FairWind Holding ApS

Lysholt Allé 6, 7100 Vejle

CVR no. 25 64 27 08

Annual report 2020

Approved at the Company's annual general meeting on 11 May 2021

Chair of the meeting:

....
Kim Woetmann

Building a better
working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of FairWind Holding ApS 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Vejle, 11 May 2021
Executive Board:

John Jørgen Funch

Board of Directors:

Hans Steffen Steffensen Chair	Thomas Bechmann	Hans Christian Gabelgaard

Independent auditor's report

To the shareholders of FairWind Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FairWind Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Odense, 11 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid State Authorised Public Accountant mne31450	Morten Østergaard Koch State Authorised Public Accountant mne35420

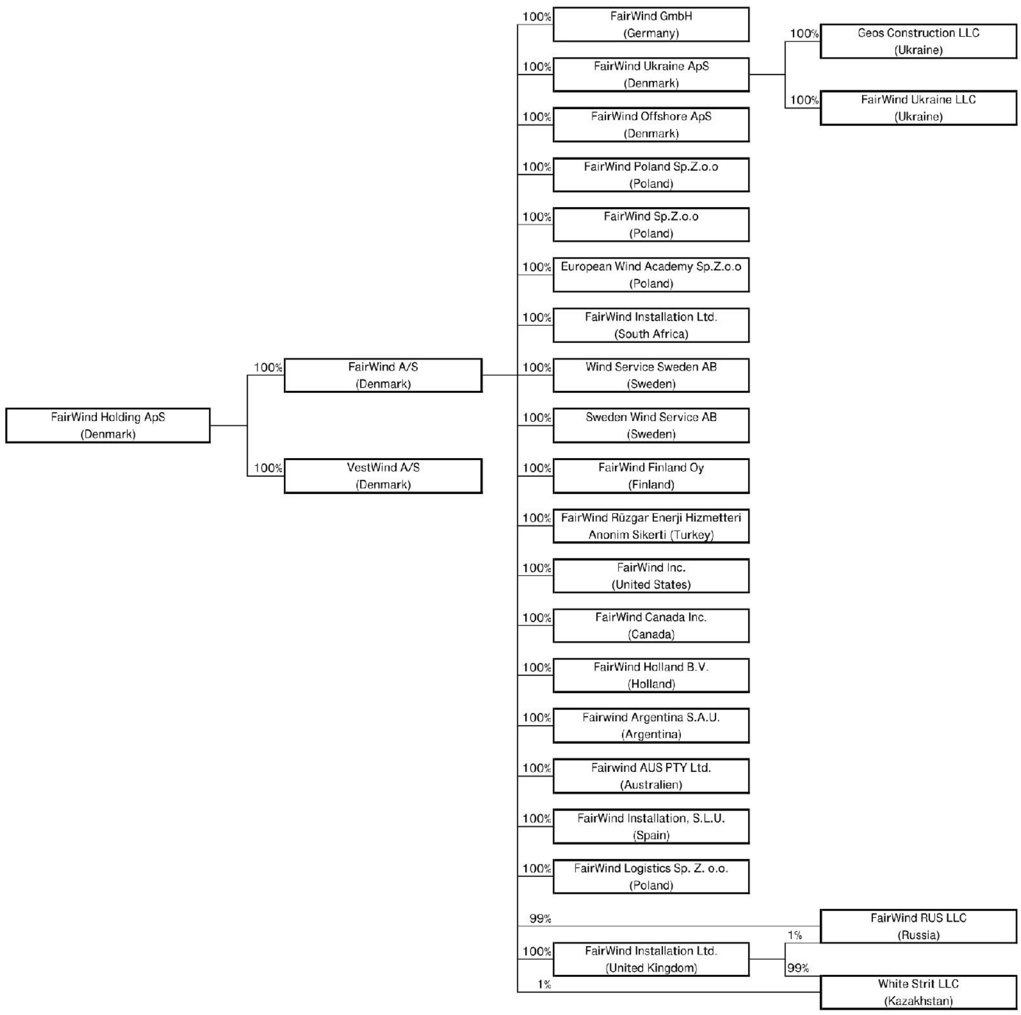
Management's review

Company details

Name	FairWind Holding ApS
Address, Postal code, City	Lysholt Allé 6, 7100 Vejle
CVR no.	25 64 27 08
Established	18 December 2013
Registered office	Vejle
Financial year	1 January - 31 December
Website	www.fairwind.com
Telephone	+45 75 11 76 20
Board of Directors	Hans Steffen Steffensen, Chair Thomas Bechmann Hans Christian Gabelgaard
Executive Board	John Jørgen Funch
Auditors	EY Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark
Bankers	Jyske Bank A/S Enghavevej 32, 7100 Vejle

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	1,197,523	1,009,483	648,956	684,200	448,058
Gross profit	127,609	118,623	100,643	100,374	72,052
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	50,216	40,980	37,586	43,470	24,365
Operating profit/loss	22,307	15,447	16,086	23,951	7,739
Net financials	-11,152	-10,879	-10,706	-9,138	-6,136
Profit before tax	11,165	4,869	5,380	15,040	3,118
Profit for the year	**7,273**	**3,832**	**3,273**	**9,357**	**1,026**
Total assets	492,702	**582,133**	414,736	346,553	341,533
Equity	**63,841**	**74,064**	**67,053**	**65,637**	**59,066**
Cash flows from operating activities	50,200	-15,450	-5,390	13,834	-1,846
Net cash flows from investing activities	-18,150	-14,418	-25,813	-19,055	-35,015
Cash flows from financing activities	-29,119	68,258	11,456	-7,962	12,045
Total cash flows	**2,931**	**38,390**	**-19,747**	**-13,183**	**-24,816**
Financial ratios					
Return on assets	4.2%	3.1%	4.2%	7.0%	2.6%
Equity ratio	13.0%	12.7%	16.2%	18.9%	17.3%
Return on equity	10.5%	5.4%	4.9%	15.0%	1.9%
Average number of employees	**790**	**562**	**451**	**493**	**233**

For terms and definitions, please see the accounting policies.

Management's review

Business review

The group's principal activities are technical installation of wind turbines and other related services.

Financial review

The profit for the year amounts to DKK 7,273 thousand (2019: DKK 3,832 thousand) and total equity amounts to DKK 63,841 thousand (2019: DKK 74,064 thousand), which is close in line with the expectations set forth in the annual report 2019.

While the FairWind Management and owners considers the development in turnover and activity for the year as very satisfying, the profit level for 2020 is considered not satisfactory.

Similar to most industries, also the Wind industry was impacted by the global Covid-19 pandemic. For FairWind, this through direct financial consequences related to project costs and derived administration costs. This driven by an increase in travel, accommodation & salary costs related to country specific quarantine restrictions as well as costs associated with Covid-19 testing, legal consultancy and hiring of additional staff to monitor and mitigate our ability to run the business under the enforced restrictions by Governments.

In particular, FairWind was impacted by the pandemic in the North American part of the business. FairWind was awarded a project in Texas for execution during Q2-Q3 2020. The project was planned to be executed by a combination of local technicians and highly skilled and competent European staff. Subsequent to a minor project postponement, the US borders closed due to Covid-19 and the FairWind global work force & site management were not able to enter the country. As a result, FairWind had to carry out several weeks of project work with an unexperienced team, significantly increasing installation time and costs. When FairWind's own site managers were deployed at the latter part of the project, the installation time was more than halved, but too late to avoid loss on the project.

Financial risks and use of financial instruments

General risks

The group is not exposed to specific risks which are not common for the type of business activities performed by the group except for currency risks mentioned below. However, it is worth calling out that also in 2021 FairWind expects some impact on profit from Covid-19 since several of the frame agreements with customers have been signed prior to the pandemic and is still the once we perform our work and activities under.

Currency risks

The group has activities in a variety of countries around the world. Some countries have volatile currencies, which expose the group to currency risks due to increase or decrease in local currencies compared to DKK. In general the currency development has been unfavorable in 2020, which has resulted in negative exchange adjustment of equity in the amount of DKK 17,496 thousand.

Research and development activities

The group has no significant research and development activities.

Statutory CSR report

The FairWind group's CSR policy and responsibility are valid for all employees in entities under FairWind Holding ApS as well as subcontractors and suppliers.

We have displayed social responsibility since 2008

In the FairWind Group we are conscious of our social responsibility and we wish to operate a business that shows consideration for individuals, the community, and the environment we are a part of. Being accountable towards our CSR policy, we will account for our ambitions, how to achieve them and the results hereof. Every year we will attempt to expand focus areas to constantly force ourselves to develop and improve the CSR outcome and results.

Management's review

We seek dialogue

Dialogue is a basic tool for management to run operations smoothly and to achieve results in cooperation with partners. FairWind has years of experience in taking responsibility and working towards all parties by engaging in a constructive dialogue throughout all phases of any project. Dialogue means that we achieve our goals to the satisfaction of our direct customers, our suppliers and other business partners.

We encourage cooperation between all parties in our operations and close circle of the value chain to find coherent solutions – not just for FairWind but for the whole supply chain. This requires close collaboration and detailed insight into our projects. We are a natural centre point for cooperation because we are always closely connected to our partners.

How FairWind focuses on the UN sustainability goals

As per the FairWind Vision & Mission statement, we exist to contribute towards maturing the market of installation and service of renewable energy devices and finding innovative ways of reducing the installation cost of clean energy.

Since energy production is by far the largest source to emission of carbon dioxide globally, and the emission is one of the main reasons to global warming, FairWind is indirectly contributing to solving the required 'Climate Action'. By being involved in technical installation of more than 10 GW from 2018- 2020, estimated to be covering 16.5 million households, we are contributing to a habitable planet for our children and future generations.

Also, FairWind is utilizing cross-border work, meaning that we often employ people from low-cost countries, which both keeps the project costs down, ensuring a good business case for renewable energy, but also economic growth in those less-wealthy countries. This as the technicians' salaries flow into these countries, the technicians are trained by FairWind, and unemployment in those countries is affected positively, hence we are also contributing towards local economic growth through decent work. Conclusively, FairWind focuses on delivering to 3 of the 17 global sustainable development goals; Affordable and Clean Energy (7), Climate Action (13), Local economic growth through decent work (8).

Through our main operation of installing wind turbines, this year (2020) we can proudly share that we have been involved in the installation of close to 4.3 GW and more than 450,000 Service Hours and hence is one of the key players in green transformation of earth. Also, FairWind has technicians and person working in the interest of FairWind from more than 25 different nations. Our ambitions for the coming years are to continuously grow GW installation as well as maintain or steadily grow our global footprint with focus on reducing our CO_2 emission towards 2025. During this development it is key for FairWind as a global player to be compliant with the UN 10 principles for Global compact.

UN GLOBAL COMPACT – FairWind's commitment to the 10 principles

The relationship to our suppliers and subcontractors is a natural extension of the Global Compact principles.

FairWind's contracts with suppliers and subcontractors are governed by various guidelines from the company, that help to ensure high quality and adherence to required standards going backwards in the supply chain. FairWind commits its subcontractors to contractually live up to applicable national collective agreements. If this is not complied with, it is considered a significant breach of contract.

FairWind supports and respects the protection of internally proclaimed human rights within the boundaries of what is influenced by the company.

- FairWind ensures that the company does not contribute to the violation of human rights
- FairWind maintains the freedom of assembly and acknowledges the right of collective bargaining
- FairWind supports the elimination of all forms of forced labour
- FairWind supports the elimination of child labour
- FairWind supports the elimination of discrimination related to work and employment conditions
- FairWind supports initiates regarding sustainable environmental challenges

Management's review

- FairWind takes initiatives to promote greater environmental responsibility
- FairWind encourages development and dispersion of environmental technologies
- FairWind opposes all forms of corruption, extortion and bribery

Code of Conduct – legislation

FairWind's Code of Conduct is a set of principles for ethical behaviour. It defines what we in FairWind believe is a responsible ethical, social and environmental practice. As a global company, FairWind has personnel from more than 25 different nationalities with different religious beliefs, cultures and political views. FairWind personnel are subject to various local laws and regulations. Although the Code of Conduct is applicable and enforceable in any country where FairWind performs its activities, personnel are also subject to the national laws and regulations in their respective countries of activity and to any laws in their own countries. FairWind will comply with the laws of every jurisdiction in which it operates. Where a local law sets higher standards than those set out in our Code of Conduct, the local law takes precedence. The Code of Conduct proposes a set of minimum standards. FairWind business units may set stricter standards, when these do not conflict with the Code of Conduct. The full version of FairWind's Code of Conduct is available online at www.fairwind.com.

Target & results

The risk regarding human rights primarily relates to breach on human rights in the supply chain, in relation to suppliers operations in foreign countries.

The risk regarding anticorruption for FairWind primarily relates to corruption and bribery in the value chain, in relation to suppliers operations in foreign countries.

With 0 breaches of the Code of Conduct FairWind in 2020 has delivered to our target.

Achieving the target & future ambitions

FairWind has over the course of the last years strengthened our efforts on specific elements such as the Anti-Bribery Policy and Anti-harassment Policy as well as a Business Guideline & Rules training. Also, in the recent years all new office employees, technicians, subcontractors and suppliers have received the Code of Conduct as part of the onboarding process and FairWind has started tracking and documenting this process. During 2021, FairWind is planning to launch a public and anonymous whistle blower section on our Web page to extent and strengthen the existing whistle blower process through ethics@fairwind.com.

The target for 2021 will remain 0 breaches of the Code of Conduct.

Safety culture

Target & results

In FairWind safety is non-negotiable as every employee has the right to feel safe. While our Safety culture is driven by the FairWind HSE department, we are also in close dialogue with customers to understand and be compliant with their demands. However, FairWind always strives to exceed these as safety must be embedded in daily activities. For 2020 key measures were defined:

- For 2020 FairWind had a target of 0 fatal accident
- For 2020 FairWind had a target for Lost time injury frequency at max 4.0 measured per 1,000,000 hours
- For 2020 FairWind had a target for Total injury frequency at max 6.0 measured per 1,000,000 hours

In 2020, FairWind again had 0 fatal accidents, but did count 9 work related incidents which resulted in a Lost Time Injury frequency of 3.3 (better than the target of 4). Comparing to 2019 where FairWind only had 6 Lost time case it is worth noticing that volume of hours in 2020 were higher and also that 3 of the 9 incidents were on projects in Scandinavia, which this year had tougher winter conditions. This is also reflected in The total recordable incidents rate, which ended at 10 and above the ambition of 6.0.

Management's review

As FairWind year-on-year has the ambitions of improving a HSE action plan has been developed and launched. As a summary of the last years combined HSE efforts, it is however worth highlighting the trend over the course of the last 4 years has massively improved, with all measured being at approx. index 25 when comparing to the 2016 numbers.

Achieving the target & future ambitions

Our Quality, HSE and HR departments have continued to measure the number of work-related incidents and reports these at all management meetings as part of the FairWind company dashboard. This to ensure that the management pay attention to the targets, actuals, and ambitions. As proactive measurements FairWind also launched several Safety Campaigns during 2020 such as:

- Coronavirus campaigns
- Working at height
- Worlds HSE Day
- Driving safely campaign
- Safety leadership and safety procedures on site
- Safety award from client
- Internal safety alerts
- HSE Digital onboarding
- BLS / AED training for office workers
- HSE Hero

Environment and climate

Target & results

The environment and climate are high priorities in FairWind. The overarching aim in these matters is that FairWind is perceived by our customers, employees, suppliers and authorities as a conscious company.

FairWind is certified according to ISO 14001 and the climate priority is also an embedded part of the FairWind vision to: "Grow to be the global leader within installation and service of wind turbines based on our commitment to green transformation on earth."

We have not been issued any enforcement notices from environmental authorities in 2020 and our own self regulation has not revealed any violations of environmental law either.

Our target for 2020 was to be continuing our low environmental impact measured through the KPI "environmental frequency rate," where the target was set at 0.8. The result for 2020 is considered satisfactory as FairWind has managed to reduce the "environmental frequency rate" to 0.4 per 100,000 project site hours (2019 = 0.8). All environmental events recorded in 2020 were related to minor chemical spillage: diesel or hydraulic oils – strictly connected to our activities, and mainly from cars/ generators at project sites. All events are considered minor and none of the events will have larger environmental implication.

In 2020 FairWind also articulated a desire to run internal environmental campaigns with a minimum of one per half a year. The target for this was achieved, as FairWind twice ran the campaigns for FairWind Eco day(s), in February and July (for more info see section 'Charity & Social events').

The risks regarding environment for FairWind primarily relates to spills of chemicals.

The risks regarding climate for FairWind primarily relates to CO2-emission and excess energy consumption.

Management's review

Achieving the target & future ambitions

FairWind secures the company's environmental arrangements through detailed internal control systems such as:

- Checking waste & chemical management on site
- Determining environmental aspects and impacts
- Including clear rules and environmental policies in an EHS Plan issued for each project
- Including control measures related to environmental aspects in risk assessments issued for each project
- Carrying out audits on site (where waste and chemical management are the crucial points for checking)
- Monitoring environmental indicators (EFR) from site
- Carrying out internal audits (especially in warehouse where environmental aspects are visible and can influence on employees directly)
- Developing environmental campaigns among employees
- Promoting pro-environmental behaviours

Also, in relation to the external environment, FairWind has always adjusted working processes locally to comply with any relevant environmental legislation. The 2021 goals for the environmental area are:

- Environmental penalties from authorities = 0
- Environmental Frequency Rate <= 0.75
- Minimum 1 environmental campaign per year
- CO2 emission from flight per hour = 0.52 kg/project hour (compared to baseline of 0.55 2020 H1)

FairWind also has targets which are less formalized but considered equally important for FairWind in 2021. FairWind with one of the OEMs have committed to reducing or global environmental footprint in the Supply Chain. This include:

- FairWind commits to 100%electricity consumption from renewable energy sources latest by 2030
- By 2022 ensure our supplier calculates and sets targets for "our" scope 3 emissions

Account of the gender composition of Management

The target & result

FairWind sees it as a corporate social responsibility to contribute to solving the task of gender equality. We believe that diversity among our employees, including even gender distribution, contributes positively to the work environment, the company's performance and our competitiveness.

FairWind has a target of having 15 %of board members in FairWind being women before 2021. In 2020, however, the board has not yet found a suitable woman willing to join the board.

Also, FairWind has a target of a year-on-year increased percentage of managers and middle managers being female. As per 31/12-2020 status is that FairWind has increased this number to 23 female managers or middle managers equivalent to 27%of the total group. This percentage is slightly up comparing to 2019 and hence the positive trend for the last years continues.

Achieving the target & future ambitions

In FairWind the Board of Directors consists of a Chairman and two members, of which none are currently female. It is the ambition for FairWind in 2021 to search for competent female candidates to join the Board.

Management's review

On the level for manager and middle manager FairWind has been successful in attracting women. This success is driven by a continuous focus on attracting women to these positions. In recent years, FairWind has focused on a recruitment process where all candidates are treated equally and since this initiative started, the number of female leaders has grown year on year.

Quality culture

The target & result

FairWind quality strategy is focused on two main aspects; customer satisfaction as well as the skills and competences of our staff. For 2020 FairWind's quality measures were primarily related to snagging on delivered towers and the targets were:

- Less than 6 snags for Onshore turbines for SGRE and Vestas (target agreed through client dialogues)
- Internally we strive for the same level of snags – 6 – for Enercon
- Less than 5 snags for Offshore preassembly

In 2020, FairWind delivered on the wrong side of ambitions for snagging with an Onshore average result of 10.5. However, majority of deviation is driven by projects to one end-customer, which approach to snagging measurement is not calibrated to standards. When excluding the result is at 7.8.

For Offshore the final total was 3.0 comfortable on the good side of the target.

After having formalized our customer satisfaction and loyalty survey back in 2018, FairWind has continued this practice into 2020. It was the ambition to improve scores, but the results remained at the level from previous year with satisfaction of 4.02 (2019 = 4.05) and for loyalty of 4,25 (2019 = 4,24).

Achieving the target & future ambitions

In 2020 FairWind further formalized our approach to quality management by:

- Strengthening our customer satisfaction process
- Formalizing our risk assessment process, now running every 6 months across all main business areas
- Initiated the development of customer complaint processes (NCR's)
- Took part in 6 customer audits as well as the mandatory ISO surveillance / certification audit
- Conducting 17 internal audits and 2 supplier audits

Also, snagging levels in 2020 have been reported and communicated on leadership as well as board meetings, ensuring the constant monitoring of performance. On top of this, NCR's have been an often-discussed topic, and learning and action plans from the customer satisfaction survey have been an agenda point on several leadership meetings.

Continuing the improvement process, FairWind has set targets for new measures going into 2021. These are:

- Average number of snagging below 5, 6 and 10 respectively for the Onshore OEMs and 5 for Offshore
- Customer satisfaction scores at 4.1 or above
- Quality tool training for site management (min. 50%)
- Minimum 2 supplier audits carried out
- Develop minimum 12 Improvement Reports

Charity & Social events

FairWind also contributes to society through charity and in 2019 the below mentioned are highlights:

- In 2020, FairWind continued our tradition of supporting a local Stettin orphan home (Christmas gifts and event).

Management's review

- In 2020, FairWind in collaboration with the the Baltic Sea foundation ran 'local forest cleaning events' where volunteers from FairWind and their families cleaned a forest based on guidance from the Szczecin Forestry Service. The events were scheduled in March and June with 15- and 30-persons participation for the respective events. In total more than 500 square meters have been cleaned in the national forest of the west-pomeranian lake ecosystem next to Lake Glebokie.

Closing Statement

The FairWind Group's CSR policy is long term and future oriented but also an important point of orientation in the daily operations for FairWind's managers and employees, our subcontractors, and suppliers. FairWind is confident that our CSR policy and related activities will in 2021 also ensure progress and results. At FairWind we will continuously work on expanding our CSR policy as more relevant areas are included. It is our belief that a sound CSR policy changes as our surroundings, supply chain, and society change.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Management expects the group to continue the positive development and expects the profit level for 2021 to improve compared to that of 2020.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2020	2019	2020	2019
3	**Revenue**	1,197,523	1,009,483	0	0
4,5	Production costs	-1,069,914	-890,860	0	0
	Gross profit	127,609	118,623	0	0
4	Distribution costs	-8,075	-7,962	0	0
4,5	Administrative expenses	-97,227	-95,214	-25	-4,776
	Operating profit/loss	22,307	15,447	-25	-4,776
	Other operating income	10	301	0	0
	Profit/loss before net financials	22,317	15,748	-25	-4,776
	Income from investments in group entities	0	0	8,589	8,790
	Financial income	4,360	2,746	323	0
6	Financial expenses	-15,512	-13,625	-1,985	-1,581
	Profit before tax	11,165	4,869	6,902	2,433
7	Tax for the year	-3,892	-1,037	371	1,399
	Profit for the year	7,273	3,832	7,273	3,832

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2020	Group 2019	Parent company 2020	Parent company 2019
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Goodwill	55,158	61,596	0	0
		55,158	61,596	0	0
9	**Property, plant and equipment**				
	Other fixtures and fittings, tools and equipment	28,912	33,080	0	0
		28,912	33,080	0	0
10	**Investments**				
	Investments in group entities	0	0	131,959	140,865
	Deposits, investments	401	401	0	0
		401	401	131,959	140,865
	Total fixed assets	84,471	95,077	131,959	140,865
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	1,074	1,331	0	0
		1,074	1,331	0	0
	Trade receivables	201,835	230,176	0	0
11	Work in progress for third parties	104,641	163,788	0	0
	Receivables from group entities	0	0	2,263	1,188
13	Deferred tax assets	21,873	14,583	2,352	2,633
	Income taxes receivable	1,004	0	0	0
	Other receivables	13,770	14,013	0	0
	Prepayments	15,675	17,737	0	0
		358,798	440,297	4,615	3,821
	Cash	48,359	45,428	18	19
	Total non-fixed assets	408,231	487,056	4,633	3,840
	TOTAL ASSETS	492,702	582,133	136,592	144,705

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2020**	**2019**	**2020**	**2019**
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	220	220	220	220
	Net revaluation reserve according to the equity method	0	0	30,130	39,036
	Translation reserve	-17,496	0	0	0
	Retained earnings	81,117	73,844	33,491	34,808
	Total equity	63,841	74,064	63,841	74,064
	Provisions				
13	Deferred tax	12,761	11,326	0	0
14	Other provisions	1,147	1,379	1,147	1,379
	Total provisions	13,908	12,705	1,147	1,379
	Liabilities other than provisions				
15	**Non-current liabilities other than provisions**				
	Bank debt	5,200	7,800	0	0
16	Subordinate loan capital	80,145	53,826	70,313	44,388
		85,345	61,626	70,313	44,388
	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions	2,600	2,600	0	0
	Bank debt	132,023	184,854	0	0
16	Subordinate loan capital	1,187	1,196	1,187	1,196
11	Work in progress for third parties	9,366	0	0	0
	Trade payables	151,678	222,782	0	0
	Payables to group entities	46	0	80	23,654
	Other payables	32,708	22,306	24	24
		329,608	433,738	1,291	24,874
		414,953	495,364	71,604	69,262
	TOTAL EQUITY AND LIABILITIES	492,702	582,133	136,592	144,705

1 Accounting policies
2 Financing
17 Contractual obligations and contingencies, etc.
18 Collateral
19 Related parties
20 Fee to the auditors appointed by the Company in general meeting
21 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group Share capital	Translation reserve	Retained earnings	Total
	Equity at 1 January 2020	220	0	73,844	74,064
	Transfer through appropriation of profit	0	0	7,273	7,273
	Exchange adjustment	0	-17,496	0	-17,496
	Equity at 31 December 2020	220	-17,496	81,117	63,841

Note	DKK'000	Parent company Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2020	220	39,036	34,808	74,064
21	Transfer, see "Appropriation of profit"	0	-8,906	16,179	7,273
	Exchange adjustment	0	0	-17,496	-17,496
	Equity at 31 December 2020	220	30,130	33,491	63,841

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	DKK'000	2020	2019
	Profit for the year	7,273	3,832
22	Adjustments	42,882	37,148
	Cash generated from operations (operating activities)	50,155	40,980
23	Changes in working capital	21,902	-37,010
	Cash generated from operations (operating activities)	72,057	3,970
	Interest received, etc.	4,360	2,746
	Interest paid, etc.	-15,512	-13,625
	Income taxes paid	-10,705	-8,541
	Cash flows from operating activities	50,200	-15,450
	Additions of property, plant and equipment	-18,150	-14,937
	Disposals of property, plant and equipment	0	519
	Cash flows to investing activities	-18,150	-14,418
	Proceeds from new loans from shareholders and management	27,377	1,873
	Repayments, long-term liabilities	-2,600	-2,855
	Repayments, loans from shareholders and management	-1,065	-1,067
	Cash flow overdraft	-52,831	70,307
	Cash flows from financing activities	-29,119	68,258
	Net cash flow	2,931	38,390
	Cash and cash equivalents at 1 January	45,428	7,038
24	**Cash and cash equivalents at 31 December**	48,359	45,428

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of FairWind Holding ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over its estimated useful life determined on the bases of Management's experience of the specific business areas, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill (maximum useful life)	15 years

The period is 15 years due to strategically acquired group entities with strong markets positions and long-term earning profiles.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Fixtures and fittings, tools and equipment	2-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Other receivables consists of VAT etc.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all 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 office premises and 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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Financing

The Group is exposed to significant movements in working capital. It is expected that future growth will result in increases in working capital and thus depend on increased credit limits. As a result thereof it is necessary to constantly monitor credit limits, guarantees as well as forecast cash flow. Management is aware of the premise and is confident that the strong cooperation with current credit institutions will lead to increased credit limits during 2021 if needed which will enable the Group to realize the expected growth.

		Group		Parent company	
	DKK'000	2020	2019	2020	2019
3	**Segment information**				
	Breakdown of revenue by geographical segment:				
	Europe	233,832	320,304	0	0
	Scandinavia	514,414	425,163	0	0
	North and South America	267,751	116,067	0	0
	Rest of the world	181,526	147,949	0	0
		1,197,523	1,009,483	0	0

4	**Staff costs and incentive programmes**				
	Wages/salaries	306,838	182,943	0	0
	Pensions	9,294	7,420	0	0
	Other social security costs	13,107	10,993	0	0
	Other staff costs	2,459	3,619	0	0
		331,698	204,975	0	0

Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:

Production	269,421	148,107	0	0
Distribution	7,179	6,835	0	0
Administration	55,098	50,033	0	0
	331,698	204,975	0	0
Average number of full-time employees	790	562	0	0

Remuneration of the Executive Board and Board of Directors in the group and in the parent company amounts to DKK 2.560 thousand.

Incentive programmes

The Group has an incentive plan aimed at members of The Executive Board. The total shares for which members of Management may become eligible amounts to 2,34%of the share capital. The options are exercisable in the event of a sale of the Company. It is a condition for exercising the options that the holder of the option is still employed in the Group.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2020	2019	2020	2019
5	**Amortisation/depreciation of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	6,438	6,438	0	0
	Depreciation of property, plant and equipment	21,461	18,794	0	0
		27,899	25,232	0	0

Amortisation/depreciation of intangible assets and property, plant and equipment is recognised in the income statement under the following items:

	Group		Parent company	
DKK'000	2020	2019	2020	2019
Production costs	21,461	18,794	0	0
Administrative expenses	6,438	6,438	0	0
	27,899	25,232	0	0

6	**Financial expenses**				
	Interest expenses, group entities	2,362	1,870	1,984	1,510
	Other financial expenses	13,150	11,755	1	71
		15,512	13,625	1,985	1,581
7	**Tax for the year**				
	Deferred tax adjustments in the year	3,892	1,037	-371	-1,399
		3,892	1,037	-371	-1,399

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK'000	Group Goodwill
Cost at 1 January 2020	97,533
Cost at 31 December 2020	97,533
Impairment losses and amortisation at 1 January 2020	35,937
Amortisation/depreciation in the year	6,438
Impairment losses and amortisation at 31 December 2020	42,375
Carrying amount at 31 December 2020	55,158
Amortised over	15 years

9 Property, plant and equipment

DKK'000	Group Other fixtures and fittings, tools and equipment
Cost at 1 January 2020	97,845
Exchange adjustment	-2,150
Additions in the year	18,396
Cost at 31 December 2020	114,091
Impairment losses and depreciation at 1 January 2020	64,765
Exchange adjustment	-1,047
Amortisation/depreciation in the year	21,461
Impairment losses and depreciation at 31 December 2020	85,179
Carrying amount at 31 December 2020	28,912
Depreciated over	2-10 years

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Investments

DKK'000	Group Deposits, investments
Cost at 1 January 2020	401
Additions in the year	79
Disposals in the year	-79
Cost at 31 December 2020	401
Carrying amount at 31 December 2020	401

DKK'000	Parent company Investments in group entities
Cost at 1 January 2020	101,829
Cost at 31 December 2020	101,829
Value adjustments at 1 January 2020	39,036
Exchange adjustment	-17,495
Share of the profit/loss for the year	13,355
Amortisation of goodwill	-4,766
Value adjustments at 31 December 2020	30,130
Carrying amount at 31 December 2020	131,959

Parent company

Name	Domicile	Interest
Subsidiaries		
FairWind A/S	Denmark	100%
FairWind GmbH	Germany	100%
FairWind Ukraine ApS	Denmark	100%
FairWind Offshore ApS	Denmark	100%
FairWind Installation Ltd.	United Kingdom	100%
FairWind Installation Ltd.	South Africa	100%
FairWind Sp. Z.o.o	Poland	100%
FairWind Poland Sp. Z.o.o	Poland	100%
Wind Service Sweden AB	Sweden	100%
Sweden Wind Service AB	Sweden	100%
FairWind Finland Oy.	Finland	100%
FairWind Rüzgar Enerji Hizmetteri Anonim Sikerti	Turkey	100%
Geos Construction LLC	Ukraine	100%
FairWind Ukraine LLC	Ukraine	100%
FairWind Inc.	United States	100%
FairWind Canada Inc.	Canada	100%
FairWind Holland B.V.	Holland	100%
European Wind Academy Sp. Z.o.o	Poland	100%
FairWind RUS LLC	Russia	100%
White Strit LLC	Kazakhstan	100%
FairWind Installation SLU	Spain	100%
FairWind Argentina S.A.U.	Argentina	100%
FairWind AUS PLY Ltd.	Australia	100%
FairWind Logistics Sp. Z.o.o.	Poland	100%
VestWind A/S	Denmark	100%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2020	Group 2019	Parent company 2020	Parent company 2019
11 Work in progress for third parties				
Selling price of work performed	698,430	584,335	0	0
Progress billings	-603,155	-420,547	0	0
	95,275	163,788	0	0
recognised as follows:				
Work in progress for third parties (assets)	104,641	163,788	0	0
Work in progress for third parties (liabilities)	-9,366	0	0	0
	95,275	163,788	0	0

DKK'000	Parent company 2020	Parent company 2019
12 Share capital		
Analysis of the share capital:		
2,201 shares of DKK 100.00 nominal value each	220	220
	220	220

Analysis of changes in the share capital over the past 5 years:

DKK'000	2020	2019	2018	2017	2016
Opening balance	220	220	220	220	200
Capital increase	0	0	0	0	20
	220	220	220	220	220

DKK'000	Group 2020	Group 2019	Parent company 2020	Parent company 2019
13 Deferred tax				
Deferred tax at 1 January	-3,257	4,247	-2,633	-1,951
Adjustment of deferred tax	3,892	1,037	-371	-1,399
Tax-loss carried forward used in joint taxation	0	0	652	717
Tax adjustments regarding deferred tax and tax payables	-9,747	-8,541	0	0
Deferred tax at 31 December	-9,112	-3,257	-2,352	-2,633
Analysis of the deferred tax				
Deferred tax assets	-21,873	-14,583	-2,352	-2,633
Deferred tax liabililties	12,761	11,326	0	0
	-9,112	-3,257	-2,352	-2,633

Deferred tax primarily relates to tax losses and work in progress.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2020	2019	2020	2019
14	**Other provisions**				
	Opening balance at 1 January	1,379	6,200	1,379	6,200
	Provisions utilised in the year	-232	-4,821	-232	-4,821
	Other provisions at 31 December	**1,147**	**1,379**	**1,147**	1,379
	The provisions are expected to be payable in:				
	0-1 year	1,147	1,379	1,147	1,379
		1,147	1,379	1,147	1,379

Other provisions relates to an ongoing litigation regarding employees in the group.

15 Non-current liabilities other than provisions

Group

Of the long-term liabilities, DKK 56.540 thousand falls due for payment after more than 5 years after the balance sheet date.

16 Subordinate loan capital

	Group
DKK'000	Amount outstanding
Parent company	66,371
Other	13,774
	80,145

	Parent company
DKK'000	Amount outstanding
Parent company	56,539
Other	13,774
	70,313

Subordinate loan capital has been granted by current and former owners and is subordinated in relation to all other creditors. Parent company subordinate loan capital will mature in 2026 or in the event of an exit. An amount of DKK 13,235 thousand of other subordinate loan capital will mature in 2024 or in the event of an exit and an amount of DKK 1,187 thousand of other subordinate loan capital will mature in 2021. The interest is added to the principal and does not fall due for payment until the principal does.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

17 Contractual obligations and contingencies, etc.

Contingent liabilities

Group

The Group is party to pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Group's financial position negatively, except for what is already reflected in the receivables and payables recognised in the balance sheet at 31 December 2020.

Other contingent liabilities

Group

Operating lease obligations:

The Group have entered into operating leasing agreements with a combined lease payment of DKK 13,445 thousand. The remaining term of the leases is 3 to 48 months.

Guarantees:

The Group has issued work guarantees of DKK 13,974 thousand for services delivered.

Parent company

Contingent liabilities regarding group entities:

The Company is jointly taxed with Apollo Group 1 A/S. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes and withholding taxes relating to the respective joint taxations.

The company has provided the following guarantees for subsidiaries:

- Unlimited guarantee for FairWind A/S for bank loans from Jyske Bank
- Unlimited guarantee for FairWind Offshore A/S for bank loans from Jyske Bank
- Unlimited guarantee for FairWind Ukraine ApS for bank loans from Jyske Bank

18 Collateral

Group

Trade receivables and work in progress for third parties with a carrying amount of DKK 75,346 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 130,653 thousand at 31 December 2020.

Parent company

The parent company has provided DKK nom. 750,000 of the shares in FairWind A/S as collateral for bank loans from Jyske Bank with a carrying amount of DKK 130,653 thousand at 31 December 2020.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

19 Related parties

FairWind Holding ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
FairWind Invest ApS	Vordingborg, Denmark	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Apollo Group 1 A/S	Vordingborg, Denmark	www.cvr.dk

Related party transactions

DKK'000	2020	2019
Group		
Subordinate loan capital	-66,371	-39,324
Subordinate loan capital, interest	-2,031	-1,509
Parent Company		
Subordinate loan capital	-56,539	-29,887
Subordinate loan capital, interest	-1,654	-1,149

	Group	
DKK'000	2020	2019
20 Fee to the auditors appointed by the Company in general meeting		
Total fees to EY	1,813	2,183
Statutory audit	564	515
Tax assistance	576	783
Other assistance	673	885
	1,813	2,183

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Parent company 2020	Parent company 2019
21 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	-8,906	8,791
Retained earnings/accumulated loss	16,179	-4,959
	7,273	3,832

DKK'000	Group 2020	Group 2019
22 Adjustments		
Amortisation/depreciation and impairment losses	27,838	25,232
Financial income	-4,360	-2,746
Financial expenses	15,512	13,625
Tax for the year	3,892	1,037
	42,882	37,148
23 Changes in working capital		
Change in inventories	257	-622
Change in receivables	83,433	-124,621
Change in provisions and payables	-61,788	88,233
	21,902	-37,010
24 Cash and cash equivalents at year-end		
Cash according to the balance sheet	48,359	45,428
	48,359	45,428

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

John Jørgen Funch
Executive Board
On behalf of: FairWind Holding ApS
Serial number: PID:9208-2002-2-352789154671
IP: 5.226.xxx.xxx
2021-05-11 12:53:17Z
NEM ID

Hans Steffen Steffensen
Chair
On behalf of: FairWind Holding ApS
Serial number: PID:9208-2002-2-584744038720
IP: 188.182.xxx.xxx
2021-05-11 13:17:52Z
NEM ID

Hans Christian Gabelgaard
Board of Directors
On behalf of: FairWind Holding ApS
Serial number: PID:9208-2002-2-657722863454
IP: 188.179.xxx.xxx
2021-05-11 13:41:18Z
NEM ID

Thomas Bechmann
Board of Directors
On behalf of: FairWind Holding ApS
Serial number: PID:9208-2002-2-060426427684
IP: 80.208.xxx.xxx
2021-05-11 20:35:46Z
NEM ID

Søren Smedegaard Hvid
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:1256831000710
IP: 87.50.xxx.xxx
2021-05-11 20:39:27Z
NEM ID

Morten Oestergaard Koch
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:32977604
IP: 145.62.xxx.xxx
2021-05-12 09:33:17Z
NEM ID

Kim Woetmann Fredeløkke
Chairman
On behalf of: FairWind Holding ApS
Serial number: PID:9208-2002-2-425859709733
IP: 77.241.xxx.xxx
2021-05-12 09:42:58Z
NEM ID