



# Annual Report

2023

|   |  |
|---|--|
| GPV International A/S<br>CVR No. 66945715<br>Lysholt Allé 11<br>DK-7100 Vejle | Approved at the Annual General Meeting,<br>24 May 2024<br>Conductor:<br>Anne Glintborg Fog |
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## ENTITY DETAILS

### Entity

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

Central Business Registration No: 66945715

Registered in: Vejle

Financial year: 01.01.2023 - 31.12.2023

Phone: +4572191919

Web Site : [www.gpv-group.com](http://www.gpv-group.com)

### Board of Directors

Henrik To rnbjerg, Chairman

Bo Lybæk

Anne Glintborg Fog

Bjarne Skaarup Jepsen

Mette Kjærsgaard Nielsen

### 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 2023.

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 2023 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2023.

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, 24 May 2024

Executive Board

Bo Lybæk  
Chief Executive Officer

Board of Directors

Henrik Tombjerg  
Chairman

Bo Lybæk

Anne Glintborg Fog

Bjarne Skaarup Jepsen

Mette Kjærsgaard Nielsen

## INDEPENDENT AUDITOR'S REPORTS

To the shareholders of GPV International A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of GPV International A/S for the financial year 1 January - 31 December 2023, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including material accounting policy information ("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 Company 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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 Financial Statements that give a true and fair view in accordance with IFRS Accounting 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Esbjerg, 24 May 2024

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Palle H. Jensen  
State Authorised Public Accountant  
MNE32115

Hans Baunsgaard Eskildsen  
State Authorised Public Accountant  
MNE45827

## FINANCIAL HIGHLIGHTS

|  | 2023<br>tDKK | 2022<br>tDKK | 2021<br>tDKK | 2020<br>tDKK | 2019<br>tDKK |
|--|--------------|--------------|--------------|--------------|--------------|
| Key figures  |              |              |              |              |              |
| Revenue  | 715,762      | 669,290      | 462,524      | 395,181      | 541,090      |
| Operating profit before depreciation and amortisation (EBITDA) | 45,978       | 85,408       | 47,906       | 29,488       | 22,400       |
| Operating profit (EBIT)  | 24,034       | 61,063       | 24,106       | 4,938        | (601)        |
| Net financials   | (35,882)     | (15,871)     | (13,943)     | (22,278)     | (3,369)      |
| Profit for the year  | 66,806       | 218,221      | 194,365      | 98,367       | 47,486       |
| Total assets   | 2,495,783    | 2,611,413    | 2,025,134    | 1,677,784    | 1,765,118    |
| Investments in property, plant and equipment                   | 10,517       | 13,256       | 10,157       | 4,484        | 11,011       |
| Equity   | 1,455,840    | 1,386,705    | 1,187,983    | 931,885      | 895,981      |
| Net interest-bearing debt (NIBD)                               | 463,162      | 521,065      | 434,734      | 581,171      | 630,159      |
| Employees in average   | 263          | 255          | 231          | 221          | 225          |
| Ratios   |              |              |              |              |              |
| EBITDA margin (%)  | 6.4          | 12.8         | 10.4         | 7.5          | 4.1          |
| EBIT margin (%)  | 3.4          | 9.1          | 5.2          | 1.3          | (0.1)        |
| Net margin (%)   | 9.3          | 32.6         | 42.0         | 24.9         | 8.8          |
| NIBD/EBITDA ratio  | 10.1         | 6.1          | 9.1          | 19.7         | 28.1         |
| Return on equity (%)   | 4.7          | 16.9         | 18.3         | 10.8         | 5.7          |
| Return on invested capital (%)                                 | 6.1          | 18.4         | 9.6          | 2.2          | 0.1          |
| Equity ratio (%)   | 58.3         | 53.2         | 58.7         | 55.5         | 50.8         |

## FINANCIAL HIGHLIGHTS

Financial highlights are defined and calculated as follows.

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

## MANAGEMENT'S REVIEW

### Management's review

2023 was a year with continue influence from the worldwide material supply shortage situation with higher than normal material prices, purchase price variances, long lead-times on electronic components, and other raw materials. During the year the number of components with extraordinary long lead-times have decreased, but certain critical components remain a challenge end of 2023. Along with geopolitical challenges and unrest in various parts of the world this has led to a challenging business landscape.

GPV entered 2023 with a good order backlog, and the whole organisation have worked dedicated during the year to service customers in the best possible way as the material supply situation have been easing up.

GPV International's 2023 performance is not satisfactory showing an increase in revenue of 7%, and but operating profit before depreciation and amortisation (EBITDA) with a decrease of 46%. Cash flow from operating activities ended negative at DKK 20 million – but an improvement of DKK 35 million compared to 2022. The development is positive influenced by a focused effort during the year to optimise inventories to a more normalised level.

During 2023, we have continued the work with optimisation of our performance and to ensure a continued fit of our footprint to our strategy, "Winning our Future 2025". The year was characterised by the integration of GPV and Enics into "One.New.Leader." under the headline: "Create a European EMS leader, together" with the guiding principle: "Prompt merger in the market, step-by-step operations and back-office integration". The integration work and the IMO have been closed end of 2023, and the remaining tasks have been transferred to ordinary operational and strategic tasks.

In 2023 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 extended our factory footprint in Sri Lanka and Thailand and we have initiated extension of our footprint in Slovakia and Mexico. We have continued the roll-out of a new global MES (Manufacturing Execution System) to make sure GPV also in the future will be a relevant partner for our customers.

At the end of 2023, GPV stands as a healthy, well-developed business with a sound base of competent employees and with an appropriate production footprint in Southeast 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 2023

Total revenue for FY 2023 came to DKK 716 million (FY 2022 DKK 669 million), we have seen an increase in net sales of 7% from 2022.

For FY 2023, operating profit before depreciation and amortisation (EBITDA) amounted to DKK 46 million (FY 2022 DKK 85 million), which is not a satisfactory level.

During 2023, impairment of inventory assessment has been aligned within the Group, the impact of the alignment is DKK -11 million and this has been recognised in cost of sales.

Operating profit (EBIT) amounted to DKK 24 million (FY 2022 DKK 61 million), which not is satisfactory level. Profit for the year came to DKK 67 million (FY 2022 DKK 218 million).

The total cash flow from operating activities for FY 2023 amounted to DKK -20 million (FY 2022 DKK -55 million). Investments in production related equipment and facilities in total for FY 2023 equals DKK 10 million (FY 2022 DKK 13 million).

At year-end 2023, total assets amounted to DKK 2,496 million against DKK 2,611 million for the previous year.

At the financial year-end, total equity amounted to DKK 1,456 million (DKK 1,387 million at the financial year-end 2022) including a positive exchange-rate adjustment in the year of DKK -27 million and a negative adjustment from defined benefit obligations of DKK 23 million.

### COVID-19 pandemic

During 2023 only a limited number of GPV employees have been infected with COVID-19. This have not had any influence on our activities.

### Events subsequent to the financial year-end

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

#### Outlook 2024

GPV International A/S will in 2024 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 a strong footprint with manufacturing in Southeast Asia, Europe, and the Americas, and together with our global sales and procurement organisation, GPV International has a strong position in our core markets.

To further strengthen our footprint, we continue to finalise the expansion of the electronics site in Thailand, and we have in 2023 initiated the expansion of our manufacturing facilities in Mexico and in Slovakia, where we establish a new third mega site for electronics manufacturing. The ongoing expansions are planned to be operational during 2024 and fully finalised in 2025. Besides this we have initiated the closure of our site in Malaysia which is expected to be concluded in 2024.

Our service offering towards our customers cover product application design, engineering, testing, electronics and mechanics manufacturing, cable harness assembly, box-build, mechatronics products together with strong logistic solutions, and after sales services. 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 2024. The customers will continue to reduce their investments in capital equipment and inventories, and at the same time via GPV gain access to scalability, 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 2024 have a continued focus on capacity and invest in extended capacity when deemed a requirement.

We foresee a drop in demand from customers, adjusting to their markets and business environment with de-stocking in their supply chain as a consequence, and we expect this to influence the outlook for 2024.

We expect the worldwide material supply shortage situation to improve further during 2024, but we foresee continue challenges with specific key components throughout the year. Against this outlook, GPV expects to reach a revenue in the range of DKK 750 - 780 million. Operating profit before depreciation and amortisation (EBITDA) is expected in the range of DKK 45 - 50 million, and with a positive cash flow from operating activities for 2024.

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 can attract, retain, develop, and motivate employees who have the necessary skills and capability. Important elements to support this include the delegation of responsibility and securing necessary 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 2023 the delivery performance has improved, but the continue challenging material supply situation this have given a temporary delivery performance below targets. We expect that our delivery performance will raise to a normal high level as the material shortage situation will improve. During 2023 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 several 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:

<https://www.gpv-group.com/about/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, Social and Governance.

#### 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 in the Financials Statements act, please refer to Schouw & Co. at

<https://www.schouw.dk/en/responsibility/corporate-governance>

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

Please refer to the statement in the annual report for 2023 of the ultimate parent company Schouw & Co., on policies and targets regarding gender representation in management:

<https://www.schouw.dk/en/investors/financial-reports-and-presentations>

#### Diversity

According to Financials Statements act §99b.

#### GPV Diversity Policy

GPV International A/S Is an international company where a naturally diversity exist. To leverage competences and talents in the best possible way, it is a priority for GPV to ensure diversity not only in the company but also in the subsidiaries and to ensure increased representation of diversity in the different management levels. GPV have a Diversity Policy which is published at the homepage:

<https://www.gpv-group.com/about/downloads/>

The purpose of this Policy is to foster and set targets to ensure relevant diversity at the management levels of GPV to the effect that the right qualifications and expertise are present at any time in the company's management levels and that the full talent base is utilised and retained in the best possible way.

GPV wants to increase and safeguard value creation in the company, including through a focus on relevant diversity in the employee composition as a supporting factor for breadth and variation of expertise and for enhancing dialogue, knowledge sharing and risk management. Diversity is broadly defined as including a variety of, among other things, expertise, seniority, education, age, gender, ethnicity, religion, sexual orientation, physical disability, etc.

The Policy specifies GPV's responsibilities to work for a higher degree of gender diversity in the management levels. The company will always want to have its management positions filled by the most qualified candidates. The fundamental component in any job appointment is an assessment of expertise and behaviour that is based on the assignments and the context in which new managers will perform their role. Moreover, in any appointment, whether made in-house or externally, the emphasis should, to the widest extent possible, be on diversity, including gender distribution.

The aim is to increase the representation of the underrepresented gender in management positions by taking dedicated initiatives and actions to support a more equal gender distribution.



Target figures for gender distribution

In the annex to the Diversity Policy the Board of Directors have specified the targets for the underrepresented gender in the management levels: GPV has as a long-term goal to achieve an equal gender distribution in the company's board of directors and other management levels. Equal gender distribution means at least 25% of each gender in the individual management layers.

|   | Actual<br>2023 | Ta rge t<br>2028 |
|---|----------------|------------------|
| Management level 1 (Board of Directors)   |                |                  |
| Members                                   | 4              |                  |
| Underrepresented gender in pct.           | 0%             | 33%              |
| Management level 2 + 3 (other management) |                |                  |
| Members                                   | 4              |                  |
| Underrepresented gender in pct.           | 0%             | 25%              |

By the end of 2023 the total g ender split in GPV was 48% female and 52% male. At the level of Board of Directors, the split is 0% female / 100% male and for the other management levels the split is 0% female / 100% male.

During 2023 the following initiatives have been targeted towards a more equal diversity distribution: 1) There have been no changes in the Board of Directors, 2) A new Diversity Policy have been implemented, 3) All job advertisements have been gender neutral and there have been an aim always to have at least one candidate of each of the two genders in the final stage of recruitment, 4) During 2023 GPV have implemented a new organisation after the merger, which will form the new basis for measuring diversity.

Target in percentage for the underrepresented gender in the Board of Directors:

It is the target that in 2028 at least 33% of the board members elected at the General Assembly shall be of the underrepresented gender.

Target in percentage for the underrepresented gender in the other Management levels:

It is the target that in 2028 at least 25% of members in other management levels (as defined in the policy) shall be of the underrepresented gender.

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://gpv-group.com/media/downloads/>

#### Corruption

As a company operating and delivering globally GPV is exposed to different cultures primarily in Asia, Europe and the Americas. As expressed in our Code of Conduct, we pride ourselves of acting credibly and with integrity in all 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:

<https://gpv-group.com/media/downloads/>

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://www.schouw.dk/en/responsibility/corporate-governance>

#### 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. The first extension option was utilized in December 2021 and the second extension option was utilized in December 2022. The banking consortium is consisting of Danske Bank, DNB, Nordea and the international bank Hong Kong & Shanghai Banking Corporation (HSBC).

In April 2019 and in November 2023, Schouw & Co. issued two Schuldschein respectively EUR 136 million, (DKK 1,013 million), and EUR 225 million (DKK 1,677 million). The Schuldschein have expiration in April 2024, April 2026, November 2026, November 2028 and November 2030. 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 period and issued for specific capacity- and development investments in Denmark.



In addition, in 2022 and 2023, Schouw & Co. established a number of term loans with Danske Bank, Nordea Bank, HSBC, DNB, and Jyske Bank for a total of DKK 1,800 million. The loans are committed and expire in March 2024 (DKK 400 million) and in January 2025 (DKK 1,400 million).

GPV Group, like other major subsidiaries in Schouw & Co., co-guarantees the aforementioned facilities totalling DKK 8.165 million, where of DKK 5,542 million is utilized. In addition, a number of other smaller facilities totalling DKK 56 million established with Schouw & Co.'s global banker HSBC, where of DKK 48 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.

## Financial statements

|  |  | 2023        | 2022        |
|--|--|-------------|-------------|
|  |  | 1/1 - 31/12 | 1/1 - 31/12 |
|  |  | tDKK        | tDKK        |
| <b>Income statement</b>                        |  |             |             |
| <u>Notes</u>                                   |  |             |             |
| 3  | Revenue  | 715.762     | 669.290     |
| 4,6  | Cost of sales  | -683.097    | -614.647    |
|  | Gross profit   | 32.665      | 54.643      |
| 5  | Other operating income   | 151.958     | 127.785     |
| 4,6  | Distribution costs   | -23.936     | -23.193     |
| 4,6  | Administrative expenses  | -97.971     | -66.990     |
| 5  | Other operating expenses   | -38.683     | -31.182     |
|  | Operating profit   | 24.033      | 61.063      |
| 13   | Investments in group enterprises   | 80.456      | 184.022     |
| 7  | Financial income   | 14.411      | 11.697      |
| 8  | Financial expenses   | -50.293     | -27.568     |
|  | Profit before tax  | 68.607      | 229.214     |
| 9  | Tax on profit for the year   | -1.801      | -10.993     |
|  | Profit for the year  | 66.806      | 218.221     |
| Attributable to:                               |  |             |             |
|  | Shareholders of GPV International A/S  | 66.806      | 218.221     |
| <b>Statement of other comprehensive income</b> |  |             |             |
| <u>Notes</u>                                   |  |             |             |
|  | Profit for the year  | 66.806      | 218.221     |
| Other comprehensive income                     |  |             |             |
|  | Exchange differences on translation of foreign operations  | 27.953      | 50.715      |
|  | Remeasurement of the defined benefit obligation  | -23.057     | 33.389      |
|  | Withholding tax on dividends   | -1.648      | -5.435      |
|  | Value adjustment of hedging instruments recognised during the year   | -919        | 1.832       |
|  | Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax | 2.329       | 80.501      |
|  | Total recognised other comprehensive income  | 69.135      | 298.722     |
| Attributable to:                               |  |             |             |
|  | Shareholders of GPV International A/S  | 69.135      | 298.722     |

| Balance sheet |                                     | 2023             | 2022             |
|---------------|-------------------------------------|------------------|------------------|
|               |                                     | Dec 31           | Dec 31           |
| <u>Notes</u>  |                                     | <u>tDKK</u>      | <u>tDKK</u>      |
|               | Assets                              |                  |                  |
|               | Non current assets                  |                  |                  |
|               | Goodwill                            | 9.752            | 9.752            |
|               | Development projects in progress    | 3.112            | 10.836           |
|               | Other intangible assets             | 11.502           | 3.941            |
| 10            | Intangible assets                   | <u>24.366</u>    | <u>24.529</u>    |
|               | Land and buildings                  | 1.472            | 1.860            |
|               | Plant and machinery                 | 36.801           | 40.627           |
|               | Other fixtures, tools and equipment | 3.279            | 4.505            |
|               | Assets under construction           | 4.981            | 1.138            |
| 11            | Property, plant and equipment       | <u>46.533</u>    | <u>48.130</u>    |
| 13            | Investments in group enterprises    | 1.463.400        | 1.473.856        |
| 12            | Lease assets                        | 4.523            | 9.947            |
| 9             | Deferred tax                        | 17.422           | 19.226           |
| 15            | Receivables from related parties    | 52.172           | 175.756          |
|               | Deposits                            | 5.037            | 4.287            |
|               | Other non-current assets            | <u>1.542.554</u> | <u>1.683.072</u> |
|               | Total non-current assets            | <u>1.613.453</u> | <u>1.755.731</u> |
|               | Current assets                      |                  |                  |
| 14            | Inventories                         | 291.572          | 320.462          |
| 15            | Receivables                         | 577.131          | 534.958          |
|               | Income tax                          | 13.624           | 260              |
|               | Cash and cash equivalents           | 3                | 2                |
|               | Total current assets                | <u>882.330</u>   | <u>855.682</u>   |
|               | Total assets                        | <u>2.495.783</u> | <u>2.611.413</u> |

| Balance sheet           |  | 2023             | 2022             |
|-------------------------|--|------------------|------------------|
| <u>Notes</u>            |  | Dec 31           | Dec 31           |
|                         |  | tDKK             | tDKK             |
| Liabilities and equity  |  |                  |                  |
| Equity                  |  |                  |                  |
| 16                      | Share capital  | 50.000           | 50.000           |
|                         | Exchange adjustment reserve                                | 3.782            | 3.782            |
|                         | Reserve for net revaluation according to the equity method | 717.182          | 727.638          |
|                         | Retained earnings  | 684.876          | 605.285          |
|                         | Proposed dividend  | 0                | 0                |
|                         | Total equity   | <u>1.455.840</u> | <u>1.386.705</u> |
| Non-current liabilities |  |                  |                  |
| 17                      | Other liabilities  | 1.216            | 3.024            |
|                         | Provisions   | 3.576            | 3.323            |
|                         | Total non-current liabilities                              | <u>4.792</u>     | <u>6.347</u>     |
| Current liabilities     |  |                  |                  |
| 17                      | Current portion of non-current debt                        | 3.593            | 7.743            |
| 17                      | Payables to ultimate parent company                        | 846.654          | 1.001.628        |
| 17                      | Payables to related parties                                | 24.274           | 0                |
|                         | Trade payables to related parties                          | 21.203           | 11.574           |
|                         | Trade payables   | 83.013           | 123.597          |
|                         | Prepayment received from customers                         | 22.573           | 44.014           |
| 18                      | Other short-term payables                                  | 33.841           | 29.805           |
|                         | Total current liabilities                                  | <u>1.035.151</u> | <u>1.218.361</u> |
|                         | Total liabilities  | <u>1.039.943</u> | <u>1.224.708</u> |
|                         | Total liabilities and equity                               | <u>2.495.783</u> | <u>2.611.413</u> |
| 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 |  | 2023                | 2022                |
|---------------------|--|---------------------|---------------------|
| Notes               |  | 1/1 - 31/12<br>tDKK | 1/1 - 31/12<br>tDKK |
|                     | Profit before tax  | 68.607              | 229.214             |
|                     | Adjustment for operating items of a non-cash nature, etc.              | 17.554              | -92                 |
| 6                   | Depreciation and impairment losses                                     | 21.944              | 24.344              |
|                     | Other operating items, net   | 0                   | -3                  |
|                     | Income from investments in group enterprises after tax                 | -80.456             | -184.022            |
| 7                   | Financial income   | -14.411             | -11.697             |
| 8                   | Financial expenses   | 50.293              | 27.568              |
|                     | Cash flows from operating activities before changes in working capital | <u>63.531</u>       | <u>85.312</u>       |
| 21                  | Changes in working capital   | <u>-24.030</u>      | <u>-127.168</u>     |
|                     | Cash flows from operating activities after changes in working capital  | <u>39.501</u>       | <u>-41.856</u>      |
|                     | Interest income received   | 0                   | 11.068              |
|                     | Interest expenses paid   | -46.349             | -21.481             |
|                     | Cash flows from ordinary activities                                    | <u>-6.848</u>       | <u>-52.269</u>      |
|                     | Income tax paid  | -13.360             | -2.825              |
|                     | Cash flows from operating activities                                   | <u>-20.208</u>      | <u>-55.094</u>      |
|                     | Investing activities:  |                     |                     |
| 10                  | Purchase of intangible assets  | -2.058              | -2.279              |
| 11                  | Purchase of property, plant and equipment                              | -10.053             | -13.213             |
|                     | Sale of property, plant and equipment                                  | 0                   | 3                   |
|                     | Additions/disposals of other financial assets                          | -750                | 1.119               |
|                     | Cash flows from investing activities                                   | <u>-12.861</u>      | <u>-14.370</u>      |
|                     | Financing activities:  |                     |                     |
|                     | Repayment of non-current liabilities                                   | -8.145              | -7.680              |
|                     | Increase (repayment) of interest bearing debt to group enterprises     | 136.447             | -302.628            |
|                     | Dividend received from group enterprises                               | 93.241              | 90.008              |
|                     | Shareholders:  |                     |                     |
|                     | Change in payables to ultimate parent company                          | -188.473            | 389.762             |
|                     | Dividend paid  | 0                   | -100.000            |
|                     | Cash flows from financing activities                                   | <u>33.070</u>       | <u>69.462</u>       |
|                     | Cash flows for the year  | 1                   | -2                  |
|                     | Cash and cash equivalents at the beginning of the year                 | <u>2</u>            | <u>4</u>            |
|                     | Cash and cash equivalents at the end of the year                       | <u>3</u>            | <u>2</u>            |
|                     | Cash and cash equivalents at the end of the year are composed of:      |                     |                     |
|                     | Cash   | 3                   | 2                   |
|                     | Cash and cash equivalents at the end of the year                       | <u>3</u>            | <u>2</u>            |

## Equity statement

|  | Share<br>capital | Reserve for<br>net revaluation<br>according to<br>the equity<br>method | Exchange<br>adjustment<br>reserve | Retained<br>earnings | Proposed<br>dividend | Total equity |
|--|------------------|--|-----------------------------------|----------------------|----------------------|--------------|
|  | tDKK             | tDKK   | tDKK                              | tDKK                 | tDKK                 | tDKK         |
| Equity at Jan 1, 2023  | 50.000           | 727.638  | 3.782                             | 605.285              | 0                    | 1.386.705    |
| Other comprehensive income in 2023                                 |                  |  |                                   |                      |                      |              |
| Exchange rate adjustment of foreign subsidiaries                   | 0                | 27.953   | 0                                 | 0                    | 0                    | 27.953       |
| Value adjustment of hedging instruments recognised during the year | 0                | -919   | 0                                 | 0                    | 0                    | -919         |
| Remeasurement of the defined benefit obligation                    | 0                | -23.057  | 0                                 | 0                    | 0                    | -23.057      |
| Withholding tax on dividends                                       | 0                | -1.648   | 0                                 | 0                    | 0                    | -1.648       |
| Transferred/reclassified   |                  | 0  | 0                                 | 0                    | 0                    | 0            |
| Profit for the year  | 0                | 80.456   | 0                                 | -13.650              | 0                    | 66.806       |
| Total recognised comprehensive income                              | 0                | 82.785   | 0                                 | -13.650              | 0                    | 69.135       |
| Transactions with the owners                                       |                  |  |                                   |                      |                      |              |
| Capital increase   | 0                | 0  | 0                                 | 0                    | 0                    | 0            |
| Dividend distributed   | 0                | -93.241  | 0                                 | 93.241               | 0                    | 0            |
| Addition/disposal of minority interests                            | 0                | 0  | 0                                 | 0                    | 0                    | 0            |
| Transactions with the owners for the period                        | 0                | -93.241  | 0                                 | 93.241               | 0                    | 0            |
| Equity at Dec 31, 2023   | 50.000           | 717.182  | 3.782                             | 684.876              | 0                    | 1.455.840    |

## Equity statement

|  | Share<br>capital | Reserve for<br>net revaluation<br>according to<br>the equity<br>method | Exchange<br>adjustment<br>reserve | Retained<br>earnings | Proposed<br>dividend | Total equity |
|--|------------------|--|-----------------------------------|----------------------|----------------------|--------------|
|  | tDKK             | tDKK   | tDKK                              | tDKK                 | tDKK                 | tDKK         |
| Equity at Jan 1, 2022  | 50.000           | 547.309  | 3.770                             | 486.904              | 100.000              | 1.187.983    |
| Other comprehensive income in 2022                                 |                  |  |                                   |                      |                      |              |
| Exchange rate adjustment of foreign subsidiaries                   | 0                | 50.703   | 12                                | 0                    | 0                    | 50.715       |
| Value adjustment of hedging instruments recognised during the year | 0                | 1.832  | 0                                 | 0                    | 0                    | 1.832        |
| Remeasurement of the defined benefit obligation                    | 0                | 33.389   | 0                                 | 0                    | 0                    | 33.389       |
| Withholding tax on dividends                                       | 0                | -5.435   | 0                                 | 0                    | 0                    | -5.435       |
| Transferred/reclassified   |                  | 5.826  | 0                                 | -5.826               | 0                    | 0            |
| Profit for the year  | 0                | 184.022  | 0                                 | 34.199               | 0                    | 218.221      |
| Total recognised comprehensive income                              | 0                | 270.337  | 12                                | 28.373               | 0                    | 298.722      |
| Transactions with the owners                                       |                  |  |                                   |                      |                      |              |
| Capital increase   | 0                | 0  | 0                                 | 0                    | 0                    | 0            |
| Dividend distributed   | 0                | -90.008  | 0                                 | 90.008               | -100.000             | -100.000     |
| Addition/disposal of minority interests                            | 0                | 0  | 0                                 | 0                    | 0                    | 0            |
| Transactions with the owners for the period                        | 0                | -90.008  | 0                                 | 90.008               | -100.000             | -100.000     |
| Equity at Dec 31, 2022   | 50.000           | 727.638  | 3.782                             | 605.285              | 0                    | 1.386.705    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## Notes to the consolidated financial statements

### 1. Accounting policies

#### Basis of preparation

GPV International A/S (the Company) is a limited company and domiciled in Denmark. GPV is mainly engaged within electronic manufacturing services, mechatronics and high precision mechanics. Information on the company's ultimate parent is presented in note 16. Information on other related party relationships is provided in note 22.

The financial statements of GPV International A/S has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. GPV is not obliged to prepare IFRS financial statements as it is not a publicly listed company, but has voluntarily elected to prepare them for use of current and potential future investors and stakeholders.

Pursuant to §96, subsection 3 of the Annual Accounts Act, no fee is specified for the auditor.

In accordance with §112 of the Annual Accounts Act, no consolidated financial statements have been prepared, as the company is included in the consolidated financial statements of the parent company GPV Group A/S

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

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

#### New and amended standards and interpretations

GPV has assessed the effect of the new standards, amendments, and interpretations. GPV has concluded that all standards, amendments, and interpretations effective for financial years beginning on or after 1 January 2023 are either not relevant to GPV or have no significant effect on the Financial Statements of GPV.

#### Foreign currency translation

The Company's financial statements are presented in Danish kroner (DKK), which is also the Company's 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.

#### 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

GPV does not present segment information or apply IFRS8 Operating Segments, since its equity or debt instruments are not traded in a public market.

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 GPV expects to be entitled in exchange for those goods. GPV 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.

GPV 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, GPV considers the effects of variable consideration.

### Variable consideration

If the consideration in a contract includes a variable amount, GPV 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 current tax payable is based on the taxable profit of 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 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 International A/S, 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.

Intangible assets bought or developed for internal use is measured at cost comprises payments for the intangible assets and other directly attributable expenses of preparing the intangible asset for its intended use.

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 useful live of intangible assets is, as follows:

| Goodwill           | Indefinite        | No amortisation                    |
|--------------------|-------------------|------------------------------------|
| Customer relations | Finite 8-20 years | Amortised on a straight-line basis |
| Other intangibles  | Finite 5-15 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 assets are ready for use. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs until the assets are ready for use.

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

|  |            |
|--|------------|
| Buildings  | 10 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.

#### Investments in group enterprises

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.

#### 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.

#### Lease assets and lease liabilities

Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use asset (ROU) and corresponding lease liability are recognised on the lease commencement date.

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs. The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental borrowing rate is used. In determining the lease period extension, options are only included if it is reasonably certain they will be utilised.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability. Depreciation is carried out following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest.

The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease. Any service elements separable from the lease contract are also accounted for following the same principle.

Extension options are only included in the lease term if extension of the lease is reasonably certain. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates.

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

|             |            |
|-------------|------------|
| Property    | 4-10 years |
| Equipment   | 5-8 years  |
| Cars        | 3-6 years  |
| Other asset | 3-8 years  |

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.

#### 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 transaction price 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 losses adjusted for forward looking information. Impairment on receivables, after initial recognition of the receivables, are recognised in the income statement under administrative expenses.

Provisions are not calculated for credit insured receivables.

#### 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 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 extent 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 10.

### 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.

### 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 9.

## 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:

| Geographical region                         | For the year ended 31 December 2023 |                |               | Total   |
|---|-------------------------------------|----------------|---------------|---------|
|   | Denmark                             | Rest of Europe | Rest of world |         |
|   | tDKK                                | tDKK           | tDKK          | tDKK    |
| Type of goods or service                    |                                     |                |               |         |
| Sale of goods                               | 262.186                             | 271.106        | 182.470       | 715.762 |
| Total revenue from contracts with customers | 262.186                             | 271.106        | 182.470       | 715.762 |

| Geographical region                         | For the year ended 31 December 2022 |                |               | Total   |
|---|-------------------------------------|----------------|---------------|---------|
|   | Denmark                             | Rest of Europe | Rest of world |         |
|   | tDKK                                | tDKK           | tDKK          | tDKK    |
| Type of goods or service                    |                                     |                |               |         |
| Sale of goods                               | 243.383                             | 260.695        | 165.212       | 669.290 |
| Total revenue from contracts with customers | 243.383                             | 260.695        | 165.212       | 669.290 |

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 volume rebates which give rise to variable consideration subject to constraint.

## Notes

|  | 2023<br>1/1 - 31/12<br>tDKK | 2022<br>1/1 - 31/12<br>tDKK |
|--|-----------------------------|-----------------------------|
| <b>Note 4 - Costs</b>                                  |                             |                             |
| Cost of sales:   |                             |                             |
| Cost of sale, including write-down of inventories, net | -567.315                    | -497.734                    |
| Staff costs  | -88.003                     | -84.574                     |
| Repair and maintenance                                 | -4.227                      | -4.070                      |
| Energy costs   | -3.707                      | -5.647                      |
| Freight costs  | -5.826                      | -6.642                      |
| Other costs  | -14.019                     | -15.980                     |
| Total cost of sales                                    | <u>-683.097</u>             | <u>-614.647</u>             |
| Staff costs:   |                             |                             |
| Wages and salaries                                     | -130.644                    | -114.821                    |
| Remuneration to the Board of Directors                 | -660                        | -625                        |
| Defined contribution pension plans                     | -10.581                     | -8.499                      |
| Other social security costs                            | -2.800                      | -2.659                      |
| Share-based payment                                    | -5.242                      | -4.201                      |
| Total staff costs                                      | <u>-149.927</u>             | <u>-130.805</u>             |
| Staff costs are recognised as follows:                 |                             |                             |
| Production   | -88.003                     | -84.574                     |
| Distribution   | -12.256                     | -11.627                     |
| Administration   | -49.668                     | -34.604                     |
| Staff costs recognised in the income statement         | <u>-149.927</u>             | <u>-130.805</u>             |
| Average number of employees                            | <u>263</u>                  | <u>255</u>                  |

## 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 8.515 (2022 tDKK 7,802), includes share-based payment of tDKK 1.930 (2022 tDKK 1,642).

#### 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 (2023: DKK 567,60) plus a premium (2023 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 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        |
| Granted in 2021   | 20.000               | 32.000         | 52.000         | 678,19                            | 125,37                          | 6.519                       | March 2024       | April 2025        |
| Granted in 2022   | 23.000               | 37.000         | 60.000         | 527,07                            | 68,35                           | 4.101                       | May 2025         | April 2026        |
| <b>Total outstanding options at December 31<sup>st</sup> 2022</b> | <b>83.000</b>        | <b>121.000</b> | <b>204.000</b> |                                   |                                 |                             |                  |                   |
| Granted in 2023   | 25.000               | 51.000         | 76.000         | 577,53                            | 96,55                           | 7.338                       | May 2026         | April 2027        |
| Lapsed (from 2019 grant)  | -20.000              | -20.000        | 40.000         |                                   |                                 |                             |                  |                   |
| <b>Total outstanding options at 31 December 2023</b>              | <b>88.000</b>        | <b>130.000</b> | <b>218.000</b> |                                   |                                 |                             |                  |                   |

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

(2) at the date of grant

In 2023, 22.000 options were exercised at an average price of 512.02.

Fair value assumptions:

|                             | 2023 grants | 2022 grants | 2021 grants | 2020 Grants |
|-----------------------------|-------------|-------------|-------------|-------------|
| Expected volatility         | 25,03%      | 24,82%      | 31,60%      | 22,21%      |
| Expected term               | 47 mo.      | 49 mo.      | 49 mo.      | 48 mo.      |
| Expected dividend per share | 15 DKK      | 14 DKK      | 14 DKK      | 13 DKK      |
| Risk-free interest rate     | 2,66%       | -0,17%      | -0,54%      | -0,97%      |

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

|  | 2023<br>1/1 - 31/12<br>tDKK | 2022<br>1/1 - 31/12<br>tDKK |
|--|-----------------------------|-----------------------------|
| <b>Note 5 - Other operation income and expenses</b>                          |                             |                             |
| Gains on the disposal of property, plant and equipment and intangible assets | 0                           | 3                           |
| Charged to group enterprises   | 151.958                     | 127.782                     |
| Charges from group enterprises   | -38.683                     | -31.182                     |
| Total other operating income, net  | <u>113.275</u>              | <u>96.603</u>               |
| <b>Note 6 - Depreciation, amortisation and impairment losses</b>             |                             |                             |
| Depreciation is recognised in the income statement as follows:               |                             |                             |
| Cost of sales  | -16.067                     | -19.735                     |
| Distribution costs   | -2.109                      | -1.166                      |
| Administrative expenses  | -3.768                      | -3.443                      |
| Total depreciation, amortisation and impairment losses                       | <u>-21.944</u>              | <u>-24.344</u>              |
| <b>Note 7 - Financial income</b>   |                             |                             |
| Interests from group loans   | 13.747                      | 11.068                      |
| Exchange rate adjustments  | 664                         | 629                         |
| Total financial income   | <u>14.411</u>               | <u>11.697</u>               |
| <b>Note 8 - Financial expenses</b>   |                             |                             |
| Interest expense   | -226                        | -414                        |
| Interests from group loans   | -46.106                     | -21.068                     |
| Exchange rate adjustments  | -3.944                      | -6.087                      |
| Other financial expenses   | -17                         | 1                           |
| Total financial expenses   | <u>-50.293</u>              | <u>-27.568</u>              |

## Notes

|  | 2023<br>1/1 - 31/12<br>tDKK | 2022<br>1/1 - 31/12<br>tDKK |
|--|-----------------------------|-----------------------------|
| <b>Note 9 - Tax on the profit for the year</b>                 |                             |                             |
| Tax for the year is composed as follows:                       |                             |                             |
| Tax on the profit for the year                                 | -1.801                      | -10.993                     |
|  | <u>-1.801</u>               | <u>-10.993</u>              |
| Tax on the profit for the year has been calculated as follows: |                             |                             |
| Current tax  | -1.934                      | -10.993                     |
| Deferred tax   | 133                         | 0                           |
|  | <u>-1.801</u>               | <u>-10.993</u>              |
| Effective tax rate:  |                             |                             |
| Calculated 22.0% tax of the profit for the year                | -15.094                     | -50.427                     |
| Non-taxable income from Group enterprises                      | 17.700                      | 40.485                      |
| Non-deductible costs and non-taxable income                    | -4.407                      | -1.051                      |
| Recognised tax income  | <u>-1.801</u>               | <u>-10.993</u>              |
| Effective tax rate   | <u>2,6%</u>                 | <u>4,8%</u>                 |
| Deferred tax asset   |                             |                             |
| Intangible assets  | -439                        | -867                        |
| Property, plant and equipment                                  | 8.742                       | 14.748                      |
| Inventories  | 8.332                       | 4.416                       |
| Receivables  | 88                          | 198                         |
| Liabilities other than provisions                              | 699                         | 731                         |
| Tax losses carried forward                                     | 0                           | 0                           |
|  | <u>17.422</u>               | <u>19.226</u>               |
| Deferred tax not recognised                                    | 133                         | 0                           |
|  | <u>17.555</u>               | <u>19.226</u>               |
| Deferred tax is recognised in the balance sheet as follows:    |                             |                             |
| Deferred tax (asset)   | 17.422                      | 19.226                      |
| Deferred tax (liability)                                       | 0                           | 0                           |
| Net deferred tax at 31 December                                | <u>17.422</u>               | <u>19.226</u>               |

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 9 – Tax on the profit for the year

The Pillar Two legislation was enacted in Denmark in December 2023 and will be effective for the company's financial year beginning 1 January 2024. It implies that GPV will be required to pay top-up tax on profits of its subsidiaries to the Danish tax authorities if these are locally taxed at an effective tax rate of less than 15 per cent (minimum tax). If the relevant GPV Group jurisdictions have enacted local top-up tax rules, the top-up tax will be paid locally and included in the GPV International A/S annual report.

The assessment concerning the complex Pillar Two legislation carried out so far indicates that the main part of the jurisdictions has effective tax rates of 15% or higher. A potential exposure has been identified in Thailand, where the Pillar Two effective tax rate is lower than 15% due to tax incentives being part of an investment agreement with the authorities (BOI). Since the assessment is still in progress, quantitative information to indicate potential exposure to Pillar Two income taxes is presently not known or reasonably estimable. The Company is engaged with tax specialists to assist with the assessment and expects to complete the assessment in the first of half of financial year 2024.

#### Deferred tax

The company has applied the temporary exception issued by IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognizes nor discloses information about deferred tax assets and liabilities to Pillar Two income taxes.

## Notes

## Note 10 - Intangible assets

| tDKK  | Goodwill | Development projects in progress | Other intangible assets | Total  |
|---|----------|----------------------------------|-------------------------|--------|
| Cost at Jan 1, 2023                         | 9.752    | 10.836                           | 9.451                   | 30.039 |
| Additions - by purchase                     | 0        | 1.848                            | 210                     | 2.058  |
| Transferred/reclassified                    | 0        | -9.572                           | 9.295                   | -277   |
| Cost at Dec 31, 2023                        | 9.752    | 3.112                            | 18.956                  | 31.820 |
| Amortisation and impairment at Jan 1, 2023  | 0        | 0                                | 5.510                   | 5.510  |
| Amortisation                                | 0        | 0                                | 1.944                   | 1.944  |
| Amortisation and impairment at Dec 31, 2023 | 0        | 0                                | 7.454                   | 7.454  |
| Carrying amount at Dec 31, 2023             | 9.752    | 3.112                            | 11.502                  | 24.366 |

Amortised over (years) 10

| tDKK  | Goodwill | Development projects in progress | Other intangible assets | Total  |
|---|----------|----------------------------------|-------------------------|--------|
| Cost at Jan 1, 2022                         | 9.752    | 8.557                            | 9.451                   | 27.760 |
| Additions - by purchase                     | 0        | 2.279                            | 0                       | 2.279  |
| Cost at Dec 31, 2022                        | 9.752    | 10.836                           | 9.451                   | 30.039 |
| Amortisation and impairment at Jan 1, 2022  | 0        | 0                                | 4.565                   | 4.565  |
| Amortisation                                | 0        | 0                                | 945                     | 945    |
| Amortisation and impairment at Dec 31, 2022 | 0        | 0                                | 5.510                   | 5.510  |
| Carrying amount at Dec 31, 2022             | 9.752    | 10.836                           | 3.941                   | 24.529 |

Amortised over (years) 10

## Notes

### Note 10 - Intangible assets

#### Goodwill

The Management of GPV International A/S 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 2024-2028. 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 CGU value which subsequently is compared against the carrying amount recognised in GPV International A/S' financial statements. As of 31 December 2023, GPV International A/S has recognised goodwill at a total value of DKKm 202 (2022: DKKm 190), DKKm 10 are allocated to BHE and DKKm 192 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 2,0%, 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 and GPV DACH Group are both 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 10,1% for GPV Group. The sensitivity analysis for EBIT margin allows a decrease of 1-4 pp and for the WACC the analysis allows an increase of 1-3 pp. The Management deems therefore that no impairment is need on the goodwill for GPV International A/S.

## Notes

## Note 11 - Property, plant and equipment

| tDKK                              | Land and<br>buildings | Plant and<br>machinery | Other<br>fixtures,<br>tools and<br>equipment | Assets<br>under con-<br>struction | Total   |
|-----------------------------------|-----------------------|------------------------|--|-----------------------------------|---------|
| Cost at Jan 1, 2023               | 9.504                 | 159.521                | 27.836                                       | 1.138                             | 197.999 |
| Additions                         | 156                   | 6.640                  | 155  | 3.566                             | 10.517  |
| Disposals                         | 0                     | 0                      | -120   | 0                                 | -120    |
| Transferred/reclassified          | 0                     | 0                      | 0  | 277                               | 277     |
| Cost at Dec 31, 2023              | 9.660                 | 166.161                | 27.871                                       | 4.981                             | 208.673 |
| Depreciation at Jan 1, 2023       | 7.644                 | 118.894                | 23.331                                       | 0                                 | 149.869 |
| Depreciation                      | 544                   | 10.466                 | 1.381  | 0                                 | 12.391  |
| Depreciation of disposed assets   | 0                     | 0                      | -120   | 0                                 | -120    |
| Depreciation at Dec 31, 2023      | 8.188                 | 129.360                | 24.592                                       | 0                                 | 162.140 |
| Carrying amount at Dec 31, 2023   | 1.472                 | 36.801                 | 3.279  | 4.981                             | 46.533  |
| Depreciated over (years)          | 10-25                 | 5-10                   | 3-8  |                                   |         |
| tDKK                              |                       |                        |  |                                   |         |
| Cost at Jan 1, 2022               | 9.295                 | 148.623                | 25.422                                       | 1.423                             | 184.763 |
| Additions                         | 209                   | 9.558                  | 2.434  | 1.055                             | 13.256  |
| Disposals                         | 0                     | 0                      | -20  | 0                                 | -20     |
| Transferred/reclassified          | 0                     | 1.340                  | 0  | -1.340                            | 0       |
| Cost at Dec 31, 2022              | 9.504                 | 159.521                | 27.836                                       | 1.138                             | 197.999 |
| Depreciation at Jan 1, 2022       | 7.105                 | 104.741                | 21.899                                       | 0                                 | 133.745 |
| Depreciation                      | 539                   | 14.153                 | 1.452  | 0                                 | 16.144  |
| Depreciation of disposed assets   | 0                     | 0                      | -20  | 0                                 | -20     |
| Depreciation at December 31, 2022 | 7.644                 | 118.894                | 23.331                                       | 0                                 | 149.869 |
| Carrying amount at Dec 31, 2022   | 1.860                 | 40.627                 | 4.505  | 1.138                             | 48.130  |
| Depreciated over (years)          | 10-25                 | 5-10                   | 3-8  |                                   |         |

## Notes

## Note 12 - Lease assets

| tDKK   | Property | Cars   | Other assets | Total  |
|--|----------|--------|--------------|--------|
| Cost at Jan 1, 2023                            | 32.678   | 3.538  | 0            | 36.216 |
| Additions                                      | 664      | 1.522  | 0            | 2.186  |
| Disposals                                      | 0        | -1.078 | 0            | -1.078 |
| Cost at Dec 31, 2023                           | 33.342   | 3.982  | 0            | 37.324 |
| Amortisation and impairment at Jan 1, 2023     | 24.387   | 1.882  | 0            | 26.269 |
| Amortisation                                   | 6.523    | 1.087  | 0            | 7.610  |
| Amortisation and impairment of disposed assets | 0        | -1.078 | 0            | -1.078 |
| Amortisation and impairment at Dec 31, 2023    | 30.910   | 1.891  | 0            | 32.801 |
| Carrying amount at Dec 31, 2023                | 2.432    | 2.091  | 0            | 4.523  |

| Lease agreement not recognised in the balance sheet                            | Service | Small value assets | Short term leases | Total |
|--|---------|--------------------|-------------------|-------|
| Due for payment within 1 year  | 220     | 0                  | 122               | 342   |
| Due for payment within >1-5 years  | 143     | 0                  |                   | 143   |
| Due for payment after 5 years  | 0       | 0                  |                   | 0     |
| Total commitments of service / small value / short term leases at Dec 31, 2023 | 363     | 0                  | 122               | 485   |

| Recognised in the profit and loss statement in 2023 | Service | Small value assets | Short term leases | Total |
|---|---------|--------------------|-------------------|-------|
| Expensed in the year                                | 332     | 0                  | 45                | 377   |

There has not been any COVID-19 related rent concessions in 2023

## Notes

## Note 12 - Lease assets

| tDKK   | Property | Cars  | Other assets | Total  |
|--|----------|-------|--------------|--------|
| Cost at Jan 1, 2022                            | 32.678   | 2.909 | 0            | 35.587 |
| Additions                                      | 0        | 1.148 | 0            | 1.148  |
| Disposals                                      | 0        | -519  | 0            | -519   |
| Cost at Dec 31, 2022                           | 32.678   | 3.538 | 0            | 36.216 |
| Amortisation and impairment at Jan 1, 2022     | 18.113   | 1.237 | 0            | 19.350 |
| Amortisation                                   | 6.274    | 982   | 0            | 7.256  |
| Amortisation and impairment of disposed assets | 0        | -337  | 0            | -337   |
| Amortisation and impairment at Dec 31, 2022    | 24.387   | 1.882 | 0            | 26.269 |
| Carrying amount at Dec 31, 2022                | 8.291    | 1.656 | 0            | 9.947  |

| Lease agreement not recognised in the balance sheet                            | Service | Small value assets | Short term leases | Total |
|--|---------|--------------------|-------------------|-------|
| Due for payment within 1 year  | 254     | 0                  | 0                 | 254   |
| Due for payment within >1-5 years  | 275     | 0                  |                   | 275   |
| Due for payment after 5 years  | 0       | 0                  |                   | 0     |
| Total commitments of service / small value / short term leases at Dec 31, 2022 | 529     | 0                  | 0                 | 529   |

| Recognised in the profit and loss statement in 2022 | Service | Small value assets | Short term leases | Total |
|---|---------|--------------------|-------------------|-------|
| Expensed in the year                                | 265     | 0                  | 98                | 363   |

There has not been any COVID-19 related rent concessions in 2022

## Notes

|   | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|---|------------------------|------------------------|
| <b>Note 13 - Investments in group enterprises</b>                     |                        |                        |
| Cost at January 1   | 746.218                | 746.218                |
| Cost at December 31   | 746.218                | 746.218                |
| Adjustments at January 1  | 727.638                | 553.135                |
| Foreign exchange adjustments  | 27.953                 | 50.703                 |
| Remeasurement of the defined benefit obligation                       | -23.057                | 33.389                 |
| Dividend  | -93.241                | -90.008                |
| Withholding tax on dividends  | -1.648                 | -5.435                 |
| Value adjustment of hedging instruments<br>recognised during the year | -919                   | 1.832                  |
| Share of the profit/loss for the year                                 | 80.456                 | 184.022                |
| Adjustments at December 31  | 717.182                | 727.638                |
| Carrying amount at December 31  | 1.463.400              | 1.473.856              |

| Name                                     | Registered Office           | Ownership<br>interest 2023 | Ownership<br>interest 2022 |
|--|-----------------------------|----------------------------|----------------------------|
| Owned directly by parent company         |                             |                            |                            |
| GPV Asia (Thailand) Co., Ltd             | Thailand, Bangkok           | 100%                       | 100%                       |
| GPV Mexico                               | 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            | 0% **                      | 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 Solutions (private) Limited | Sri Lanka, Kochchikade      | 49% *                      | 49%                        |

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

\*\*) GPV ASIA (Hong Kong) Ltd. has been liquidated during 2023

## Notes

|  | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|--|------------------------|------------------------|
| <b>Note 14 - Inventories</b>   |                        |                        |
| Raw materials and consumables  | 228.621                | 228.518                |
| Work in progress   | 48.744                 | 86.259                 |
| Finished goods and goods for resale                                  | 14.207                 | 5.685                  |
| Inventories total at the lower of cost and net realisable value      | <u>291.572</u>         | <u>320.462</u>         |
| Cost of inventories for which impairment losses have been recognised | 42.749                 | 22.593                 |
| Accumulated impairment losses on inventories                         | <u>-37.872</u>         | <u>-20.072</u>         |
| Net sales value  | <u>4.877</u>           | <u>2.521</u>           |

During 2023, impairment assessment has been aligned within the Group, the impact of the alignment is tDKK -10.656 and recognised as an expense for inventory carried at net realisable value. This is recognised in cost of sales.

**Note 15 - Receivables**

|   |                |                |
|---|----------------|----------------|
| Receivables from group enterprises, non-current | 52.172         | 175.756        |
| Receivables from ultimate parent company        | 34.278         | 0              |
| Receivables from group enterprises, current     | 409.119        | 381.375        |
| Trade receivables                               | 120.502        | 146.166        |
| Other receivables                               | 1.182          | 964            |
| Prepayments                                     | 12.050         | 6.453          |
| Receivables in total                            | <u>629.303</u> | <u>710.714</u> |

Trade receivables can be specified as follows:

| 2023                                   | Not due       | Due between (tDKK) |              |            | Total          |
|--|---------------|--------------------|--------------|------------|----------------|
|  |               | 1-30 days          | 31-90 days   | >91 days   |                |
| Trade receivables before allowance     | 94.840        | 21.002             | 4.604        | 456        | 120.902        |
| Impairment losses on trade receivables | -400          | 0                  | 0            | 0          | -400           |
| Trade receivables in total             | <u>94.440</u> | <u>21.002</u>      | <u>4.604</u> | <u>456</u> | <u>120.502</u> |
| Impairment percentage                  | 0,4%          | 0,0%               | 0,0%         | 0,0%       | 0,3%           |

  

| 2022                                   | Not due        | Due between (tDKK) |              |          | Total          |
|--|----------------|--------------------|--------------|----------|----------------|
|  |                | 1-30 days          | 31-90 days   | >91 days |                |
| Trade receivables before allowance     | 122.096        | 20.729             | 4.044        | 197      | 147.066        |
| Impairment losses on trade receivables | 0              | 0                  | -703         | -197     | -900           |
| Trade receivables in total             | <u>122.096</u> | <u>20.729</u>      | <u>3.341</u> | <u>0</u> | <u>146.166</u> |
| Impairment percentage                  | 0,0%           | 0,0%               | 17,4%        | 100,0%   | 0,6%           |

## Notes

|   | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|---|------------------------|------------------------|
| <b>Note 16 - Equity</b>                                   |                        |                        |
| 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 0 (2022: tDKK 0), equivalent to tDKK 0 per share.

The Company has registered the following shareholder to hold 100 % of the voting capital or of the nominal value of the Company:

GPV Group A/S, Vejle, Denmark

|  | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|--|------------------------|------------------------|
| <b>Note 17 - Credit institutions and borrowings</b>  |                        |                        |
| Non-current borrowings                               |                        |                        |
| Non-current debt to the ultimate parent company      | 0                      | 0                      |
| Other liabilities                                    | 1.216                  | 3.024                  |
| Total credit institutions and borrowings             | 1.216                  | 3.024                  |
| Current borrowings                                   |                        |                        |
| Lease liabilities                                    | 3.593                  | 7.743                  |
| Payables to realted parties                          | 24.274                 | 0                      |
| Payables to the ultimate parent company              | 846.654                | 1.001.628              |
| Total current borrowings                             | 874.521                | 1.009.371              |
| Total borrowings                                     | 875.737                | 1.012.395              |
| Nominal value  | 875.737                | 1.012.395              |
| Maturity of non-current and current borrowings       |                        |                        |
| Less than one year                                   | 874.521                | 1.009.371              |
| Between one and five years                           | 1.216                  | 3.024                  |
| More than five years                                 | 0                      | 0                      |
| Total maturity of non-current and current borrowings | 875.737                | 1.012.395              |

GPV International A/S' borrowings are mainly in DKK, USD 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

|   | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|---|------------------------|------------------------|
| <b>Note 18 - Other short-term payables</b>                                      |                        |                        |
| VAT and duties  | 374                    | 0                      |
| Wages and salaries, personal income taxes, social security costs, etc., payable | 19.369                 | 13.646                 |
| Holiday pay obligation  | 5.851                  | 4.868                  |
| Other costs payable   | 8.247                  | 11.291                 |
| <b>Total other short-term payables</b>  | <b>33.841</b>          | <b>29.805</b>          |

## Note 19 - Financial risk

## Liquidity risk

GPV International A/S is predominately financed by resources of the ultimate parent company Schouw & Co.

The ultimate 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. The first extension option was utilized in December 2021 and the second extension option was utilized in December 2022. The banking consortium is consisting of Danske Bank, DNB, Nordea and the international bank Hong Kong & Shanghai Banking Corporation (HSBC).

In April 2019, Schouw & Co. issued a Schuldschein totalling 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 period and issued for specific capacity- and development investments in Denmark.

In addition, in 2022, Schouw & Co. established a number of term loans with Danske Bank, Nordea Bank, HSBC and Jyske Bank for a total of DKK 2,312 million. The loans are committed and expire in 2024 (50%) and in 2025 (50%).

## 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 through 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) and Switzerland (CHF).

## Notes

## Note 19 - Financial risk

The company's foreign exchange risks recognised in the balance sheet at 31 December, 2023

| Currency, TDKK | Securities<br>and cash/<br>equivalents | Receivables | Debt     | Net position<br>before<br>hedging | Net position<br>after hedging |
|----------------|--|-------------|----------|-----------------------------------|-------------------------------|
| EUR / DKK      | 0                                      | 35.160      | -276.921 | -241.761                          | -241.761                      |
| USD / DKK      | 0                                      | 73.579      | -57.194  | 16.385                            | 16.385                        |
| Other          | 0                                      | -173.006    | 985.342  | 812.336                           | 812.336                       |
|                | 0                                      | -64.267     | 651.227  | 586.960                           | 586.960                       |

The company's foreign exchange risks recognised in the balance sheet at 31 December, 2022

| Currency, TDKK | Securities<br>and cash/<br>equivalents | Receivables | Debt     | Net position<br>before<br>hedging | Net position<br>after hedging |
|----------------|--|-------------|----------|-----------------------------------|-------------------------------|
| EUR / DKK      | 0                                      | 44.932      | -412.831 | -367.899                          | -367.899                      |
| USD / DKK      | 0                                      | 54.877      | -85.133  | -30.256                           | -30.256                       |
| Other          | 0                                      | 7           | -920     | -913                              | -913                          |
|                | 0                                      | 99.816      | -498.884 | -399.068                          | -399.068                      |

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 - Collaterals and Contingent liabilities

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

In April 2019, Schouw & Co. issued a Schuldschein totalling EUR 136 million, (DKK 1,013 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 period and issued for specific capacity- and development investments in Denmark.

In addition, in 2022, Schouw & Co. established a term loan with Nordea Bank for a total of DKK 400 million. The loan is committed and expire in March 2024.

GPV International A/S, like other major subsidiaries in Schouw & Co., co-guarantees the aforementioned facilities totalling DKK 1.805 million, where of DKK 1,805 million is utilized. In addition, a number of other smaller facilities totalling DKK 56 million established with Schouw & Co.'s global banker HSBC, where of DKK 48 million is utilized.

## Contingent liabilities

GPV International A/S 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.

|   | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|---|------------------------|------------------------|
| <b>Note 21 - Cash flow changes in net working capital</b> |                        |                        |
| Change in inventories                                     | 11.090                 | -82.277                |
| Change in receivables                                     | 13.704                 | -51.135                |
| Change in trade payables and other payables               | -48.824                | 6.244                  |
| Cash flow changes in net working capital in total         | <u>-24.030</u>         | <u>-127.168</u>        |

## Notes

|  | 2023<br>Dec 31<br>tDKK | 2022<br>Dec 31<br>tDKK |
|--|------------------------|------------------------|
| <b>Note 22 - Related parties</b>                     |                        |                        |
| Sales of goods and services to group enterprises     | 11.478                 | 7.386                  |
| Purchase of goods and service from group enterprises | -43.441                | -37.151                |
| Charges from group enterprises                       | -103.806               | -76.342                |
| Charged to group enterprises                         | 151.958                | 127.782                |
| Interest expenses to group enterprises               | -1.263                 | -270                   |
| Interest income from group enterprises               | 14.231                 | 11.311                 |
| Management fee to ultimate parent company            | -1.950                 | -1.875                 |
| Interest income from ultimate parent company         | 779                    | 27                     |
| Interest expenses to ultimate parent company         | -46.106                | -21.068                |
| Receivables from ultimate parent company             | 34.278                 | 0                      |
| Receivables from group enterprises                   | 461.291                | 557.131                |
| Payables to ultimate parent company                  | 846.654                | 1.001.628              |
| Payables to group enterprises                        | 45.477                 | 11.574                 |

GPV International A/S is included in the consolidated financial statements of GPV Group A/S, Vejle, 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 23 - Events after the balance sheet**

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

**Note 24 - 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 International A/S in 2023.

Amendment to IAS 1, Presentation of Financial Statements and Practice Statement, IAS 8, Accounting Policies and, IAS 12, Income Taxes

GPV International A/S 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 the Group.