

MULTI-WING INTERNATIONAL A/S
Staktoften 16
2950 Vedbæk

Annual report for the period
1 January to 31 December 2020

Adopted at the annual general meeting on
28 June 2021

John Korsø Jensen
chairman

CVR-nr. 11 95 95 98

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Multi-Wing International A/S for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Vedbæk, 28 June 2021

Board of Executives

Lisbeth Tonsberg

Board of Directors

Annette Bernhoft Andersen
Chairman

Jesper Bernhoft

John Korsø Jensen

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Multi-Wing International A/S

Opinion

We have audited the financial statements of Multi-Wing International A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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 judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- 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.

INDEPENDENT AUDITOR'S REPORT

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

Copenhagen, 28 June 2021

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Kurt Christensen
Statsautoriseret revisor
(State-authorized Public Accountant)
MNE no. mne26824

COMPANY DETAILS

The company	Multi-Wing International A/S Staktoften 16 2950 Vedbæk
	Telephone: +45 45 89 01 33 Fax: +45 45 89 31 33
	E-mail: info@multi-wing.com
	Website: www.multi-wing.com
	CVR no.: 11 95 95 98
	Reporting period: 1 January - 31 December 2020 Incorporated: 1 december 1987
	Domicile: Rudersdal
Board of Directors	Annette Bernhoft Andersen, chairman Jesper Bernhoft John Korsø Jensen
Board of Executives	Lisbeth Tonsberg
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2. tv. 2100 København Ø

FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020	2019	2018	2017	2016
	MDKK	MDKK	MDKK	MDKK	MDKK
KEY FIGURES					
Profit/loss					
Gross profit/loss	42	56	58	55	40
Profit/loss before net financials	19	33	36	27	15
Net financials	-1	0	0	-2	-1
Profit/loss for the year	15	25	28	19	11
Balance sheet					
Balance sheet total	113	125	90	94	85
Investment in property, plant and equipment	4	9	7	3	4
Equity	28	43	37	30	26
FINANCIAL RATIOS					
Return on assets	16,0%	30,7%	39,1%	30,2%	16,4%
Solvency ratio	24,8%	34,4%	41,1%	31,9%	30,6%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

MANAGEMENT'S REVIEW

Business review

The Company develops, design, produce, markets, sells and supplies a flexible and modular variety of axial impellers utilized in engine cooling, commercial refrigeration, industrial ventilation, and HVAC applications.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31. december 2020 shows a profit of DKK 14.636.609, and the balance sheet at 31 December 2020 shows equity of DKK 27.574.263.

The Company's result was severely impacted by Covid-19. All countries where the group operates experienced longer periods with lock downs, disrupted supply chains and stop of production among customers. There was immediate chock effect in Q2 where the overall situation was very dire, and then business gradually improved during q3 and q4.

The operating result and net profit declined with 42 % compared to 2019 since all markets experienced a decrease in sales.

Significant events occurring after the end of the financial year

The business is recovering stronger than expected after the Covid-19 pandemic, and the recovery is so strong that there has been bottlenecks in the production capacity. There has been a sudden surge of Covid-19 in India and it is at present not possible to say how that will impact the Company's sales to India.

Besides that, no events have occurred after the balance sheet date which could significantly affect the Company's financial position

MANAGEMENT'S REVIEW

Outlook

For 2021 we expect that the sales to all markets will be significantly higher compared to 2020, we expect especially the North American and the European markets to be improved significantly due to pick up after the Covid-19 crisis. Earnings are expected to also significantly improve however with slightly lower gross margins due to impact from increasing raw materials and freight cost.

Based on the assumptions profit for the year 2021 is expected be back on the same level as for 2019 and possibly higher depending on the recovery time of the markets and to what extend markets will suffer from setbacks. The Company also expects to continue to have positive cash-flows in 2021. The expectations are based on an assumption of unchanged exchange rates for the currencies to which the Company is exposed.

It is expected that 2021 will be a year where the Company will continue to participate in various development projects with large global customer and research institutes. It is a resource consuming process and will also involve a significant opportunity for close a long-lasting cooperation.

Like all development projects, they are subjected to external factors like demands and supply, regulatory developments and resources that cannot be predicted with any certainty. For example, the success depends on many factors such as oil pricing and not least whether the final applications can meet the new US and EU standards.

Knowledge resources

With the ambition to be market leader the Company consistently focuses on having a highly skilled workforce in order to be at the forefront of the latest technologies in its core competency areas. The Company's main objective is to work with innovative approaches that will improve and streamline the Company's interaction with customers in line with the Gorup's ambitions.

Environmental conditions

The Company's environmental impact is assessed to be minimal, since there are no associated production activities.

Research and development activities in or for the company

The Company has ongoing development projects, which are derived from the expectations of future demand as well as the potential development of the technology involved.

The major part of development projects is related to the development of new types of fans with a particular focus on noise reduction and energy optimization. The projects are proceeding as planned and expected to be completed within 1 to 5 years. The increased demands for environmental impact in both the US and the EU mean that there is increased focus and demand for this type of fans

Special risks

As a result of its operations, investments and financing, the Company is exposed to changes in exchange rates and interest rates.

Price risks

The impeller components are cast in aluminium and engineered thermoplastics. Both markets are relatively volatile and are especially sensitive to increasing oil prices and, to some extent, the development of the USD exchange rate.

MANAGEMENT'S REVIEW

Currency Risk

Since the Company is increasingly doing business in foreign currencies, it assumes a growing currency risk. The risk is limited to the share of deals made with companies outside Europe.

The Company's interest-rate risks are limited.

ACCOUNTING POLICIES

The annual report of Multi-Wing International A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act for medium sized class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

ACCOUNTING POLICIES

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Other external expenses also comprise research and development costs that do not qualify for capitalisation.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development costs incurred in connection with development projects comprise the internal and external expenses that are directly attributable to the Company's development activities and which meet the criteria for recognition.

ACCOUNTING POLICIES

Capitalised development costs are measured at cost less accumulated amortisation or at the recoverable amount where this is lower.

Development costs are usually depreciated over a period of 3 - 5 years.

Capitalized development costs subsequent to 1 January 2016 less depreciation are transferred under equity to net revaluation reserve for development cost.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other plant, operating equipment and fixtures	3 - 5 years	0 %
Leasehold improvements	3 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

ACCOUNTING POLICIES

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Cash flow statement

No cash flow statement has been prepared for the company, as the company's cash flows are included in the consolidated cash flow statements of Multi-Wing Group A/S.

FINANCIAL HIGHLIGHTS

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 TDKK
Gross profit		41.685.577	56.157
Staff costs	1	-14.727.629	-16.426
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-7.986.783	-7.052
Profit/loss before net financials		18.971.165	32.679
Financial income	2	569.956	729
Financial costs	3	-1.230.143	-771
Profit/loss before tax		18.310.978	32.637
Tax on profit/loss for the year	4	-3.674.369	-7.176
Profit/loss for the year		14.636.609	25.461
Distribution of profit	5		

BALANCE SHEET 31 DECEMBER

	Note	2020 DKK	2019 TDKK
ASSETS			
Completed development projects		7.651.491	4.399
Development projects in progress		8.668.264	8.509
Intangible assets	6	16.319.755	12.908
Other plant, operating equipment and fixtures		16.079.713	17.201
Leasehold improvements		545.961	442
Tangible assets	7	16.625.674	17.643
Total non-current assets		32.945.429	30.551
Finished goods and goods for resale		14.419.871	13.512
Goods in transit		627.940	628
Stocks		15.047.811	14.140
Trade receivables		1.368.704	1.076
Receivables from group enterprises		60.952.887	76.041
Other receivables		1.273.740	1.948
Prepayments	8	921.017	720
Receivables		64.516.348	79.785
Current asset investments		346.453	372
Securities		346.453	372
Cash at bank and in hand		540.094	543
Total current assets		80.450.706	94.840
Total assets		113.396.135	125.391

BALANCE SHEET 31 DECEMBER

	Note	2020 DKK	2019 TDKK
EQUITY AND LIABILITIES			
Share capital		500.000	500
Reserve for development expenditure		11.761.623	10.675
Retained earnings		312.640	1.763
Proposed dividend for the year		15.000.000	30.000
Equity		27.574.263	42.938
Provision for deferred tax	9	3.719.954	3.001
Total provisions		3.719.954	3.001
Other payables		0	642
Total non-current liabilities		0	642
Banks		55.892.183	55.436
Trade payables		10.555.744	6.011
Payables to group enterprises		7.055.642	6.284
Corporation tax		2.926.272	6.682
Other payables		5.672.077	4.397
Total current liabilities		82.101.918	78.810
Total liabilities		82.101.918	79.452
Total equity and liabilities		113.396.135	125.391
Contingent liabilities	10		
Mortgages and collateral	11		
Related parties and ownership structure	12		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for development expenditure	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2020	500.000	10.675.373	1.762.281	30.000.000	42.937.654
Ordinary dividend paid	0	0	0	-30.000.000	-30.000.000
Transfers, reserves	0	1.086.250	-1.086.250	0	0
Net profit/loss for the year	0	0	-363.391	15.000.000	14.636.609
Equity at 31 December 2020	<u>500.000</u>	<u>11.761.623</u>	<u>312.640</u>	<u>15.000.000</u>	<u>27.574.263</u>

NOTES

	2020 DKK	2019 TDKK
1 STAFF COSTS		
Wages and salaries	15.999.691	17.004
Pensions	2.390.576	2.293
Other social security costs	196.332	232
Other staff costs	129.212	276
	18.715.811	19.805
Capitalized for development projects	-3.988.182	-3.379
	14.727.629	16.426
Including remuneration to the executive board:		
Executive Board	2.291.845	2.411
	2.291.845	2.411
Average number of employees	25	25
2 FINANCIAL INCOME		
Interest received from group enterprises	569.956	550
Exchange adjustments	0	179
	569.956	729
3 FINANCIAL COSTS		
Financial expenses, group entities	41.344	57
Other financial costs	1.188.799	714
	1.230.143	771
4 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	2.955.425	6.717
Deferred tax adjustment	718.944	459
	3.674.369	7.176

NOTES

	2020 DKK	2019 TDKK
5 DISTRIBUTION OF PROFIT		
Proposed dividend for the year	15.000.000	30.000
Retained earnings	-363.391	-4.539
	14.636.609	25.461
 6 INTANGIBLE ASSETS		
	Completed development projects	Development projects in progress
Cost at 1 January 2020	32.640.691	8.508.827
Additions for the year	0	5.899.228
Transfers for the year	5.739.791	-5.739.791
Cost at 31 December 2020	38.380.482	8.668.264
Impairment losses and amortisation at 1 January 2020	28.241.851	0
Amortisation for the year	2.487.140	0
Impairment losses and amortisation at 31 December 2020	30.728.991	0
Carrying amount at 31 December 2020	7.651.491	8.668.264

The major part of development projects are related to the development of new types of axial impellers with a particular focus on noise reduction and energy optimization. The projects are proceeding as planned and expected to be completed within 1 to 5 years. The increased demands for environmental impact in both the US and the EU mean that there is increased focus and demand for this type of axial impellers.

NOTES

7 TANGIBLE ASSETS

	Other plant, operating equipment and fixtures	Leasehold improvements
Cost at 1 January 2020	56.302.641	905.755
Additions for the year	4.258.884	222.681
Cost at 31 December 2020	60.561.525	1.128.436
Impairment losses and depreciation at 1 January 2020	39.101.822	462.823
Depreciation for the year	5.379.990	119.652
Impairment losses and depreciation at 31 December 2020	44.481.812	582.475
Carrying amount at 31 December 2020	16.079.713	545.961

8 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

	2020 DKK	2019 TDKK
9 PROVISION FOR DEFERRED TAX		
Provision for deferred tax at 1 January 2020	3.001.010	2.542
Deferred tax recognised in income statement	718.944	459
Provision for deferred tax at 31 December 2020	3.719.954	3.001
Intangible assets	3.590.346	2.839.687
Property, plant and equipment	129.608	161.322
	3.719.954	3.001

NOTES

10 CONTINGENT LIABILITIES

The Company is jointly taxed with other Danish companies in the Multi-Wing Group. The Danish companies of the Group are jointly and severally liable to tax of the Group's jointly taxed income etc. The total payable corporate tax is shown in MWH af 2015 ApS' annual report, CVR-no. 36 96 68 90, who is managing company in relation to the joint taxation. Furthermore, the Danish companies of the Group are jointly and severally liable to the Danish withholding taxes in form of dividend tax, royalty tax and interest tax. Any future corrections to corporate taxes and withholding taxes can result in a larger amount of the Company's liability.

The group's danish entities have joint and several liability for joint VAT registration.

The Company has signed leases with residual maturity of up to 6 months. The remaining lease obligation represents 643 DKK,000 exclusive of VAT

11 MORTGAGES AND COLLATERAL

As security for credit institute engagement pledges are given in the Company's operating equipment, stocks and receivables amounting to 10,000 DKK,000.

In provision of security for credit institute engagement, the Company has pledged movables in IP rights, operating equipment, stocks, and receivables with a carrying value of 110,327 DKK'000.

As additional security for the credit institute engagement a first pledge is given on any outstanding amounts with Multi-Wing Group A/S.

12 RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest

MWH af 2015 ApS, Rudersdal. Ultimate parent
Multi-Wing Group A/S, Rudersdal. Capital owner

Transactions

All transactions with related parties has been made following arms-length.

Consolidated financial statements

The company is reflected in the group report as the parent companies MWH af 2015 ApS (Ultimate parent)
Multi-Wing Group A/S (Parent)

The group report of can be obtained at the following address:

Staktoften 16
2950 Vedbæk
Denmark