

# Multi-Wing Group A/S

## Annual report for the period 1 January – 31 December 2020 (13<sup>th</sup> financial year)

The annual report was presented and adopted at the company's general meeting,  
held on 28 June 2021

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John Korsø Jensen  
Chairman of the meeting

CVR-no. 31 18 48 43

## Company information

The company: Multi-Wing Group A/S  
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CVR-no. 31 18 48 43  
Date of foundation: 30 June 2008  
Registered office: Rudersdal  
Financial year: 1 January – 31 December

Board of directors: John Korsø Jensen (chairman)  
Annette Bernhoft Andersen  
Jesper Bernhoft

Board of executives: Daniel Williams

Audit: Mazars, statsautoriseret revisionspartnerselskab  
Midtermolen 1, 2.tv.  
2100 København Ø

Consolidated financial statements The company is included in the consolidated financial statements of parent company MWH af 2015 ApS

The group annual report of MWH af 2015 ApS may be obtained at the following address:  
Staktoften 16  
2950 Vedbæk

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# Statement by management

The board of the directors and board of executives have today presented and adopted the annual report of Multi-Wing Group A/S for 2020.

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

In our opinion, the consolidated financial statements and the financial statements gives a true and fair view of the company's and group's financial position at 31 December 2020 and of the result of its operations and cash flows for the financial year 1 January – 31 December 2020.

In our opinion the management report contains a fair statement of the matters under review.

The annual report is submitted for adoption by the general meeting.

Vedbæk, 28 June 2021

**Board of executives:**

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Daniel Williams

**Board of directors:**

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John Korsø Jensen  
Chairman

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Annette Bernhoft Andersen

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Jesper Bernhoft

# Independent auditor's reports

## To the shareholders of Multi-Wing Group A/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Multi-Wing Group A/S for the financial year 1 January – 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the group and the parent company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

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

### Basis of 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 parent company financial statements" section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Management's responsibilities for the consolidated financial statements and 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility for the audit of the consolidated financial statements and parent company financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements and parent company 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

## Independent auditor's report, continued

### **Auditor's responsibility for the audit of the consolidated financial statements and parent company financial statements**

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 consolidated.

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

- Identify and assess the risks of material misstatements of the consolidated financial statements and parent company 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 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 consolidated financial statements and parent company 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 to our auditor's report to the related disclosures in the consolidated financial statements and parent company 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and conducting the audit of the group. We alone are 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, continued

## **Statement on management's review**

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent 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 consolidated financial statements and parent company 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.

Copenhagen, 28 June 2021

Mazars

statsautoriseret revisionspartnerselskab

CVR-no. 31 06 17 41

Kurt Christensen

statsautoriseret revisor

(State-authorised public accountant)

MNE-no. mne26824

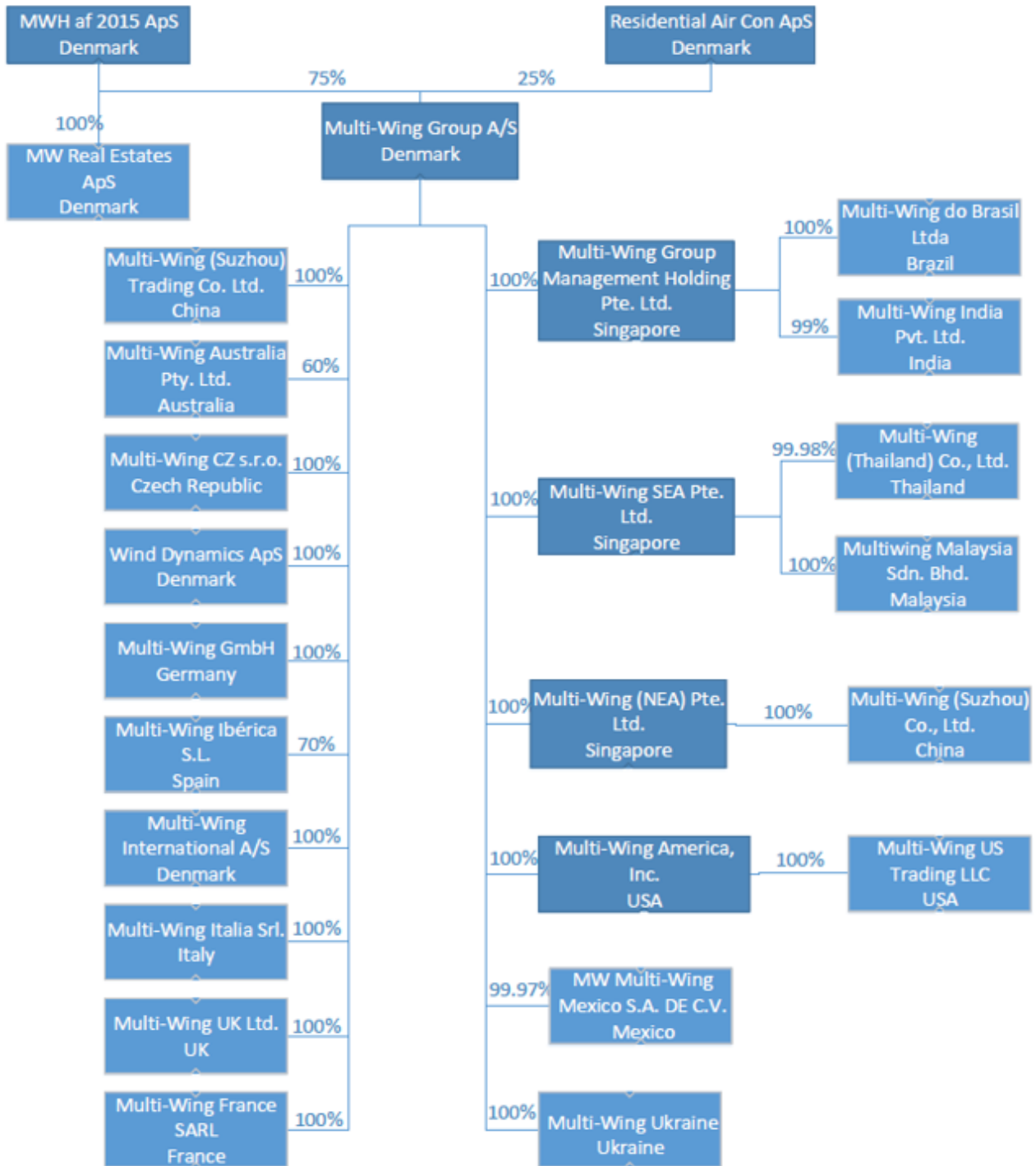
## Financial highlights and ratio's for the group

	2020	2019	2018	2017	2016
	DKK million	DKK million	DKK million	DKK million	DKK million
<b>Income statement</b>					
Revenue	456,2	500,0	395,3	347,7	291,1
Gross margin	249,7	245,6	183,8	169,3	132,3
Operating result	98,9	80,8	73,7	65,0	40,8
Financials, net	-20,7	-1,7	-2,3	-5,6	-1,0
Profit / loss for the year	58,7	54,6	53,3	44,3	29,9
<b>Balance sheet</b>					
Investment in property, plant and equipment	7,7	23,1	9,6	6,6	13,3
Total balance	450,4	484,0	294,6	258,0	240,7
Equity	176,8	166,0	170,0	148,5	137,0
<b>Ratio's in %</b>					
Return on invested capital	44.8%	38.7 %	46.4 %	45.8 %	32.2 %
Return on equity	34.2%	32.5 %	33.5 %	31.0 %	22.6 %

For definition, see section on accounting policies.



# Group chart



# Management's review

## **Business Activities**

The Multi-Wing Group 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.

The activities include now axial impellers, as well as a service line for these and related replacement parts.

## **The year at a glance and follow-up on expectations expressed last year**

Net revenue for the year amounts to DKK 456.2 million against DKK 500.0 million last year. The Group's share of the profit for the year amounts to DKK 58.7 million. DKK against 54.6. million. last year.

The Groups 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 Financial Statements of the Group reflects a decrease in net sales of 9 % compared to the previous year. The operating result grew with 21 %. Following the acquisition of Multi-Wing America last year increased financial expenses have been experienced this year and profit before tax is at the same level as last year. Net result for the year improved with 8 %. All markets experienced a decrease in sales.

The focus of the year has been to navigate through the Covid-19 crisis, by ensuring continuous ability to supply customer, with significant effort at the same time protecting production staff from being infected by Covid-19. A very early aggressive approach to safe production set up, building on early experiences in China, meant that mass infections have been avoided. A strict focus on cost control and liquidity meant that the group profit has been improved despite a drop in net revenue. Further to the Covid-19 situation the group result is also negatively impacted by the US election and the uncertainty connected to the outcome. There has been a significant Fx impact due to the drop in US dollar.

## **Uncertainty relating to recognition and measurement**

There is no uncertainty related to recognition and measurement.

## **Unusual matters**

No unusual matters have affected the Financial Statements for 2020

## **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, revenue is expected increase at least 10% and possibly higher depending on the recovery time of the markets and to what extend markets will suffer from setbacks. The Group's share of the profit for the year is expected to increase with a higher percentage than sales revenue. The Group 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 Group is exposed.

It is expected that 2021 will be a year where the Group 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.

## Management's review, continued

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.

The Group is expected to make major investments in 2021. These investments will be capital-intensive, and their implementation will require vast internal resources. 2021 will be a year placing high demands on the organization's flexibility and ability to adapt.

### **Knowledge resources**

With the ambition to be market leader the Group 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 Group's main objective is to work with innovative approaches that will improve and streamline the Group's interaction with customers.

### **Financial risks**

As a result of its operations, investments and financing, the Group 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.

### **Currency and interest-rate risks**

Since the Group carries out most of its activity in foreign currencies, it assumes a currency risk. The risk has grown with the acquisition in US caused by the dollar exposure in the financing hereof.

The Group's assumed an interest-rate risk related to the acquisitions loan related to the US entity. Besides that, interest-rate risks are limited at balance sheet date.

### **Research and development activities**

The Group 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.

### **Statutory CSR report**

#### **Business model**

The Group's main activities are to develop, produce and supply components and spare parts for axial impellers utilized in engine cooling and HVAC applications.

Production is outsourced to suppliers whereas customization and assembly are carried out in regional hubs.

Companies included in the Group are operating globally, and in recent years the Group has consolidated its position on the global marketplace.

## Management's review, continued

### **Policies**

Multi-Wing Group's social responsibility policies include our environmental and climate policy and our OHS policy. Our environment and climate policy are based on environmentally and energy-efficient management and is a natural part of the Group's objectives for product quality and production conditions. Our safety and health policy aim to make continuous improvements in relation to the safety, health, and overall satisfaction of employees.

Having experienced an increasing focus on climate among the majority of our customers as well as regulatory requirements for different standard setters, we are drafting a policy and action plan for the Group in relation to climate. In 2010 Multi-Wing Group introduced and implemented a Code of Conduct in key areas such as environment and climate, human rights, labour rights, and anti-corruption, reflecting the Group's values.

In addition, the Group continues to assess future suppliers in relation to requirements, now set out in our Code of Conduct, to avoid the Group being associated with companies that do not share our values.

Multi-Wing Group is still in the process of determining and selecting which KPIs is considered best in reflecting the Group's climate policy. The work planned for 2020 has been postponed due to the Covid-19 pandemic and several planned activities made impossible due to travel bans and resources directed towards establishing safe work environments.

### **Impact on the climate and external environment**

Multi-Wing Group is environmentally conscious and is working at reducing the environmental impact of the Group's activities. It is the Group's policy to use "less damaging" products.

In the environmental risk analyses, production and distribution has been identified as the main risk and focus area. It is the Group's assessment that the climate risks for the business predominantly relates to CO<sub>2</sub> emissions. The policy of the group is to strive to have an environmental and safe production facility.

Driven by regulators demands and expectations of the customers, the Group has a constant focus on energy optimization of the solutions. Our impellers are (among) the most efficient within our business segments which is also considered to have a positive environmental impact of the industries to which the impellers are supplied.

In the implementation of the environmental policy adopted by Multi-Wing Group, we have incorporated an environmental management system into the Group's main assembly facilities in the Czech Republic, China and USA. The system is certifiable according to the ISO 14001 standard.

In 2020 regulatory checks has been performed on the production facility and no reportable deviations has been recorded in during the year.

Through our modular and scalable impellers that are assembled locally in the local area for our customers we are also reducing our footprint due to transportation.

### **Social rights and employee policy**

The employee policy and code of conduct, "Employee handbook", is an important tool in ensuring a comprehensive framework for the organization to ensure a fair treatment and work environment for all staff members along with setting the tone of what to expect from one another. These matters have been identified as the main risk area, and the Group considers the physical and the psychosocial work environment to be the main objectives to focus on. Several sections of the policy address these matters, such as diversity and health and safety, the outcome of which is included below.

## Management's review, continued

### *Health and satisfaction of employees*

The last statutory employee survey was carried out in 2020. The participation in the survey was very high. The outcome of the survey has been analysed at Group level, and each entity has chosen a few focus areas for the coming year. The work with the focus areas has continued in 2021.

The employee survey is one of many tools that is used to analyse the status of the organisation. It allows the Group to identify what motivates employees and track employee satisfaction and loyalty. Another tool used is trends in sickness and absence.

### *Sickness absence*

In the Group, sickness absence is on average a bit lower than the average in 2019.

Sickness absence was 1,4 % in 2020. This corresponds to an average of 3,6 day per month per employee, i.e., 2,054 days per annum. Sickness absence is continuously analysed, and appropriate actions are taken where needed.

### **Human rights**

The main risk identified in relation to human rights is the risk of unequal treatment and harassment of any kind. It is important that our sites remain free from all forms of discrimination, intimidation, and harassment. An environment where Employees can maximize their potential is only possible when each person is treated fairly and with respect. Employees are expected to comply with this principle. Multi-Wing Group is committed to enforcing this principle at all levels within the organization.

It is the responsibility of every manager to be observant of the work environment among the employees, and whether any bullying or sexual harassment takes place. The Group also strongly emphasizes the importance that everyone takes on a responsibility that their department and thus the cooperate ion between individual employees work well. Both managers and employees are therefore responsible for acting if bullying or harassment takes place.

During 2020, Management continuously emphasized, in various of communication, the importance of this matter to minimize the risk of matters not being reported to Management.

In 2020 no harassment or discrimination incidents were reported.

### **Anti-corruption**

No significant risks have been identified in relation to anti-corruption. The reason for this is primarily that Multi-Wing Group is B2B oriented, why attempts at corruption are rare, and specifically the Group has not experienced such in the past several years. Thus, there are no risks to be identified as requiring policies in anti-corruption.

It is strictly forbidden to give or receive any form of promises when gifts are exchanged. The Group and its employees must never participate in any form of bribery, accept gifts or other illegal types of remuneration of any kind in business relations with customer, suppliers, government agencies or other decision-makers, for the purpose of establishing or maintaining a business relationship. Offers of representation or entertainment may only be accepted if it lies within good business practice. In case of doubt as to how to interpret the above in a specific case, the Group's employees should always contact their immediate manager or HR for guidance.

## Management's review, continued

### **Account of the gender composition of Management**

It is Multi-Wing's policy to place the best person in a position regardless of their gender, orientation, ethnic origin, religious beliefs, or other private considerations.

There is no under-representation of any gender neither on the Board of Multi-Wing Group A/S nor in the other management groups in the Group. The management team consists of 4 men and 3 women.

### **Events after the balance sheet date**

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 Group's activities in India.

At the beginning of 2021, the Group acquired from Residential Air Con ApS its shares in E-Flow Technologies Europe s.r.o., (Czech Republic), E-Flow Technologies NEA Ltd. (Singapore), and E-Flow Customfan S.L. (Spain). The purpose is to strengthen the Group's position within the HVAC industry.

At the beginning of June 2021 75 percent of Multi-Wing Group's shares have been sold to an external investor. This is considered as a strategic move that will support the continued development of the Group's activities.

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

# Accounting policies

The annual report of Multi-Wing Group A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) governing reporting class C (Large size).

The accounting policies remain unchanged compared with last year.

## **Corrected errors**

### ***Finance leases***

Financial lease assets have been identified in a group entity. In the consolidated financial statements this has been recognized over tools and equipment kDKK 2,343 (2019 kDKK 2,977) as well as short term part of long-term debt kDKK 750 (2019 kDKK 578) and long-term liabilities kDKK 1,429 (2019 kDKK 2,179). The residual value has been adjusted over equity. In the profit and loss statement the change has been recognized as external expenses kDKK 608 (2019 kDKK 966), depreciation kDKK -633 (2019 kDKK -700) and interest kDKK -30 (2019 kDKK -36).

In the parent company the adjustment has been made affecting comparison figures for investment in subsidiaries kDKK 220 and under equity as reserve for net revaluation under the equity method kDKK 220. In the profit and loss statement the adjustment affects result from subsidiaries kDKK 230.

### ***Minority shares (Cash-Flow statement)***

In 2019 a purchase agreement was made at year end to acquire the remaining shares of MW North East Asia. In 2020 the cash-flow has been restated to show the full cash-flow of the purchase as the amount has been paid in 2020.

## **Basis of recognition and measurement**

Income is recognised in the income statement as it is earned, including adjustment to the value of financial assets and liabilities. All expenses, including depreciation, amortisation, 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 such assets can be reliably measured.

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

On initial recognition assets and liabilities are measured at cost and subsequently as described for each item below. 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 instalments 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 are presented and which confirm or invalidate matters existing at the balance sheet date.

## **Consolidated financial statements**

The consolidated financial statements include the parent company Multi-Wing Group A/S and its subsidiaries, in which Multi-Wing Group A/S has a controlling interest.

The consolidated financial statements are prepared by combining items of a uniform nature based on the accounting policies applied by the group. On consolidation intercompany revenue and expenses, intra-group balances and dividends, and any realised and unrealised gains and losses on transactions between the consolidated companies are eliminated.

## Accounting policies, continued

Newly acquired or newly established companies are recognised in the consolidated financial statements as from the date of acquisition. Enterprises sold are included in the consolidated income statement until the date of disposal.

Comparative figures for newly acquired or divested companies are not corrected.

On acquisition of new enterprises, the acquisition method is applied, according to which the identifiable assets and liabilities are measured at fair value at the time of acquisition.

Positive differences (goodwill) between cost and fair value of acquired identifiable assets and liabilities are recognised under intangible assets and amortised systematically on an individual assessment of the economic life not exceeding 20 years. When deciding the economic life, it is taken into consideration that the majority of the company's products are part of long-term development projects and used in machinery and equipment with a long lifetime of the individual model, often leading to a lifetime exceeding 5 years.

Acquisitions and sales of minority interests under continuing controlling interest are recognised in equity as a transaction between the shareholders.

Costs incurred in connection with acquisitions of companies are recognised in the income statement in the year of operation.

Gains and losses on disposal of subsidiaries are calculated as the difference between selling price and carrying amount of net assets at the time of disposal and expected costs of sale.

Group acquisitions, where both companies are under common control are recognised in accordance with the method of "pooling of interest", where after recognised assets and liabilities are aggregated with no fair value re-valuation. The acquired companies are recognised in the financial statements and group financial statements as if the companies had been merged from the earliest period which is presented in the accounts.

### **Minority interest**

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interest's proportionate share of subsidiaries' profit / loss and equity is presented separately under appropriation of profit and under equity.

### **Reporting currency**

The annual report is presented in Danish kroner.

### **Translation adjustments**

Foreign currency transactions are adjusted applying the rate of exchange applicable at the date of transaction.

Receivables, payables, and other monetary items denominated in foreign currencies, which have not been settled by the balance sheet date, are translated applying the rate of exchange applicable at the balance sheet date.

Property, plant and equipment purchased in foreign currencies are translated using the exchange rate applicable at the date of transaction.

### **Revenue**

Revenue is recognised in the income statement, provided that the products and services have been delivered and the risk has passed to the buyer before the end of the year.

Revenue is recognised exclusive of VAT and less sales discount.



# Accounting policies, continued

## The income statement

### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, losses on receivables, lease payments under operating leases etc.

### Other operating income / costs

Other operating income / costs comprise items of secondary nature in relation to the company's core business.

### Special items

Special items consist of non-recurring items that are special either due to size or nature.

### Staff costs

Staff costs consist of wages and salaries, including holiday pay and pensions and other costs to social security to the company's employees. There is deducted received compensation from public authority in staff costs.

### Result of investments in group enterprises

In the income statement the proportionate share of the individual group enterprises result after tax are recognised.

### Items under financial income and expenses

Financial income and cost are recognised in the income statement with those amounts, which concerns the financial year. Items under financial income and expenses consists of interest income and costs, financial cost with financial leasing, realised and unrealised capital gain and loss concerning transactions in foreign currency, additions, and compensations under the tax prepayment scheme etc.

### Tax on result of the year

Tax of the year, which contains the actual tax of the year and the displacement in deferred tax, are recognised in the income statement with the part which can attribute to the result of the year and directly in the equity with the part which can attribute to entries directly on the equity.

The company is jointly taxed with other Danish companies in the Multi-Wing Group. The Danish income tax is allocated between the jointly taxed Danish companies in proportion to their taxable income. The jointly taxed companies are taxed under the advance payment tax scheme.

## Balance sheet

### Intangible assets

Goodwill is amortised over its estimated useful life determined based on management experience within the individual business areas. Goodwill is amortised over the amortisation period, not exceeding 20 years, and based on an individual judgement of the companies' market position and earning profile.

The carrying value of goodwill is assessed currently and written down to receivable amount through the income statement if the carrying value exceeds the future net income from the enterprise or activity to which the goodwill is related.

## Accounting policies, continued

### Balance sheet, continued

Development costs incurred in development, patents, and licenses, includes internal and external costs directly attributable to the company's development and fulfilling criteria for recognition.

Capitalised development costs are measured at cost less accumulated depreciation and recoverable amount, whichever is lower. Development costs are depreciated over 3 - 5 years.

### Property, plant and equipment

Buildings, leasehold improvements, test stand and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Straight-line depreciation is made on property, plant and equipment following estimated useful lives as follows:

	<u>Useful life</u>	<u>Residual value</u>
Buildings	16 years	0 %
Leasehold improvements	2 - 5 years	0 %
Other fixtures and fittings, tools and equipment	3 – 5 years	0 %

Profits and losses from disposal of property, plant and equipment are stated as the difference between the selling prices less than selling costs and the carrying amount at the date of sale. Profits or losses are recognised in the income statement under depreciation.

### Leases

Leases for items of plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment 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.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

### Investment in subsidiaries

Investments in subsidiaries are recognised at the proportionate share of the net asset value of the entities, calculated on the group's accounting policies, less or plus unrealised intra-group gains or losses and plus remaining value of positive goodwill made up in accordance with the acquisition method. Equity accounting is considered being a consolidation method.

Group enterprises with a negative equity are recognised with zero kroner and any receivables with these companies are written down with the parent company's share of the negative equity value in that extent, it is estimated uncollectible. Provided that the negative value of equity exceeds the receivable, the remaining amount will be recognised under provisions in that extent that the parent company has a legal or actual obligation to cover group enterprises negative balance.

## Accounting policies, continued

### Balance sheet, continued

Net revaluation of equity investments in group enterprises are transferred under equity to net revaluation reserve according to the equity method in that extent, that the carrying amount exceed the acquisition cost with deduction of amortisation of goodwill.

### Inventories

Inventories are measured at cost based on the FIFO method. Where cost exceeds the net realisable value, inventories are written down to the lower of these two values.

Cost for merchandise and raw materials and consumables used extends cost with addition of delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, direct labour and direct as well as indirect production costs.

Net realisable value of inventories is calculated as selling price less costs of completion, costs and expenses incurred in making the sale and are determined according to the convertible unit, obsolescence, and development in expected sales.

### Receivables

Receivables are measured at amortised cost, which usually correspond to nominal value. Provisions for bad debts are made to meet expected losses at net realisable value.

### Prepayments

Prepayments, recognised under assets or liabilities, cover costs paid respectively payments received for the ensuing years.

### Short-term investments

Listed securities are recognised to market value on the balance sheet date.

### Equity

The expected dividend payment for the year is shown as a separate item under equity. Dividends are recognised as a liability at the time of adoption by the general assembly.

### Corporation tax and deferred tax

Current tax and current tax receivable are recognised in the balance sheet as computed tax of taxable income for the financial year adjusted for tax of taxable income for previous years and paid account taxes.

Deferred tax is measured using the balance sheet liability method and all temporary differences between carrying amount and tax base of assets and liabilities.

Deferred tax is measured on the tax rules and tax rates, which are operative at the balance sheet date, if the deferred tax was expected to be released as current tax. Changes in deferred tax due to changes in the tax rate are measured in the income statement. For the present financial year, a tax rate of 22.5 % has been applied for the Danish entities in the group.

Total payable Danish company tax for the group is showed in the parent company.

Deferred tax is only accrued for the Danish entities when the deferred tax is incumbent on the jointly taxed companies.

## Accounting policies, continued

### Balance sheet, continued

#### Financial liabilities

Other liabilities are measured at amortised cost, normally corresponding to nominal value.

#### Cash flow statement

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

No cash flow statement has been prepared for the parent company as the parent company's cash flows are included in the consolidated cash flow statement.

#### Cash flow from operating activities

Cash flow from operating activities are calculated as the operating profit / loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### Cash flow from investing activities

Cash flow from investing activities comprises cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed assets investments.

#### Cash flow from financing activities

Cash flows from financing activities comprise cash flows from raising and repayment of long-term debt as well as payments to and from shareholders.

#### Cash and cash equivalents

Cash equivalents comprise "Cash and cash equivalents" subtracted "Bank debt".

The cash flow statement cannot be immediately derived from the published financial records.

## Accounting policies, continued

### Ratios

Ratios have been calculated as:

<b>Return on invested capital</b>	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital exclusive of goodwill}}$
<b>Return on equity</b>	$\frac{\text{Profit / loss for the year} \times 100}{\text{Average equity}}$

## Income statement for the period 1 January – 31 December 2020

	Note	Group		Parent company	
		2020	2019	2020	2019
		DKK'000	DKK'000	DKK'000	DKK'000
Revenue	1	456,221	500,041	1,616	1,901
Cost of sales		-129,151	-160,791	0	0
Other income	2	3,136	1,400	0	0
Other external expenses	2	-80,491	-95,049	-5,593	-9,475
<b>Gross margin:</b>		<u>249,715</u>	<u>245,601</u>	<u>-3,977</u>	<u>-7,574</u>
Other costs		-89	-957	0	0
Staff costs	2,3	-127,020	-142,299	-100	-100
		<u>122,606</u>	<u>102,345</u>	<u>-4,077</u>	<u>-7,674</u>
Depreciation	4	-23,698	-21,562	0	0
<b>Operating result:</b>		<u>98,908</u>	<u>80,783</u>	<u>-4,077</u>	<u>-7,674</u>
Result from subsidiaries after tax	5	0	0	71,149	53,585
Financial income	6	8,435	11,791	5,901	11,858
Financial expenses	7	-29,159	-13,454	-19,145	-7,837
<b>Profit before tax:</b>		<u>78,184</u>	<u>79,120</u>	<u>53,828</u>	<u>49,932</u>
Tax on profit / loss for the year	8	-19,499	-24,528	3,524	-607
<b>Profit for the year:</b>	9	<u>58,685</u>	<u>54,592</u>	<u>57,352</u>	<u>49,325</u>

## Balance sheet at 31 December 2020

	Note	Group		Parent company	
		2020 DKK'000	2019 DKK'000	2020 DKK'000	2019 DKK'000
<b>Assets</b>					
Completed development projects		8,496	5,929	0	0
Development projects under development		8,668	9,659	0	0
Goodwill		118,793	136,847	0	0
<b>Intangible assets</b>	10	<u>135,957</u>	<u>152,435</u>	<u>0</u>	<u>0</u>
Land and property		7,394	9,097	0	0
Leasehold improvements		1,633	2,217	0	0
Other fixtures and fittings, tools and equipment		32,370	36,332	0	0
<b>Property, plant and equipment</b>	11	<u>41,397</u>	<u>47,646</u>	<u>0</u>	<u>0</u>
Investment in subsidiaries	5	0	0	221,474	216,184
Deposits	12	3,173	3,105	0	0
<b>Financial fixed assets</b>		<u>3,173</u>	<u>3,105</u>	<u>221,474</u>	<u>216,184</u>
<b>Fixed assets:</b>		<u>180,527</u>	<u>203,186</u>	<u>221,474</u>	<u>216,184</u>
<b>Inventories</b>		<u>71,711</u>	<u>80,009</u>	<u>0</u>	<u>0</u>
Trade receivables		90,272	92,723	0	0
Receivables from group enterprises		0	0	116,479	156,817
Receivable company tax		3,397	162	3,345	0
Deferred tax asset	13	1,478	1,381	220	0
Other receivables		24,196	25,164	64	47
Prepayments	14	4,566	6,064	0	0
<b>Receivables</b>		<u>123,909</u>	<u>125,494</u>	<u>120,108</u>	<u>156,864</u>
<b>Current asset investments</b>		<u>3,980</u>	<u>5,669</u>	<u>3,634</u>	<u>5,298</u>
<b>Cash and cash equivalents</b>		<u>70,229</u>	<u>69,689</u>	<u>1,485</u>	<u>696</u>
<b>Current assets:</b>		<u>269,829</u>	<u>280,861</u>	<u>125,227</u>	<u>162,858</u>
<b>Assets:</b>		<u>450,356</u>	<u>484,047</u>	<u>346,701</u>	<u>379,042</u>

## Balance sheet at 31 December 2020

	Note	Group		Parent company	
		2020 DKK'000	2019 DKK'000	2020 DKK'000	2019 DKK'000
<b>Liabilities and equity</b>					
Share capital	15	1,000	1,000	1,000	1,000
Net revaluation under the equity method		0	0	81,508	76,218
Retained profit		141,539	131,298	60,031	55,081
Proposed dividend for the financial year		30,000	30,000	30,000	30,000
Minority interests		4,267	3,733	0	0
<b>Equity:</b>		176,806	166,031	172,539	162,299
Deferred tax	16	5,518	4,527	0	0
<b>Provisions:</b>		5,518	4,527	0	0
Instrument of debt	17	82,222	106,374	82,222	106,374
Other payables		1,429	2,821	0	0
<b>Long-term liabilities other than provisions</b>		83,651	109,195	82,222	106,374
Short-term part of long-term debt	17	47,150	42,578	46,400	42,000
Bank debt		55,892	55,436	0	0
Trade creditors		28,918	21,637	1,528	2,258
Debt to group companies		22,500	0	44,012	38,003
Company tax		7,396	12,028	0	570
Other payables		22,525	72,615	0	27,538
<b>Short-term liabilities other than provisions</b>		184,381	204,294	91,940	110,369
<b>Liabilities other than provisions:</b>		268,032	313,489	174,162	216,743
<b>Liabilities and equity:</b>		450,356	484,047	346,701	379,042
<b>Assets charged and security</b>	18				
<b>Contractual obligations</b>	19				
<b>Other contingent liabilities</b>	20				
<b>Related parties</b>	21				
<b>Fee to auditors appointed at the general meeting</b>	22				

## Statement of changes in equity for 2020

	Group		Parent company	
	2020 DKK'000	2019 DKK'000	2020 DKK'000	2019 DKK'000
<b>Equity</b>				
Balance at 1 January	1,000	125	1,000	125
Changes in share capital	0	875	0	875
<b>Share capital</b>	1,000	1,000	1,000	1,000
Balance at 1 January	0	0	76,218	60,153
Adjustment of errors	0	0	0	-10
Retained earnings	0	0	71,149	53,585
Dividend or the year	0	0	-54,211	-38,923
Exchange rate adjustments, subsidiaries	0	0	-11,648	1,413
<b>Net revaluation under the equity method</b>	0	0	81,508	76,218
Balance at 1 January	131,298	119,967	55,081	59,814
Adjustment of errors	0	-10	0	0
Changes in share capital	0	-875	0	-875
Retained earnings	27,351	19,324	-43,797	-34,260
Dividend for the year	0	0	54,211	38,923
Exchange rate adjustment, subsidiaries	-11,648	1,413	0	0
Added value on acquisition of minority shares	-5,462	-8,521	-5,462	-8,521
<b>Retained profit</b>	141,539	131,298	60,033	55,081
Balance at 1 January	30,000	30,000	30,000	30,000
Dividend paid	-30,000	-30,000	-30,000	-30,000
Dividends proposed for the year	30,000	30,000	30,000	30,000
<b>Dividends</b>	30,000	30,000	30,000	30,000
Balance at 1 January	3,733	19,893	0	0
Share of profit for the year	1,333	5,268	0	0
Share of dividend paid	-786	-2,562	0	0
Group's acquisition of minority shares	0	-19,017	0	0
Exchange rate adjustment	-13	151	0	0
<b>Minority interests</b>	4,267	3,733	0	0
<b>Equity at 31 December:</b>	176,806	166,031	172,539	162,299



## Cash flow statement

	Note	2020 DKK'000	2019 DKK'000
<b>Cash flow from operating activities</b>			
Operating profit		98,908	80,783
Depreciation for the year		23,698	21,562
Adjustments		27,867	-27,261
Tax		-26,475	-23,632
Changes in working capital	23	-30,235	1,041
<b>Cash flow from operating activities:</b>		93,763	52,493
 <b>Cash flow from investing activities</b>			
Purchase of intangible assets		-5,873	-125,171
Purchase of property, plant and equipment		-7,668	-23,082
Acquisition of minority shares		-33,000	0
Addition, financial assets		-69	-1,069
Sale of property, plant and equipment		612	894
Sale of current asset investments		1,689	0
Purchase of current asset investments		0	-994
<b>Cash flow from investing activities:</b>		-44,309	-149,422
 <b>Cash flow from financing activities</b>			
Repayment of debt instrument		-42,000	-42,000
New long-term loans		22,000	162,815
Repayment of leases		-608	0
Interest receivables		8,435	11,791
Interest payables		-28,911	-13,374
Minority interest, share of dividend		-786	-2,562
Dividend paid		-7,500	-30,000
<b>Cash flow from financing activities:</b>		-49,370	86,670
 Changes in cash and cash equivalents			
		84	-10,259
Cash and cash equivalents 1 January		14,423	24,512
<b>Cash and cash equivalents, end of year:</b>	24	14,337	14,253

# Notes to the financial statements

## Note

### 1 Information on segments

With reference to the Danish Financial Statements act (*Årsregnskabsloven*) § 96, section 1 the company has excluded the information on segments as the market only includes a limited number of competitors and disclosing the information could be harmful to the company's business.

	Group		Parent company	
	2020 DKK'000	2019 DKK'000	2020 DKK'000	2019 DKK'000
<b>2 Special items</b>				
Other income	734	0	0	0
External expenses	193	0	0	0
Salary	1,980	0	0	0
	<u>2,907</u>	<u>0</u>	<u>0</u>	<u>0</u>

Special items comprise of local COVID-19 reimbursements in countries Australia, France, Italy, Singapore, China, UK and US.

### 3 Staff costs

Wages and salaries	109,449	121,857	100	100
Pension	7,812	7,233	0	0
Social security costs	7,110	8,702	0	0
Other staff costs	6,708	7,887	0	0
	<u>131,079</u>	<u>145,679</u>	<u>100</u>	<u>100</u>
Transferred to development project	<u>-4,059</u>	<u>-3,380</u>	<u>0</u>	<u>0</u>
	<u>127,020</u>	<u>142,299</u>	<u>100</u>	<u>100</u>
Average number of employees	<u>372</u>	<u>374</u>	<u>1</u>	<u>1</u>

With reference to the Danish Financial Statements Act (*Årsregnskabsloven*) § 98 B, section 3 the company has excluded information regarding management's salary.

	Group	
	2020 DKK'000	2019 DKK'000
Salaries and wages to the executive and advisory board	<u>814</u>	<u>710</u>



## Notes to the financial statements, continued

Note

### 5 Investment in subsidiaries, continued

The company has the following subsidiaries

Company name and legal form	Registered office	Ownership	Share capital	
Multi-Wing International A/S	Denmark	100 %	TDKK	500
Multi-Wing Australia Pty., Ltd.	Australia	60 %	TAUD	150
Multi-Wing France SARL	France	100 %	TEUR	100
Multi-Wing (Suzhou) Co. Ltd.	China	100 %	TCNY	4,479
Multi-Wing Ibérica S.L.	Spain	70 %	TEUR	27
Multi-Wing GmbH	Germany	100 %	TEUR	25
Multi-Wing CZ s.r.o.	Czech Republic	100 %	TCZK	200
Wind Dynamic ApS	Denmark	100 %	TDKK	125
Multi-Wing Italia Srl.	Italy	100 %	TEUR	100
Multi-Wing Suzhou Trading Co. Ltd.	China	100 %	TCNY	2,040
Multi-Wing SEA Pte. Ltd.	Singapore	100 %	TSGD	1,194
Multi-Wing NEA Pte. Ltd.	Singapore	100 %	SGD	100
Multi-Wing Group Management Holding Pte. Ltd.	Singapore	100 %	TSGD	1,146
Multi-Wing India Pvt. Ltd.	India	100 %	TINR	4,000
Multi-Wing do Brazil Lta.	Brazil	100 %	TBRL	3,984
Multi-Wing US Inc.	USA	100 %	TUSD	3,200
Multi-Wing UK Limited	UK	100 %	TGBP	26
Multi-Wing Malaysia Sdn. Bhd	Malaysia	100 %	TMYR	500
Multi-Wing Thailand Co. Ltd.	Thailand	100 %	TBaht	1,000
Multi-Wing UA LLC	Ukraine	100 %	TUAH	161
Multi-Wing Mexico S.A. DE. C.V.	Mexico	100 %	TMEP	3

## Notes to the financial statements, continued

Note	Group		Parent company	
	2020 DKK'000	2019 DKK'000	2020 DKK'000	2019 DKK'000
<b>6 Financial income</b>				
Interest receivables from group enterprises		0	4,868	4,835
Exchange rate gains	7,944	10,885	640	762
Other financial income	491	906	393	6,261
	<u>8,435</u>	<u>11,791</u>	<u>5,901</u>	<u>11,858</u>
<b>7 Financial expenses</b>				
Interest payables from group enterprises	0	0	0	473
Exchange rate loss	23,141	8,872	13,483	3,590
Other financial expenses	6,018	4,582	5,662	3,774
	<u>29,159</u>	<u>13,454</u>	<u>19,145</u>	<u>7,837</u>
<b>8 Tax on profit / loss for the year</b>				
Current tax for the year	-18,207	-22,722	3,304	-607
Adjustment of tax from previous year	0	0	0	0
Deferred tax adjustment	-1,292	-1,806	220	0
	<u>-19,499</u>	<u>-24,528</u>	<u>3,524</u>	<u>-607</u>
<b>9 Proposed appropriation of profit / loss</b>				
Net revaluation under the equity method	0	0	71,149	53,585
Proposed dividend for the year	30,000	30,000	30,000	30,000
Retained profit / loss	27,352	19,324	-43,797	-34,260
Minority interest of share of earnings	1,333	5,268	0	0
	<u>58,685</u>	<u>54,592</u>	<u>57,352</u>	<u>49,325</u>

## Notes to the financial statements, continued

Note	Group		
	Development projects		
	Completed	Under construction	Goodwill
<b>10 Intangible assets (DKK'000)</b>			
Cost at 1 January	35,877	9,659	157,600
Currency adjustment	-294	0	-11,124
Additions	0	5,899	0
Disposals	-26	-1,150	0
Transferred to completed development projects	5,740	-5,740	0
<b>Cost at 31 December</b>	<b>41,297</b>	<b>8,668</b>	<b>146,476</b>
Depreciation and amortisation at 1 January	-29,948	0	-20,753
Exchange rate adjustment	163	0	892
Depreciation and amortisation during the year	-3,016	0	-7,822
Disposals	0	0	0
<b>Depreciation at 31 December</b>	<b>-32,801</b>	<b>0</b>	<b>-27,683</b>
<b>Carrying amount at 31 December.</b>	<b>8,496</b>	<b>8,668</b>	<b>118,793</b>

The major part group's 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 these types of axial impellers.

In addition, development costs for development of a new cloud-based ERP system are also recognised in the balance sheet. The development has progressed as planned and is expected to be rolled out in 2021 and 2022

## Notes to the financial statements, continued

Note	<b>Group</b>		
<b>11 Property, plant and equipment (DKK'000)</b>	Land and property	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	17,319	109,892	4,818
Currency adjustment	-418	-2,265	-27
Additions	0	8,528	290
Disposals	-527	-1,484	-144
<b>Cost at 31 December</b>	<b>16,374</b>	<b>114,671</b>	<b>4,937</b>
Depreciation and amortisation at 1 January	-8,222	-73,560	-2,601
Exchange rate adjustment	205	1,495	-58
Depreciation and amortisation during the year	-963	-11,108	-789
Reversal of disposals on depreciation	0	872	144
<b>Depreciation at 31 December</b>	<b>-8,980</b>	<b>-82,301</b>	<b>-3,304</b>
<b>Carrying amount at 31 December.</b>	<b>7,394</b>	<b>32,370</b>	<b>1,633</b>
Leased assets included	0	2,343	0
		<b>Group</b>	
		2020	2019
		DKK'000	DKK'000
<b>12 Deposit</b>			
Cost at 1 January		3,105	2,036
Other revaluation		68	1,069
<b>Carrying amount 31 December 2020:</b>		<b>3,173</b>	<b>3,105</b>

### 13 Deferred tax asset

In 2020, the parent company, Australia, CZ, India, US, and UK reported deferred tax assets. These deferred tax assets arise mainly due to a higher net tax value of fixed assets than net book value, and the provision for bad debts and employee benefits that are recognised in the accounting books in 2020 but are only allowed for tax purposes in the later reporting periods when payment is made or when the liability becomes certain.

### 14 Prepayments

Activated accrued costs include prepaid expenses concerning insurances, licenses, subscriptions, leasing, and interest.

## Notes to the financial statements, continued

Note	Group / parent company	
	2020 DKK'000	2019 DKK'000
<b>15 Equity</b>		
<b>The share capital is as follows:</b>		
Shares, 1,000 pieces of DKK 1,000	1,000	1,000
<b>Share capital at 31 December 2020:</b>	<b>1,000</b>	<b>1,000</b>

	Group		Parent company	
	2020 DKK'000	2019 DKK'000	2020 DKK'000	2019 DKK'000
<b>16 Provisions for deferred tax</b>				
Provisions for deferred tax at 1 January	4,527	2,721	0	0
Provision in year	991	1,806	0	0
	<b>5,518</b>	<b>4,527</b>	<b>0</b>	<b>0</b>

### 17 Long-term liabilities other than provisions

Of the long-term debt of the parent as well as the group's the entire debt is due more than 5 years after the balance sheet date.

	Debt at 1 January 2020	Debt at 31 Decem- ber 2020	Instalment next year	Debt outstanding after 5 years
Instrument of debt	148,374	128,622	46,400	0
Financial lease liability	2,757	2,179	750	0
Other debt	642	0	0	0
	<b>151,773</b>	<b>130,801</b>	<b>47,150</b>	<b>0</b>

### 18 Assets charged and security

The parent company, Multi-Wing Group A/S:

As security for credit institute engagements:

- A first pledge is given on any outstanding amounts with Multi-Wing International A/S
- A surety (primary liability) provided to Multi-Wing Internationals A/S for any outstanding amounts



## Notes to the financial statements, continued

### Note

#### 18 Assets charged and security (*continued*)

At Group level:

As security for credit institute engagements:

- Letter of indemnity, floating company charge of 10,000 DKK'000 are given in group entities IP rights, operating equipment, stocks, and receivables with a carrying value of 110,327 DKK'000.
- A first pledge is given from Multi-Wing International A/S on any outstanding amounts with Multi-Wing Group A/S
- A surety (primary liability) provided from Multi-Wing International A/S to Multi-Wing Group A/S for any outstanding amounts.

Bank guarantees

Entities within the Group has issued guarantees towards banks for a total of 677 DKK'000

#### 19 Contractual obligations

The group has signed the following contractual obligations:

- Lease obligations for warehouses and other premises: 24,428 DKK'000 (total for lock-up period or termination period)
- Operational leasing arrangements of cars, equipment and IT: 965 DKK'000.
- Hire purchase commitments: 108 DKK'000.

#### 20 Other contingent liabilities

The parent company is jointly taxed with other Danish companies. 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 in relation 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 Company is jointly registered for VAT with Multi-Wing International A/S and Wing Dynamic ApS. These companies are jointly and severally liable to VAT under this registration.

# Notes to the financial statements, continued

## Note

### 21 Related parties

Multi-Wing Group A/S' related parties include as follows:

**Controlling influence**

MWH af 2015 ApS

**Basis**

Parent

**Other related parties**

Jesper Bernhoft

Annette Bernhoft Andersen

John Korsø Andersen

**Basis**

Member of board of directors

Member of board of directors

Member of board of directors

Subsidiaries etc.

Reference is made to the Group overview in the section "Management review" and note 4 respectively.

**Transactions with related parties**

There have been no transactions with related parties besides transactions between group companies in regard of ordinary intercompany trade. All transactions are considered to be completed on an arms-length basis, and in accordance with section 97c of the Danish Financial Statements Act, no information on transactions is given.

**Consolidated financial statements**

The group and parent company are ultimately included in the consolidated financial statements of MWH af 2015 ApS. The financial statements may be acquired on Staktoften 16, 2950 Vedbæk.

### 22 Fee to auditors appointed at the general meeting

	<b>Group</b>	
	2020	2019
	DKK'000	DKK'000
Audit fee	527	496
Other assurance engagements	0	24
Tax advisory services	45	76
Non-audit services	345	1,130
	<u>917</u>	<u>1,726</u>

## Notes to the financial statements, continued

<u>Note</u>	<u>Group</u>
<b>23 Change in working capital</b>	<u>2020</u>
	DKK'000
Change in inventories	8,298
Change in trade receivables	2,451
Change in other receivables	965
Change in prepayments	1,498
Change in trade creditors	7,281
Change in other payables	<u>-50,728</u>
<b>Carrying amount at 31 December:</b>	<u><u>-30,235</u></u>
	<u>Group</u>
<b>24 Cash and cash equivalents at year-end</b>	<u>2020</u>
	DKK'000
Cash and cash equivalents, year-end	70,229
Bank debt, year-end	<u>-55,892</u>
<b>Carrying amount at 31 December:</b>	<u><u>14,337</u></u>

