298	0	-1.868
Amortisation and impairment at Dec 31, 2020	**59.269**	**3.300**	**1.592**	**64.161**
Carrying amount at Dec 31, 2020	**92.217**	**4.194**	**1.686**	**98.097**

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 14 - Inventories		
Raw materials and consumables	1.024.050	441.320
Work in progress	269.706	148.626
Finished goods and goods for resale	82.450	85.574
Inventories total at the lower of cost and net realisable value	**1.376.206**	**675.520**
Cost of inventories for which impairment losses have been recognised	242.718	194.753
Accumulated impairment losses on inventories	-102.084	-91.909
Net sales value	**140.634**	**102.844**

During 2021, tDKK 31,663 (2020: tDKK 32,737) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 15 - Receivables		
Receivables from ultimate parent company	74.712	72.398
Trade receivables	547.989	400.207
Other receivables	36.269	26.901
Prepayments	13.258	9.161
Receivables in total	**672.228**	**508.667**

Trade receivables can be specified as follows:

		Due between (tDKK)			
2021	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	466.074	73.534	11.126	5.315	556.049
Impairment losses on trade receivables	0	0	-4.400	-3.660	-8.060
Trade receivables in total	**466.074**	**73.534**	**6.726**	**1.655**	**547.989**
Impairment percentage	0,0%	0,0%	39,5%	68,9%	1,4%

		Due between (tDKK)			
2020	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	317.258	61.736	20.220	6.964	406.178
Impairment losses on trade receivables	0	-239	-470	-5.262	-5.971
Trade receivables net	**317.258**	**61.497**	**19.750**	**1.702**	**400.207**
Impairment percentage	0,0%	0,4%	2,3%	75,6%	1,5%

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 16 - Equity		
The share capital consist of 2,500 shares of each DKK 20,000	50.000	50.000

The shares have not been divided into classes.

Proposed dividends for the year is tDKK 100,000 (2020: tDKK 5,000), equivalent to DKK 40,000 per share. Proposed dividends are showed in a separated column in the equity statement (page 18) until the Annual General Meeting approval.

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

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 17 - Credit institutions and borrowings		
Non-current borrowings		
Non-current debt to the ultimate parent company	349.511	349.722
Credit institutions	58.418	0
Other liabilities	53.997	81.813
Total credit institutions and borrowings	**461.926**	**431.535**
Current borrowings		
Bank loans	13.501	25
Lease liabilities	31.988	30.781
Debt to the ultimate parent company	529.511	367.701
Total current borrowings	**575.000**	**398.507**
Total borrowings	**1.036.926**	**830.042**
Nominal value	1.036.926	830.042
Maturity of non-current and current borrowings		
Less than one year	575.000	398.507
Between one and five years	458.164	426.128
More than five years	3.762	5.407
Total maturity of non-current and current borrowings	**1.036.926**	**830.042**

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

Notes

Note 17 - Credit institutions and borrowings

	2021 (tDKK)	
	Capital gain (loss) recognised in equity	Maximum number of months to expiry
Hedging agreements regarding future transaction recognised in equity		
Currency hedging	-2.761	50
Hedging agreements before tax	**-2.761**	
Tax on hedging agreements	0	
Hedging agreements after tax	**-2.761**	

	2020 (tDKK)	
	Capital gain (loss) recognised in equity	Maximum number of months to expiry
Hedging agreements regarding future transaction recognised in equity		
Currency hedging	0	0
Hedging agreements before tax	**0**	
Tax on hedging agreements	0	
Hedging agreements after tax	**0**	

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 18 - Other short-term payables		
VAT and duties	8.930	18.563
Wages and salaries, personal income taxes, social security costs, etc., payable	53.549	53.373
Holiday pay obligation	13.519	9.742
Current provisions	16.164	4.346
Other costs payable	83.724	57.706
Total other short-term payables	**175.886**	**143.730**

Notes

Note 19 - Financial risks

Liquidity risk

GPV Group is predominately financed by resources of the parent company Schouw & Co.

The parent company's source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of DKK 3,275 million. The facility is for a three-year period with the possibility of a one-year extension after year one and two. In connection with the refinancing of the banking facility, the previous banking consortium, consisting of Danske Bank, DNB and Nordea, was expanded with the international bank Hong Kong & Shanghai Banking Corporation (HSBC). The first extension option was utilized in December 2021.

In addition, in April 2019, Schouw & Co. issued a Schuldschein issue totaling EUR 136 million, (DKK 1,011 million) with expiration in 2024 (80%) and 2026 (20%), and in December 2021, a facility was established for a tota of DKK 400 million with Nordic Investment Bank. The facility is for a seven-year periode and issued for specific capacity- and development investments in Denmark.

Interest rate risk

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

Currency risk

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

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

A 5% depreciation of each currency to which the entities in the Group has significant exposure based on the entities functional currency would have a positive impact on profit (loss) for the year at approximately tDKK 13,151 (2020: tDKK 5,079). These numbers are based on the balance sheet amounts in foreign currencies in the entities per December 31.

Notes

Note 19 - Financial risks

The Group's foreign exchange risks recognised in the balance sheet at December 31, 2021

Currency, tDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR/DKK	0	35.412	-378.638	-343.226	0	-343.226
USD/DKK	0	25.394	-61.689	-36.295	0	-36.295
NOK/DKK	0	50	-281	-231	0	-231
EUR/CHF	11.063	82.858	-51.790	42.131	0	42.131
EUR/CNY	2.397	0	-15	2.382	0	2.382
USD/CHF	7.265	74.225	-66.320	15.170	0	15.170
USD/CNY	27.797	0	-2	27.795	0	27.795
USD/EUR	1	0	-17.458	-17.457	0	-17.457
DKK/THB	1.516	6.215	-8.720	-989	0	-989
EUR/THB	8.373	96.344	-36.206	68.511	2.774	71.285
USD/THB	5.286	127.766	-170.380	-37.328	0	-37.328
USD/MXN	2.121	0	0	2.121	0	2.121
Other	3.713	13.187	-5.286	11.615	0	11.615
	69.532	**461.451**	**-796.785**	**-265.801**	**2.774**	**-263.028**

The group's foreign exchange risks recognised in the balance sheet at December 31, 2020

Currency, tDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR/DKK	1	31.136	-366.565	-335.428	0	-335.428
USD/DKK	0	9.454	-20.137	-10.683	0	-10.683
NOK/DKK	0	0	-375	-375	0	-375
EUR/CHF	24.939	61.454	-39.298	47.095	0	47.095
EUR/CNY	16.595	2.034	-1.647	16.982	0	16.982
USD/CHF	13.961	93.058	-27.885	79.134	0	79.134
USD/CNY	14.037	4.422	-3.768	14.691	0	14.691
USD/EUR	0	125	-7.029	-6.904	0	-6.904
DKK/THB	2.345	5.365	-3.666	4.044	0	4.044
EUR/THB	18.026	50.093	-21.710	46.409	0	46.409
USD/THB	21.496	63.710	-46.945	38.261	0	38.261
USD/MXN	1.220	0	0	1.220	0	1.220
Other	2.518	4.520	-3.063	3.975	0	3.975
	115.138	**325.371**	**-542.088**	**-101.579**	**0**	**-101.579**

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 20 - Pensions and other post-employment benefit plans

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

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

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

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

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

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

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

Notes

Note 20 - Pensions and other post-employment benefit plans

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Principal assumptions		
Discount rate	0,30%	0,15%
Mortality table	BVG 2020 GT	BVG 2015 GT
Future salary increase	1%	1%
Reconciliation of defined benefit obligation		
Present value of defined benefit obligation at Jan 1, 2021	-381.363	-363.741
Current service cost (employer)	-8.731	-8.149
Employees' contributions	-5.586	-5.449
Interest expense on defined benefit obligation	-597	-1.088
Past service cost, curtailments, settlements, plan amendments	0	4.801
Benefits paid (incl. benefits paid directly by employer)	9.883	12.675
Experience gains (losses) on defined benefit obligation	-994	-4.333
Actuarial gains (losses) arising from change in demographic assumptions	18.434	0
Actuarial gains (losses) arising from change in financial assumptions	8.386	-15.168
Currency gains (losses)	-17.146	-911
Present value of defined benefit obligation at Dec 31, 2021	**-377.714**	**-381.363**
Reconciliation of fair value of plan assets		
Fair value of plan assets at Jan 1, 2021	289.630	287.938
Interest income on plan assets	453	861
Employees' contributions	5.586	5.449
Employer's contributions (expected for following year)	5.586	5.456
Benefits paid by fund	-9.883	-12.675
Administration cost (excluding asset management cost)	-209	-241
Return on plan assets excl. interest income	26.281	2.122
Currency gains (losses)	13.022	721
Fair value of plan assets at Dec 31, 2021	**330.466**	**289.631**
Defined benefit obligations for Swiss employees	47.248	91.732
Other defined benefit obligations	14.605	14.550
Total	**61.853**	**106.282**

Notes

Note 20 - Pensions and other post-employment benefit plans

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Costs are includeded in the following accounts		
Cost of sales	5.723	2.257
Distribution costs	1.465	633
Administrative expenses	1.355	695
	8.543	**3.585**
Aggregation of assets		
Cash and cash equivalents	30.680	26.203
Debt instruments - Fair value level 1	49.604	40.945
Equity instruments - Fair value level 1	138.918	126.354
Real estate located in Switzerland - Fair value level 3	95.787	83.419
Other	15.477	12.709
	330.466	**289.630**

A quantitative sensitivity analysis for significant assumptions as shown below:

Sensitivities		
Decrease of discount rate -0.5%		
Effect on defined benefit obligation	-29.044	-30.956
Effect on service cost	-14.986	-15.216
Increase of discount rate +0.5%		
Effect on defined benefit obligation	25.863	29.035
Effect on service cost	-12.733	-12.723
Decrease of salary increases -0.5%		
Effect on defined benefit obligation	2.188	3.417
Effect on service cost	-13.590	-13.667
Increase of salary increases +0.5%		
Effect on defined benefit obligation	-2.282	-1.770
Effect on service cost	-13.986	-14.114

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

The expected payments or contributions to the defined benefit plan during the next year amounts to tDKK 8,436. The average duration of the defined benefit plan obligation at the end of the reporting period is 15.9 years (2020, 17.2 years).

Notes

Note 21 - Collaterals and Contingent liabilities

Collaterals

GPV Group is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities.

The parent company’s source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of DKK 3,275 million. The facility is for a three-year period with the possibility of a one-year extension after year one and two. In connection with the refinancing of the banking facility, the previous banking consortium, consisting of Danske Bank, DNB and Nordea, was expanded with the international bank Hong Kong & Shanghai Banking Corporation (HSBC). The first extension option was utilized in December 2021.

In addition, in April 2019, Schouw & Co. issued a Schuldschein issue totaling EUR 136 million, (DKK 1,011 million) with expiration in 2024 (80%) and 2026 (20%), and in December 2021, a facility was established for a tota of DKK 400 million with Nordic Investment Bank. The facility is for a seven-year periode and issued for specific capacity- and development investments in Denmark.

GPV Group, like other major subsidiaries in the Schouw & Co. Group, co-guarantees the aforementioned facilities totaling DKK 4.686 million, where of DKK 1,994 million is utilized. In addition a number of other smaller facilities totaling DKK 136 million established with the Schouw & Co. Group's global banker HSBC, where of DKK 92.1 million is utilized.

Contingent liabilities

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

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 22 - Cash flow changes in net working capital		
Change in inventories	-697.813	21.630
Change in receivables	-156.496	-44.200
Change in trade payables and other payables	398.238	47.764
Cash flow changes in net working capital in total	**-456.071**	**25.194**

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 23 - Related parties		
Sales of goods and services to related companies	0	0
Purchase of goods and services from related parties	0	-34
Management fee to ultimate parent company	-1.800	-1.750
Interest Income to ultimate parent company	0	38
Interest expenses to ultimate parent company	-17.417	-20.818
Receivables from ultimate parent company	74.712	72.398
Receivables from related companies	0	0
Payables to ultimate parent company	879.022	717.423
Payables to related companies	0	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 International A/S trades on normal market conditions with companies in which the same individuals have controlling influence.

Note 24 - Events after the balance sheet

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

Note 25 - Standards issued but not yet effective

IASB has on the time of the publication of this annual report released several new accountings standards and other pronouncements that are not applicable to GPV Group in 2021:

Amendment to IAS 1, IAS 8, IAS 12, IAS 16, IAS 37, IFRS 3, IFRS 16, IFRS 17 and annual improvement 2018-2020 on IFRS 1, IFRS 9, IAS 41 and IFRS 16

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

Parent financial statements

Income statement

Notes		2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
3	Revenue	462.524	395.181
4,6	Cost of sales	-424.607	-376.925
	Gross profit	**37.917**	**18.256**
5	Other operating income	109.621	72.709
4,6	Distribution costs	-19.560	-16.739
4,6	Administrative expenses	-79.294	-58.438
5	Other operating expenses	-24.578	-10.848
	Operating profit	**24.106**	**4.940**
13	Investments in group enterprises	187.532	111.588
7	Financial income	3.041	4.136
8	Financial expenses	-16.984	-26.414
	Profit before tax	**197.695**	**94.250**
9	Tax on profit for the year	-3.330	4.117
	Profit for the year	**194.365**	**98.367**
	Attributable to:		
	Shareholders of GPV International A/S	194.365	98.367

Statement of other comprehensive income

Notes		2021	2020
	Profit for the year	**194.365**	**98.367**
	Other comprehensive income		
	Exchange differences on translation of foreign operations	28.510	-47.584
	Remeasurement of the defined benefit obligation	40.984	-14.879
	Value adjustment of hedging instruments recognised during the year	-2.761	0
	Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax	**66.733**	**-62.463**
	Total recognised other comprehensive income	**261.098**	**35.904**
	Attributable to:		
	Shareholders of GPV International A/S	261.098	35.904

Balance sheet

Notes		2021 Dec 31 tDKK	2020 Dec 31 tDKK
	Assets		
	Non current assets		
	Goodwill	9.752	9.752
	Development projects in progress	8.557	4.202
	Other intangible assets	4.886	5.831
10	**Intangible assets**	**23.195**	**19.785**
	Land and buildings	2.190	2.658
	Plant and machinery	43.882	50.737
	Other fixtures, tools and equipment	3.523	3.132
	Assets under construction	1.423	285
11	**Property, plant and equipment**	**51.018**	**56.812**
13	Investments in group enterprises	1.299.353	1.248.063
12	Lease assets	16.237	21.704
9	Deferred tax	25.721	28.945
15	Receivables from related parties	77.305	0
	Deposits	5.406	4.056
	Other non-current assets	**1.424.022**	**1.302.768**
	Total non-current assets	**1.498.235**	**1.379.365**
	Current assets		
14	Inventories	239.589	129.884
15	Receivables	285.373	166.948
	Income tax	1.933	1.583
	Cash and cash equivalents	4	4
	Total current assets	**526.899**	**298.419**
	Total assets	**2.025.134**	**1.677.784**

Balance sheet

Notes		2021 Dec 31 tDKK	2020 Dec 31 tDKK
	Liabilities and equity		
	Equity		
16	Share capital	50.000	50.000
	Exchange adjustment reserve	3.770	3.770
	Reserve for net revaluation according to the equity method	547.309	496.019
	Retained earnings	486.904	377.096
	Proposed dividend	100.000	5.000
	Total equity	**1.187.983**	**931.885**
	Non-current liabilities		
	Other liabilities	15.286	25.676
17	Payables to ultimate parent company	349.511	349.722
	Total non-current liabilities	**364.797**	**375.398**
	Current liabilities		
17	Current portion of non-current debt	7.284	6.679
17	Payables to ultimate parent company	262.355	263.634
	Trade payables	101.331	65.769
	Prepayment received from customers	49.449	2.998
18	Other short-term payables	51.935	31.421
	Total current liabilities	**472.354**	**370.501**
	Total liabilities	**837.151**	**745.899**
	Total liabilities and equity	**2.025.134**	**1.677.784**

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

Cash flow statement

Notes		2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
	Profit before tax	197.695	94.250
	Adjustment for operating items of a non-cash nature, etc.	1.039	8.184
6	Depreciation and impairment losses	23.800	24.550
	Other operating items, net	-83	533
	Income from investments in group enterprises after tax	-187.532	-111.588
7	Financial income	-3.041	-4.136
8	Financial expenses	16.984	26.414
	Cash flows from operating activities before changes in working capital	**48.862**	**38.207**
21	Changes in working capital	-70.066	40.918
	Cash flows from operating activities	**-21.204**	**79.125**
	Interest income received	2.900	3.049
	Interest expenses paid	-13.057	-19.497
	Cash flows from ordinary activities	**-31.361**	**62.677**
	Income tax paid	-457	659
	Cash flows from operating activities	**-31.818**	**63.336**
	Investing activities:		
10	Purchase of intangible assets	-4.355	-4.202
11	Purchase of property, plant and equipment	-8.650	-3.795
	Sale of property, plant and equipment	120	578
	Additions/disposals of other financial assets	-1.350	28
	Cash flows from investing activities	**-14.235**	**-7.391**
	Financing activities:		
	Repayment of non-current liabilities	-7.092	-6.812
	Increase (repayment) of interest bearing debt to group enterprises	-144.142	83.694
	Dividend received from group enterprises	202.975	0
	Shareholders:		
	Change in payables to ultimate parent company	-688	-132.859
	Dividend paid	-5.000	0
	Cash flows from financing activities	**46.053**	**-55.977**
	Cash flows for the year	0	-32
	Cash and cash equivalents at the beginning of the year	4	36
	Cash and cash equivalents at the end of the year	**4**	**4**
	Cash and cash equivalents at the end of the year are composed of:		
	Cash	4	4
	Cash and cash equivalents at the end of the year	**4**	**4**

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 Jan 1, 2021	**50.000**	**496.019**	**3.770**	**377.096**	**5.000**	**931.885**
Other comprehensive income in 2021						
Exchange rate adjustment of foreign subsidiaries	0	28.510	0	0	0	28.510
Value adjustment of hedging instruments recognised during the year	0	-2.761	0	0	0	-2.761
Remeasurement of the defined benefit obligation		40.984	0	0	0	40.984
Profit for the year	0	187.532	0	-93.167	100.000	194.365
Total recognised comprehensive income	**0**	**254.265**	**0**	**-93.167**	**100.000**	**261.098**
Transactions with the owners						
Capital increase	0	0	0	0	0	0
Dividend distributed	0	-202.975	0	202.975	-5.000	-5.000
Addition/disposal of minority interests	0	0	0	0	0	0
Transactions with the owners for the period	**0**	**-202.975**	**0**	**202.975**	**-5.000**	**-5.000**
Equity at Dec 31, 2021	**50.000**	**547.309**	**3.770**	**486.904**	**100.000**	**1.187.983**

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, 2020	**50.000**	**446.894**	**3.770**	**395.317**	**0**	**895.981**
Other comprehensive income in 2020						
Exchange rate adjustment of foreign subsidiaries	0	-47.584	0	0	0	-47.584
Value adjustment of hedging instruments recognised during the year	0	0	0	0	0	0
Remeasurement of the defined benefit obligation		-14.879	0	0	0	-14.879
Profit for the year	0	111.588	0	-18.221	5.000	98.367
Total recognised comprehensive income	**0**	**49.125**	**0**	**-18.221**	**5.000**	**35.904**
Transactions with the owners						
Capital increase	0	0	0	0	0	0
Dividend distributed	0	0	0	0	0	0
Addition/disposal of minority interests	0	0	0	0	0	0
Transactions with the owners for the period	**0**	**0**	**0**	**0**	**0**	**0**
Equity at Dec 31, 2020	**50.000**	**496.019**	**3.770**	**377.096**	**5.000**	**931.885**

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 2021 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements.

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

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

Financial statements of the Parent Company

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

Investments in subsidiaries are measured under the equity method.

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

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

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

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

Reserve for net revaluation according to the equity method

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

The reserve cannot be recognised at a negative amount.

2. Significant accounting estimates and judgements

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

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

Notes

Note 3 - Revenue from contracts with customers

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

	For the year ended 31 December 2021			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	188.924	180.047	93.553	462.524
Total revenue from contracts with customers	**188.924**	**180.047**	**93.553**	**462.524**

	For the year ended 31 December 2020			
Segments	**Denmark**	**Rest of Europe**	**Rest of world**	**Total**
	tDKK	**tDKK**	**tDKK**	**tDKK**
Type of goods or service				
Sale of goods	150.603	172.255	72.323	395.181
Total revenue from contracts with customers	**150.603**	**172.255**	**72.323**	**395.181**

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

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

Sale of goods:

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

Notes

	2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
Note 4 - Costs		
Cost of sales:		
Cost of goods sold	-419.404	-374.159
Inventory impairments	-5.203	-2.905
Reversed inventory impairments	0	139
Total cost of sales	**-424.607**	**-376.925**
Staff costs:		
Wages and salaries	-112.958	-101.521
Remuneration to the Board of Directors	-625	-646
Defined contribution pension plans	-7.443	-7.024
Other social security costs	-2.011	-1.779
Share-based payment	-3.532	-2.461
Total staff costs	**-126.569**	**-113.431**
Staff costs are recognised as follows:		
Production	-75.900	-68.966
Distribution	-10.313	-9.948
Administration	-40.356	-34.600
Staff costs recognised in the income statement	**-126.569**	**-113.514**
Average number of employees	**231**	**221**

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

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

Notes

	2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
Note 5 - Other operation income and expenses		
Gains on the disposal of property, plant and equipment and intangible assets	83	136
Charged to group enterprises	109.538	72.573
Charges from group enterprises	-24.578	-10.179
Losses on the disposal of property, plant and equipment and intangible assets	0	-632
Other losses	0	-37
Total other operating income, net	**85.043**	**61.861**

Note 6 - Depreciation, amortisation and impairment losses		
Depreciation is recognised in the income statement as follows:		
Cost of sales	-19.744	-19.691
Distribution costs	-1.166	-1.160
Administrative expenses	-2.890	-3.699
Total depreciation, amortisation and impairment losses	**-23.800**	**-24.550**

Note 7 - Financial income		
Interest income	0	1
Interests from group loans	2.900	3.048
Exchange rate adjustments	141	1.087
Total financial income	**3.041**	**4.136**

Note 8 - Financial expenses		
Interest expense	-588	-744
Interests from group loans	-12.364	-18.755
Exchange rate adjustments	-3.927	-6.917
Other financial expenses	-105	2
Total financial expenses	**-16.984**	**-26.414**

Notes

	2021 1/1 - 31/12 tDKK	2020 1/1 - 31/12 tDKK
Note 9 - Tax on the profit for the year		
Tax for the year is composed as follows:		
Tax on the profit for the year	-3.330	4.117
	-3.330	**4.117**
Tax on the profit for the year has been calculated as follows:		
Current tax	-106	578
Deferred tax	-3.224	3.539
	-3.330	**4.117**
Effective tax rate:		
Calculated 22.0% tax of the profit for the year	-2.236	3.815
Impairment on deferred tax assets	0	0
Non-deductible costs and non-taxable income	-1.094	302
Recognised tax income	**-3.330**	**4.117**
Effective tax rate	**1,7%**	**-4,4%**
Deferred tax asset		
Intangible assets	-1.075	-1.283
Property, plant and equipment	19.273	15.278
Inventories	4.107	2.963
Receivables	198	198
Liabilities other than provisions	762	611
Tax losses carried forward	2.456	11.178
	25.721	**28.945**
Deferred tax not recognised	**0**	**0**
	25.721	**28.945**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	25.721	28.945
Deferred tax (liability)	0	0
Net deferred tax at 31 December	**25.721**	**28.945**

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	Development projects in progress	Other intangible assets	Total
Cost at Jan 1, 2021	9.752	4.202	9.451	23.405
Additions - by purchase	0	4.355	0	4.355
Cost at Dec 31, 2021	**9.752**	**8.557**	**9.451**	**27.760**
Amortisation and impairment at Jan 1, 2021	0	0	3.620	3.620
Amortisation	0	0	945	945
Amortisation and impairment at Dec 31, 2021	**0**	**0**	**4.565**	**4.565**
Carrying amount at Dec 31, 2021	**9.752**	**8.557**	**4.886**	**23.195**
Amortised over (years)			10	

tDKK				
Cost at Jan 1, 2020	9.752	0	9.451	19.203
Additions - by purchase	0	4.202	0	4.202
Cost at Dec 31, 2020	**9.752**	**4.202**	**9.451**	**23.405**
Amortisation and impairment at Jan 1, 2020	0	0	2.678	2.678
Amortisation	0	0	942	942
Amortisation and impairment at Dec 31, 2020	**0**	**0**	**3.620**	**3.620**
Carrying amount at Dec 31, 2020	**9.752**	**4.202**	**5.831**	**19.785**
Amortised over (years)			10	

Notes

10. Intangible assets

Goodwill

The Management of GPV Group has tested the value in use of the carrying amount against goodwill in the group companies. In the tests performed, the Management has estimated the expected free cash flow for a five-year budget – and forecast period of the years 2022-2026. The free cash flow after tax has been applied to a discounted cash flow model (the “value in use” principle) for the purpose of assessing each company’s value which subsequently is compared against the carrying amount recognised in the GPV Group consolidated financial statements. As of 31 December 2021, GPV Group has recognised goodwill at a total value of DKKm 10 (2020: DKKm 10) where the goodwill is allocated to BHE.

The required rate of return is based on a WACC consisting of a 10-year unit bond plus a premium reflecting the industry/geography specific risks, illiquidity premium and capital structure. The rate of growth used to extrapolate company cash flow is in the terminal period was fixed at 1,5%, a rate not expected to exceed the long-term inflation rate.

Goodwill is ascribed to purchase of the BHE company in 2017. BHE is fully integrated in to the GPV Group, and is impairment tested based on the GPV group CGU.

The estimates are based on a bottom-up-forecasts, the expected sales from our biggest customers and new revenue. The WACC after tax used is 8,0 for GPV Group. The sensitivity analysis for EBIT margin allows a decrease of 1-4pp and for the WACC the analysis allows an increase of 1-4pp. The Management deems therefore that no impairment is need on the goodwill for GPV Group.

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, 2021	9.219	141.343	23.979	285	174.826
Additions	76	7.215	1.443	1.423	10.157
Additions on company acquisitions	0	0	0	0	0
Disposals	0	-220	0	0	-220
Transferred/reclassified	0	285	0	-285	0
Cost at Dec 31, 2021	**9.295**	**148.623**	**25.422**	**1.423**	**184.763**
Depreciation at Jan 1, 2021	6.561	90.606	20.847	0	118.014
Foreign exchange adjustment	0	0	0	0	0
Impairment	0	0	0	0	0
Depreciation	544	14.318	1.052	0	15.914
Depreciation of disposed assets	0	-183	0	0	-183
Transferred/reclassified	0	0	0	0	0
Depreciation at Dec 31, 2021	**7.105**	**104.741**	**21.899**	**0**	**133.745**
Carrying amount at Dec 31, 2021	**2.190**	**43.882**	**3.523**	**1.423**	**51.018**
Depreciated over (years)	10-25	5-10	3-8		

tDKK					
Cost at Jan 1, 2020	9.053	144.700	23.661	339	177.753
Additions	166	4.054	318	-54	4.484
Disposals	0	-7.411	0	0	-7.411
Cost at Dec 31, 2020	**9.219**	**141.343**	**23.979**	**285**	**174.826**
Depreciation at Jan 1, 2020	5.975	82.674	19.121	0	107.770
Impairment	0	0	522	0	522
Depreciation	586	14.269	1.204	0	16.059
Depreciation of disposed assets	0	-6.337	0	0	-6.337
Depreciation at December 31, 2020	**6.561**	**90.606**	**20.847**	**0**	**118.014**
Carrying amount at Dec 31, 2020	**2.658**	**50.737**	**3.132**	**285**	**56.812**
Depreciated over (years)	10-25	5-10	3-8		

Notes

Note 12 - Lease assets

tDKK	Property	Cars	Other assets	Total
Cost at Jan 1, 2021	32.276	2.700	0	34.976
Additions	402	1.297	0	1.699
Disposals	0	-1.088	0	-1.088
Cost at Dec 31, 2021	**32.678**	**2.909**	**0**	**35.587**
Amortisation and impairment at Jan 1, 2021	11.973	1.299	0	13.272
Amortisation	6.140	800	0	6.940
Amortisation and impairment of disposed assets	0	-862	0	-862
Amortisation and impairment at Dec 31, 2021	**18.113**	**1.237**	**0**	**19.350**
Carrying amount at Dec 31, 2021	**14.565**	**1.672**	**0**	**16.237**

Lease agreement not recognised in the balance sheet	Service	Small value assets	Short term leases	Total
Due for payment within 1 year	234	0	97	331
Due for payment within >1-5 years	289	0		289
Due for payment after 5 years	0	0		0
Total commitments of service / small value / short term leases at Dec 31, 2021	**523**	**0**	**97**	**620**

Recognised in the profit and loss statement in 2021	Service	Small value assets	Short term leases	Total
Expensed in the year	**240**	**0**	**201**	**441**

There has not been any COVID-19 realated rent concessions in 2021

Notes

Note 12 - Lease assets

tDKK	Property	Cars	Other assets	Total
Cost at Jan 1, 2020	32.276	2.216	0	34.492
Additions	0	1.160	0	1.160
Disposals	0	-676	0	-676
Cost at Dec 31, 2020	**32.276**	**2.700**	**0**	**34.976**
Amortisation and impairment at Jan 1, 2020	5.877	901	0	6.778
Amortisation	6.096	931	0	7.027
Amortisation and impairment of disposed assets	0	-533	0	-533
Amortisation and impairment at Dec 31, 2020	**11.973**	**1.299**	**0**	**13.272**
Carrying amount at Dec 31, 2020	**20.303**	**1.401**	**0**	**21.704**

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 13 - Investments in group enterprises		
Cost at January 1	746.218	746.218
Cost at December 31	**746.218**	**746.218**
Adjustments at January 1	501.845	452.720
Foreign exchange adjustments	28.510	-47.584
Remeasurement of the defined benefit	40.984	-14.879
Dividend	-202.975	0
Value adjustment of hedging instruments recognised during the year	-2.761	0
Share of the profit/loss for the year	187.532	111.588
Adjustments at December 31	**553.135**	**501.845**
Carrying amount at December 31	**1.299.353**	**1.248.063**

Name	**Registered Office**	**Ownership interest 2021**	**Ownership interest 2020**
Owned directly by parent company			
GPV Asia (Thailand) Co. Ltd.	Thailand, Bangkok	100%	100%
GPV Americas México S.A.P.I de CV	Mexico, Guadalajara	100%	100%
GPV DACH AG	Switzerland, Lachen	100%	100%
Owned indirectly by parent company			
GPV DACH (Asia) AG	Switzerland, Lachen	100%	100%
GPV Switzerland SA	Switzerland, Mendrisio	100%	100%
GPV Austria GmbH	Austria, Frankenmarkt	100%	100%
GPV Austria Cable GmbH	Austria, Frankenmarkt	100%	100%
GPV Slovakia s.r.o	Slovakia, Hlohovec-Sulekovo	100%	100%
GPV Asia (Hong Kong) Ltd.	China, Hong Kong	100%	100%
GPV Lanka (Private) Ltd.	Sri Lanka, Kochchikade	100%	100%
GPV Zhongshan Co. Ltd	China, Zhongshan	100%	100%
GPV Germany GmbH	Germany, Hildesheim	100%	100%
GPV Property Solution (private) Limited*)	Sri Lanka, Kochchikade	49%	49%

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

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 14 - Inventories		
Raw materials and consumables	184.979	90.544
Work in progress	39.988	25.905
Finished goods and goods for resale	14.622	13.435
Inventories total at the lower of cost and net realisable value	**239.589**	**129.884**
Cost of inventories for which impairment losses have been recognised	20.945	17.581
Accumulated impairment losses on inventories	-18.669	-13.466
Net sales value	**2.276**	**4.115**

During 2021, tDKK 5,203 (2020: tDKK 2,766) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 15 - Receivables		
Receivables from group enterprises, non-current	77.305	0
Receivables from ultimate parent company	0	802
Receivables from group enterprises, current	161.690	87.913
Trade receivables	117.701	73.436
Other receivables	599	506
Prepayments	5.383	4.291
Receivables in total	**362.678**	**166.948**

Trade receivables can be specified as follows:

		Due between (tDKK)			
2021	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	98.626	18.046	1.418	511	118.601
Impairment losses on trade receivables	0	0	-400	-500	-900
Trade receivables in total	**98.626**	**18.046**	**1.018**	**11**	**117.701**
Impairment percentage	0,0%	0,0%	28,2%	97,8%	0,8%

		Due between (tDKK)			
2020	**Not due**	**1-30 days**	**31-90 days**	**>91 days**	**Total**
Trade receivables before allowance	60.432	13.196	230	478	74.336
Impairment losses on trade receivables	0	-239	-183	-478	-900
Trade receivables in total	**60.432**	**12.957**	**47**	**0**	**73.436**
Impairment percentage	0,0%	1,8%	79,4%	100,0%	1,2%

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 16 - Equity		
The share capital consist of 2,500 shares of each tDKK 20	50.000	50.000

The shares have not been divided into classes.

Proposed dividends for the year is tDKK 100,000 (2020: tDKK 5,000), equivalent to tDKK 40 per share. Proposed dividends are showed in a separated column in the equity statement (page 53) until the Annual General Meeting approval.

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

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 17 - Credit institutions and borrowings		
Non-current borrowings		
Payables to ultimate parent company	349.511	349.722
Total credit institutions and borrowings	**349.511**	**349.722**
Current borrowings		
Payables to the ultimate parent company	262.355	263.634
Total current borrowings	**262.355**	**263.634**
Total borrowings	**611.866**	**613.356**
Nominal value	611.866	613.356
Maturity of non-current and current		
Less than one year	262.355	263.634
Between one and five years	0	349.722
More than five years	349.511	0
Total maturity of non-current and current borrowings	**611.866**	**613.356**

GPV International A/S' borrowings are mainly in DKK and EUR. Non-current borrowing is with fixed interest rate and current borrowings are with floating interest rates. The fair value of the floating rate loans approximates the carrying amount.

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 18 - Other short-term payables		
VAT and duties	11	12
Wages and salaries, personal income taxes, social security costs, etc.,payable	22.806	18.927
Holiday pay obligation	4.580	4.215
Other costs payable	24.538	8.267
Total other short-term payables	**51.935**	**31.421**

Note 19 - Financial risk

Liquidity risk

GPV Group is predominately financed by resources of the parent company Schouw & Co.

The parent company's source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of DKK 3,275 million. The facility is for a three-year period with the possibility of a one-year extension after year one and two. In connection with the refinancing of the banking facility, the previous banking consortium, consisting of Danske Bank, DNB and Nordea, was expanded with the international bank Hong Kong & Shanghai Banking Corporation (HSBC). The first extension option was utilized in December 2021.

In addition, in April 2019, Schouw & Co. issued a Schuldschein issue totaling EUR 136 million, (DKK 1,011 million) with expiration in 2024 (80%) and 2026 (20%), and in December 2021, a facility was established for a tota of DKK 400 million with Nordic Investment Bank. The facility is for a seven-year periode and issued for specific capacity- and development investments in Denmark.

Interest rate risk

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

Currency risk

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

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

Notes
Note 19 - Financial risk

The company's foreign exchange risks recognised in the balance sheet at 31 December, 2021

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Net position after hedging
EUR / DKK	0	35.412	-378.638	-343.226	-343.226
USD / DKK	0	25.394	-61.689	-36.295	-36.295
Other	0	191	-360	-169	-169
	0	**60.997**	**-440.687**	**-379.690**	**-379.690**

The company's foreign exchange risks recognised in the balance sheet at 31 December, 2020

Currency, TDKK	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Net position after hedging
EUR / DKK	1	31.136	-366.565	-335.428	-335.428
USD / DKK	0	9.454	-20.137	-10.683	-10.683
Other	1	45	-556	-510	-510
	2	**40.635**	**-387.258**	**-346.621**	**-346.621**

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.

Note 20 - Collaterals and Contingent liabilities

Reference is made to note 21 in the consolidated financial statement.

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 21 - Cash flow changes in net working capital		
Change in inventories	-114.909	-4.504
Change in receivables	-56.176	35.856
Change in trade payables and other payables	101.019	9.566
Cash flow changes in net working capital in total	**-70.066**	**40.918**

Notes

	2021 Dec 31 tDKK	2020 Dec 31 tDKK
Note 22 - Related parties		
Sales of goods and services to group enterprises	5.491	3.976
Purchase of goods and service from group enterprises	-33.183	-55.141
Charges from group enterprises	-56.391	-10.179
Charged to group enterprises	109.538	72.573
Interest expenses to group enterprises	0	0
Interest income from group enterprises	2.900	3.036
Sales of goods and services to related companies	0	0
Purchase of goods and services from related parties	0	-34
Management fee to ultimate parent company	-1.800	-1.750
Interest income from ultimate parent company	0	12
Interest expenses to ultimate parent company	-12.364	-18.755
Receivables from ultimate parent company	0	802
Receivables from related companies	0	0
Receivables from group enterprises	238.995	87.913
Payables to ultimate parent company	611.866	613.356
Payables to related companies	0	0
Payables to group enterprises	5.314	16.771

Reference is made to note 23 in the consolidated financial statement.

Note 23 - Events after the balance sheet

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

Note 24 - Standards issued but not yet effective

Reference is made to note 25 in the consolidated financial statement.