FairWind A/S

Hjulmagervej 6, 7100 Vejle

CVR no. 31 42 92 93

Annual report 2019

Approved at the Company's annual general meeting on 30 April 2020

Chairman:

....
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 A/S for the financial year 1 January - 31 December 2019.

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 2019 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 2019.

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, 30 April 2020
Executive Board:

John Jørgen Funch

Board of Directors:

Hans Steffen Steffensen Chairman	Thomas Bechmann	Maciej Suchy
Hans Christian Gabelgaard		

Independent auditor's report

To the shareholders of FairWind A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FairWind A/S for the financial year 1 January - 31 December 2019, 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 2019, 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 2019 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, 30 April 2020
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

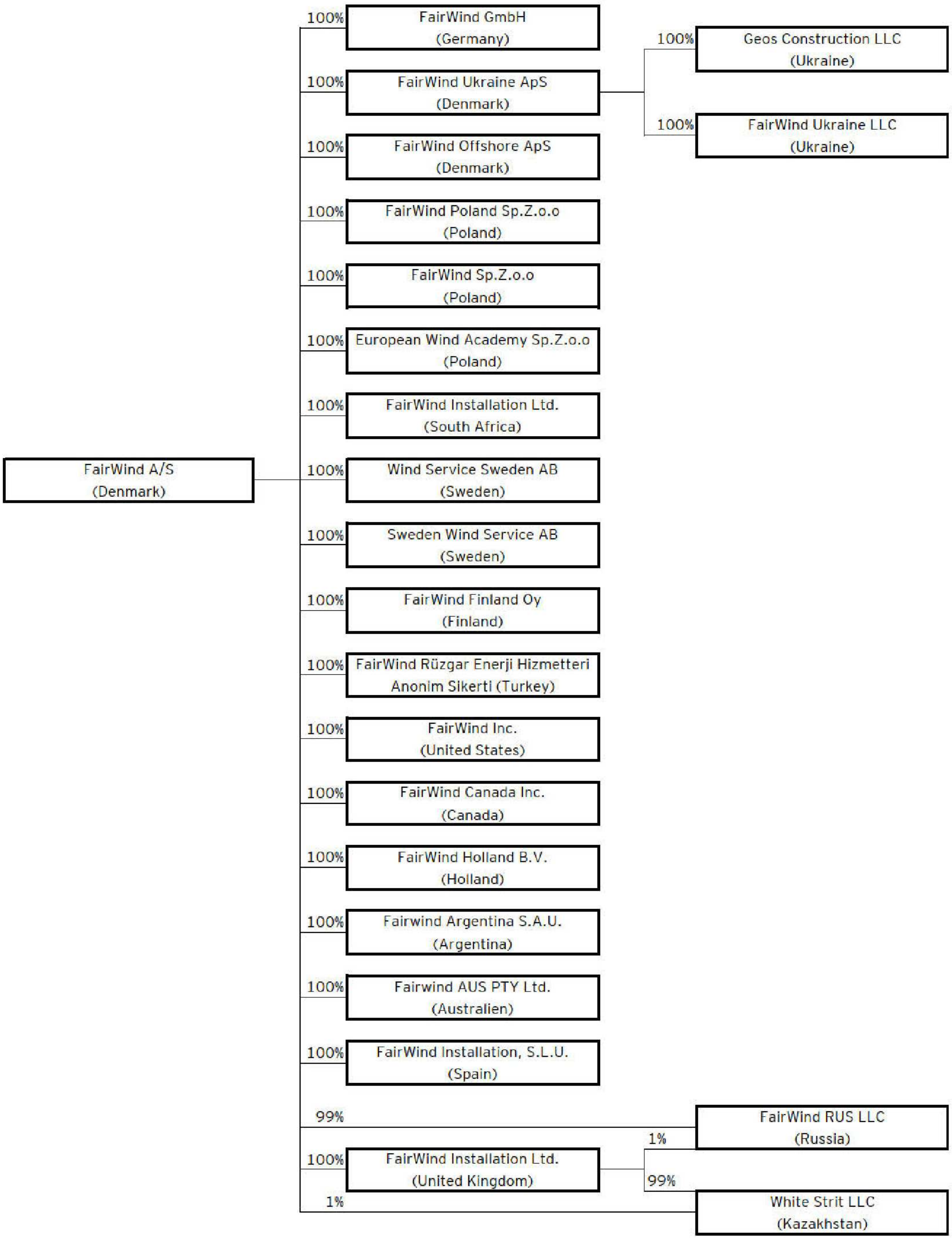
Management's review

Company details

Name	FairWind A/S
Address, Postal code, City	Hjulmagervej 6, 7100 Vejle
CVR no.	31 42 92 93
Established	16 May 2008
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, Chairman Thomas Bechmann Maciej Suchy Hans Christian Gabelgaard
Executive Board	John Jørgen Funch
Auditors	Ernst & Young 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	2019	2018	2017	2016	2015
Key figures					
Revenue	1,009,483	648,956	684,199	448,057	315,256
Gross profit	118,623	106,843	100,373	72,051	73,359
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	45,755	43,804	43,495	24,459	25,351
Operating profit/loss	24,989	27,070	28,742	12,536	17,311
Net financials	-9,297	-8,976	-7,406	-3,850	-2,202
Profit before tax	15,992	18,094	21,563	10,201	15,109
Profit for the year	**13,556**	**14,238**	**15,423**	**7,599**	**11,838**
Total assets	559,842	377,714	293,980	283,063	188,533
Equity	**97,072**	**80,337**	**67,955**	**55,319**	**50,964**
Cash flows from operating activities	-14,616	-15,544	11,839	8,489	-19,725
Net cash flows from investing activities	-14,418	-25,813	-19,056	-34,981	-12,858
Cash flows from financing activities	67,946	21,070	-6,045	5,487	23,556
Total cash flows	**38,912**	**-20,287**	**-13,262**	**-21,005**	**-9,027**
Financial ratios					
Return on assets	5.3%	8.1%	10.0%	5.3%	11.3%
Equity ratio	17.3%	21.3%	23.1%	19.6%	26.7%
Return on equity	15.3%	19.2%	25.0%	14.3%	29.5%
Average number of employees	**562**	**451**	**493**	**233**	**147**

For terms and definitions, please see the accounting policies.

Management's review

Business review

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

Financial review

The profit for the year amounts to DKK 13,556 thousand (2018: DKK 14,238 thousand) and total equity amounts to DKK 97,072 thousand (2018: DKK 80,337 thousand), which is below the expectations set forth in the annual report 2018.

Management considers the development in turnover and activity as satisfactory and the development in profit for the year as not satisfactory.

The wind turbine manufacturer had in the first half of 2019 challenges in suppling components on site as well as the fact, that several projects from a planning perspective were delayed.

The limited execution period had a negative impact on the profit for the year, as FairWind in order to secure the workforce and the execution of the projects, had to maintain a large workforce in the first part of the year and thereby hold on to high not rechargeable cost.

Special risks

General risks

The group is not exposed to any specific risks which are not common for the type of business activities performed by the group except for currency risks mentioned below.

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.

Research and development activities

The group has no significant research and development activities.

Statutory CSR report

FairWind's CSR policy and responsibility applies for all employees in FairWind as well as subcontractors and suppliers.

We have displayed social responsibility since 2008

In FairWind 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.

We seek a 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.

Management's review

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 of emissions of carbon dioxide globally, and these emissions are one of the main causes of global warming, FairWind is indirectly also contributing to solving the necessary "Climate Action," ensuring 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 (2019) we can proudly share that we have been involved in the installation of more than 5.2 GW (compared to 3.5 in 2018), preassemble for offshore of 2.1 GW and have 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. During this process it is key for FairWind as a global player to be compliant with the ten principles of the UN 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.
- FairWind takes initiatives to promote greater environmental responsibility.
- FairWind encourages the 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 believe is a responsible ethical, social and environmental practice. It sets out clearly what is expected from our personnel.

Management's review

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 2019 has delivered to our target.

Achieving the target & future ambitions

FairWind has over the course of the last year strengthened our efforts on specific elements such as the Anti-Bribery & Corruption Policy. Also, in recent years all new office employees, technicians, subcontractors and suppliers received the Code of Conduct as part of the onboarding process and were informed of our targets. In 2019 we started tracking and documenting this process, with employees and suppliers being asked to sign a document committing to being compliant (which is subjects to audits; see quality measures in separate paragraph later in this document).

The target for 2020 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 Quality & Safety departments, 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. The risk regarding social and employee conditions for FairWind primarily relates to work accidents under installation of wind turbines. For 2019 key measures were defined:

- For 2019 FairWind had a target of 0 fatal accidents
- For 2019 FairWind had a target for Lost time injury frequency at max 5.0 measured per 1,000,000 hours
- For 2019 FairWind had a target for Total injury frequency at max 8.0 measured per 1,000,000 hours

In 2019, FairWind had 0 fatal accidents, but counted 6 work related incidents which resulted in a Lost Time Injury frequency of 2.6 (comfortably below the target of 5). This is considered a very satisfying development as in 2018, a year with less activity than 2019, we counted 13 work related incidents. The total recordable incidents rate was also better than the target at 7.9 against an ambition of 8.0.

Achieving the target & future ambitions

In 2019, our QHSE and HR departments continued to measure the number of work-related incidents and reports these at all management meetings on our company dashboard. This to ensure that the management pay attention to the targets, actuals, and ambitions. Further emphasizing management's focus on safety in FairWind was the total of conducted safety walks from back-office managers, exceeding 150 during 2019. Worth highlighting is also our proactive Safety Campaigns, where FairWind in 2019 launched 9 in total:

- Mental health and wellness

Management's review

- Worlds Safety Day
- Driving Campaign: arrive alive, speeding/GPS checking program
- Work at high temperatures
- Winter Plan: winter working procedures, Winter plan, winter tyres
- BLS / AED training for office workers
- LMRA training for IC
- Felt leadership
- Positive recognition program (HSE hero)

As part of the onboarding procedure all new employments receive all internal policies and safety procedures, and the company's QHSE department monitors that all policies and regulations are up to date and being followed.

Also, supported by a strong QHSE organization, FairWind carries out mandatory workplace evaluations and is continuously working to improve any matters that do not live up to the requirements.

Worth highlighting is also that in 2019 our QHSE department intensified the measuring of leading indicators to be proactive on improving and this has provided us with data to set new and more ambitious targets for 2020. The health & safety targets for 2020 are:

- Fatal accidents at 0
- Lost Time Injury Frequency below 4 measured per 1,000,000 hours (as per client comparison)
- Total recordable Injury Frequency below 6 measured per 1,000,000 hours
- Minimum 1 health & safety campaign per quarter
- 2 safety walks per year for all managers on average
- Internal QHSE awareness training for site management = 30% as minimum

Environment and climate

Target & results

Environment and climate are high priorities in FairWind. The target for FairWind is that the company is perceived by customers, employees, suppliers and authorities as a climate and environment 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 2019 and our own self regulation has not revealed any violations of environmental law either.

Our target for 2019 was to further reduce our environmental impact more than 10% as measured through the KPI "environmental frequency rate," where the target was set at 0.8. The result for 2019 is considered satisfactory as FairWind has managed to reduce the "environmental frequency rate" to 0.8 per 100,000 project site hours (2018 0.9).

In 2019 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 by a solid margin, as FairWind proudly managed to run in total five campaigns; 1) Less waste campaign - saving paper, 2) Less waste campaign - saving plastic, 3) Zero waste philosophy, 4) Earth day challenge and finally 5) Recycling FairWind employees book calendars from 2019.

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

The risks regarding climate for FairWind primarily relates to CO_2-emission and excess energy consumption.

Management's review

Achieving the target & future ambitions

FairWind continuously 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

In the installation of wind turbines, FairWind's main operation, we continuously optimize the use of energy to avoid excess energy consumption and limit CO2-emission.

In 2019, FairWind further optimized energy consumption and further limited the CO2-emission.

Also, in relation to the external environment, FairWind has always adjusted working processes locally to comply with any relevant environmental legislation.

The 2020 goals for the environmental area are:

- Environmental penalties from authorities = 0
- Environmental Frequency Rate <= 0.8
- Minimum 1 environmental campaign per half a year

FairWind also has targets which are less formalized but considered equally important for FairWind in 2020. We wish to support our OEM's in reducing their global environmental footprint and during the coming years significantly reduce CO2 emission, hence our targets are:

- Start tracking and tracing of CO2 emissions such as from our fleet – and prepare a reduction plan
- Start tracking and tracing of CO2 emissions such as from our flights – and prepare a reduction plan

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 2019, however, the board has not yet found a suitable woman willing to join the board.

Also, FairWind has a target of an increased percentage of managers and middle managers being female. As per 31/12-2019 status is that FairWind has 22 female managers or middle managers equivalent to 26% of the total group. This percentage is slightly up since 2018 and we also now have 3 more women in leadership positions when compared to last year.

Achieving the target & future ambitions

In FairWind the Board consists of a Chairman and three members. As per 31/12 2019 the status is that there are no female board members, but it is the ambition in 2020 for FairWind to search for competent female candidates for the board.

Management's review

On the level for manager and middle manager FairWind has been successful in attracting women. This success was due to 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. Since this initiative, 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 2019 FairWind's quality measures were primarily related to snagging on delivered towers and the targets were:

- Less than 7 snags for Onshore turbines for SGRE and Vestas (target agreed through client dialogues)
- Internally we strive for the same level of snags for Enercon
- Less than 5 snags for Offshore preassembly

In 2019, FairWind delivered satisfying result for snagging, as for each of our onshore clients we delivered results in between 5.7 and 7.0. For Offshore the final total was 2.0.

After having formalized our customer satisfaction and loyalty survey in 2018, FairWind continued this practice in 2019. It was the ambition to improve scores, but the results remained at the level from previous year with satisfaction of 3.87 (2018 3.92) and for loyalty of 4,27 (2018 4,24).

Achieving the target & future ambitions

In 2019 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)
- Conducting 18 internal audits and 2 supplier audits.

Also, snagging levels in 2019 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 2020. These are:

- Average number of snagging below 6 in total
- Customer satisfaction scores 4 or above
- Quality tool training for site management (min. 50%)
- Minimum 2 supplier audits carried out
- Carry our risk assessment at least once a year in each business area
- Develop detailed 8D analysis for any major customer complaint (cost > 5,000 EUR)

Charity & Social events

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

- In 2019, FairWind continued our tradition of supporting a local Stettin orphan home during Christmas time.
- In 2019, FairWind through employee initiatives donated to 'Kræftens Bekæmpelse' (a charity to fight cancer) during its annual campaign in Denmark.

Management's review

- In 2019, FairWind allocated funding to the Baltic Sea foundation including formalized plans for 'local forest cleaning events' – during these cleanings employees from FairWind will go to local forest areas (scheduled for early-2020).

Closing Statement

FairWind'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 2020 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

It is not yet known to what extent the company will be affected by the COVID-19 outbreak, but management is monitoring the situation closely in order to adjust the cost level to any temporary decline in activity. At the time of approval of the annual report, it has not been possible for the company's management to provide a reliable estimate of the expected impact of COVID-19, but it is not considered to affect the company to such an extent that further incorporation in the 2019 annual report is required.

Outlook

Management expects the group to continue the positive development and expects the profit level for 2020 to improve compared to that of 2019.

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

Income statement

		Group		Parent company	
Note	DKK'000	2019	2018	2019	2018
3	**Revenue**	1,009,483	648,956	468,281	290,702
4,5	Production costs	-890,860	-542,113	-451,005	-233,363
	Gross profit	118,623	106,843	17,276	57,339
4	Distribution costs	-7,962	-4,812	-4,389	-3,690
4,5	Administrative expenses	-85,673	-74,961	-62,037	-50,230
	Operating profit/loss	24,988	27,070	-49,150	3,419
	Other operating income	301	0	306	0
	Profit/loss before net financials	25,289	27,070	-48,844	3,419
	Income from investments in group entities	0	0	53,801	17,293
6	Financial income	2,746	892	1,483	99
7	Financial expenses	-12,043	-9,868	-4,174	-7,439
	Profit before tax	15,992	18,094	2,266	13,372
	Tax for the year	-2,436	-3,856	11,290	866
	Profit for the year	13,556	14,238	13,556	14,238

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2019	2018	2019	2018
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Goodwill	18,303	19,975	0	0
		18,303	19,975	0	0
9	**Property, plant and equipment**				
	Other fixtures and fittings, tools and equipment	33,080	37,688	22,833	27,510
		33,080	37,688	22,833	27,510
10	**Investments**				
	Investments in group entities	0	0	125,162	78,022
	Deposits, investments	401	843	216	214
		401	843	125,378	78,236
	Total fixed assets	51,784	58,506	148,211	105,746
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	1,331	709	1,331	709
		1,331	709	1,331	709
	Receivables				
	Trade receivables	230,176	209,963	109,501	99,327
11	Work in progress for third parties	163,788	53,809	92,249	24,366
	Receivables from group entities	23,654	13,529	74,447	75,448
13	Deferred tax assets	11,950	1,233	9,617	0
	Other receivables	14,013	16,044	10,349	4,374
	Prepayments	17,737	17,424	8,737	15,134
		461,318	312,002	304,900	218,649
	Cash	45,409	6,497	5,587	1,445
	Total non-fixed assets	508,058	319,208	311,818	220,803
	TOTAL ASSETS	559,842	377,714	460,029	326,549

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2019	2018	2019	2018
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	785	785	785	785
	Net revaluation reserve according to the equity method	0	0	88,950	42,038
	Retained earnings	96,287	79,552	7,337	37,514
	Total equity	97,072	80,337	97,072	80,337
	Provisions				
13	Deferred tax	11,326	7,431	0	2,609
	Total provisions	11,326	7,431	0	2,609
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Bank debt	7,800	10,400	7,800	10,400
15	Subordinate loan capital	9,438	8,944	9,438	8,944
		17,238	19,344	17,238	19,344
	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions	2,600	2,855	2,600	2,855
	Bank debt	184,854	114,547	168,944	109,957
	Trade payables	222,782	132,032	124,057	70,994
	Payables to group entities	1,688	1,188	40,960	33,730
	Other payables	22,282	19,980	9,158	6,723
		434,206	270,602	345,719	224,259
	Total liabilities other than provisions	451,444	289,946	362,957	243,603
	TOTAL EQUITY AND LIABILITIES	559,842	377,714	460,029	326,549

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

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

Statement of changes in equity

Note	DKK'000	Group Share capital	Group Retained earnings	Group Total
	Equity at 1 January 2019	785	79,552	80,337
	Transfer through appropriation of profit	0	13,556	13,556
	Exchange adjustment	0	3,179	3,179
	Equity at 31 December 2019	785	96,287	97,072

Note	DKK'000	Parent company Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2019	785	42,038	37,514	80,337
20	Transfer, see "Appropriation of profit"	0	43,733	-30,177	13,556
	Exchange adjustment	0	3,179	0	3,179
	Equity at 31 December 2019	785	88,950	7,337	97,072

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

Cash flow statement

Note	DKK'000	Group 2019	Group 2018
	Profit for the year	13,556	14,238
21	Adjustments	32,199	29,566
	Cash generated from operations (operating activities)	45,755	43,804
22	Changes in working capital	-34,527	-37,312
	Cash generated from operations (operating activities)	11,228	6,492
	Interest received, etc.	2,746	5,062
	Interest paid, etc.	-12,043	-14,038
	Income taxes paid	-9,258	-4,276
	Other cash flows from operating activities	-7,289	-8,784
	Cash flows from operating activities	-14,616	-15,544
	Additions of property, plant and equipment	-14,937	-29,179
	Disposals of property, plant and equipment	519	3,366
	Cash flows to investing activities	-14,418	-25,813
	Proceeds of debt to credit institutions	0	13,000
	Proceeds of debt, shareholders and management	494	2,466
	Repayments, long-term liabilities	-2,600	-18,440
	Cash flow overdraft	70,052	24,044
	Cash flows from financing activities	67,946	21,070
	Net cash flow	38,912	-20,287
	Cash and cash equivalents at 1 January	6,497	26,784
23	**Cash and cash equivalents at 31 December**	45,409	6,497

Because of a clarifying interpratation, The Company has reclassified short-term bank facilities in the Cash Flow Statement. Previously bank facilities were presented as cash. Henceforward short-term bank facilities will be presented as a part of the financing activities. The comparative figures for 2018 have been adjusted accordingly. The Company's short-term bank facilities per 31 December 2019 amounts to DKK 184,854 thousand (2018: DKK 114,547 thousand).

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 A/S for 2019 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.

Because of a clarifying interpratation, The Company has reclassified short-term bank facilities in the Cash Flow Statement. Previously bank facilities were presented as cash. Henceforward short-term bank facilities will be presented as a part of the financing activities. The comparative figures for 2018 have been adjusted accordingly. The Company's short-term bank facilities per 31 December 2019 amounts to DKK 184,854 thousand (2018: DKK 114,547 thousand).

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 thus 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 included in "Other receivables" and "Other payables", respectively.

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 as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged 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 hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

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.

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.

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".

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 has experienced significant increases in working capital which has resulted in negative cash flow from operations. It is expected that future growth will also result in further 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 2020 if needed which will enable the Group to realize the expected growth.

	Group		Parent company	
DKK'000	2019	2018	2019	2018
3 **Segment information**				
Breakdown of revenue by geographical segment:				
Europe	320,304	406,288	125,959	173,562
Scandinavia	425,163	173,974	328,642	116,976
North and South America	116,067	48,837	0	13
Rest of the world	147,949	19,857	13,680	151
	1,009,483	648,956	468,281	290,702
4 **Staff costs**				
Wages/salaries	182,943	155,904	58,286	35,274
Pensions	7,420	4,862	4,628	3,153
Other social security costs	10,993	4,299	675	421
Other staff costs	3,619	5,423	274	2,289
	204,975	170,488	63,863	41,137

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

Production	148,107	123,632	46,086	23,484
Distribution	6,835	3,008	3,799	2,475
Administration	50,033	43,848	13,978	15,178
	204,975	170,488	63,863	41,137
Average number of full-time employees	562	451	92	47

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the Executive Board and the Board of Directors in the group and in the parent company is not disclosed.

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

Notes to the financial statements

DKK'000	Group 2019	Group 2018	Parent company 2019	Parent company 2018
5 Amortisation/depreciation of intangible assets and property, plant and equipment				
Amortisation of intangible assets	1,672	1,672	0	0
Depreciation of property, plant and equipment	18,794	15,062	14,922	11,854
	20,466	16,734	14,922	11,854

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

	Group 2019	Group 2018	Parent company 2019	Parent company 2018
Production costs	18,794	15,062	14,922	11,854
Administrative expenses	1,672	1,672	0	0
	20,466	16,734	14,922	11,854

DKK'000	Group 2019	Group 2018	Parent company 2019	Parent company 2018
6 Financial income				
Interest receivable, group entities	0	0	122	75
Other financial income	2,746	892	1,361	24
	2,746	892	1,483	99
7 Financial expenses				
Interest expenses, group entities	360	341	360	341
Other financial expenses	11,683	9,527	3,814	7,098
	12,043	9,868	4,174	7,439

8 Intangible assets

DKK'000	Group Goodwill
Cost at 1 January 2019	26,040
Cost at 31 December 2019	26,040
Impairment losses and amortisation at 1 January 2019	6,065
Amortisation/depreciation in the year	1,672
Impairment losses and amortisation at 31 December 2019	7,737
Carrying amount at 31 December 2019	18,303
Amortised over	15 years

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

Notes to the financial statements

9 Property, plant and equipment

DKK'000	Group Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	84,322
Exchange adjustment	477
Additions in the year	14,937
Disposals in the year	-1,891
Cost at 31 December 2019	97,845
Impairment losses and depreciation at 1 January 2019	46,634
Exchange adjustment	245
Amortisation/depreciation in the year	18,794
Reversal of amortisation/depreciation and impairment of disposals	-908
Impairment losses and depreciation at 31 December 2019	64,765
Carrying amount at 31 December 2019	33,080
Depreciated over	2-10 years

DKK'000	Parent company Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	66,398
Additions in the year	10,426
Disposals in the year	-1,034
Cost at 31 December 2019	75,790
Impairment losses and depreciation at 1 January 2019	38,888
Amortisation/depreciation in the year	14,922
Reversal of amortisation/depreciation and impairment of disposals	-853
Impairment losses and depreciation at 31 December 2019	52,957
Carrying amount at 31 December 2019	22,833
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 2019	843
Additions in the year	2
Disposals in the year	-444
Cost at 31 December 2019	401
Carrying amount at 31 December 2019	401

Group

Name	Domicile	Interest
Subsidiaries		
FairWind GmbH	Germany	100%
FairWind Ukraine ApS	Denmark	100%
FairWind Installation Ltd.	United Kingdom	100%
FairWind Offshore ApS	Denmark	100%
FairWind Installation Ltd.	South Africa	100%
FairWind Sp. Z.o.o	Poland	100%
Wind Service Sweden AB	Sweden	100%
Swedish Wind Service AB	Sweden	100%
FairWind Rüzgar Enerji Hizmetteri Anonim Sikerti	Turkey	100%
Geos Construction LLC	Ukraine	100%
FairWind Ukraine LLC	Ukraine	100%
FairWind Poland Sp. Z.o.o	Poland	100%
FairWind Inc.	United States	100%
FairWind Canada Inc.	Canada	100%
FairWind Finland Oy.	Finland	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 PTY Ltd.	Australia	100%

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

Notes to the financial statements

10 Investments (continued)

	Parent company		
DKK'000	Investments in group entities	Deposits, investments	Total
Cost at 1 January 2019	35,983	214	36,197
Additions in the year	229	2	231
Cost at 31 December 2019	36,212	216	36,428
Value adjustments at 1 January 2019	42,039	0	42,039
Exchange adjustment	3,750	0	3,750
Dividend distributed	-10,640	0	-10,640
Share of the profit/loss for the year	55,473	0	55,473
Amortisation of goodwill	-1,672	0	-1,672
Value adjustments at 31 December 2019	88,950	0	88,950
Carrying amount at 31 December 2019	125,162	216	125,378

	Group		Parent company	
DKK'000	2019	2018	2019	2018
11 Work in progress for third parties				
Selling price of work performed	584,335	287,902	271,331	128,752
Progress billings	-420,547	-234,093	-179,082	-104,386
	163,788	53,809	92,249	24,366
recognised as follows:				
Work in progress for third parties(assets)	163,788	53,809	92,249	24,366
	163,788	53,809	92,249	24,366

	Parent company	
DKK'000	2019	2018
12 Share capital		
Analysis of the share capital:		
7,850 shares of DKK 100.00 nominal value each	785	785
	785	785

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

DKK'000	2019	2018	2017	2016	2015
Opening balance	785	785	785	785	783
Capital increase	0	0	0	0	2
	785	785	785	785	785

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

Notes to the financial statements

DKK'000	Group 2019	Group 2018	Parent company 2019	Parent company 2018
13 Deferred tax				
Deferred tax at 1 January	6,198	3,143	2,609	2,850
Adjustment of deferred tax	-6,822	3,055	-12,226	-241
Deferred tax at 31 December	-624	6,198	-9,617	2,609
Analysis of the deferred tax				
Deferred tax assets	-11,950	-1,233	-9,617	0
Deferred tax liabililties	11,326	7,431	0	2,609
	-624	6,198	-9,617	2,609

14 Non-current liabilities other than provisions

Group

Of the long-term liabilities, DKK 9,438 thousand falls due for payment after more than 5 years after the balance sheet date.

Parent company

Of the long-term liabilities, DKK 9,438 thousand falls due for payment after more than 5 years after the balance sheet date.

15 Subordinate loan capital

DKK'000	Group Amount outstanding
Parent company	9,438
	9,438

DKK'000	Parent company Amount outstanding
Parent company	9,438
	9,438

Subordinate loan capital has been granted by the ultimate parent company and is subordinated in relation to all other creditors. The term to maturity is in 2025 or in the event of an exit. 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

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

Operating lease obligations:

The Group have entered into operating leasing agreements with a combined lease payment of DKK 4.178 thousand. The remaining term of the leases is 6 to 41 months.

Guarantees:

The Group has issued work guarantees of DKK 2,424 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 Offshore A/S for bank loans from Jyske Bank
- Unlimited guarantee for FairWind Ukraine ApS for bank loans from Jyske Bank
- Work guarentees for subsidiaries work under frame agreements

Operating lease obligations:

The Company have entered into operating leasing agreements with a combined lease payment of DKK 2,984 thousand. The remaining term of the leases is 6 to 41 months.

Guarantees:

The Company has issued work guarantees of DKK 2,424 thousand for services delivered.

17 Collateral

Group

Trade receivables and work in progress for third parties with a carrying amount of DKK 213,498 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 188,171 thousand at 31 December 2019.

Parent company

Trade receivables and work in progress for third parties with a carrying amount of DKK 201,750 thousand have been provided as collateral for bank loans and overdrafts amounting to DKK 179,343 thousand at 31 December 2019.

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

Notes to the financial statements

18 Related parties

FairWind A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
FairWind Holding ApS	Vejle, Denmark	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
FairWind Holding ApS	Vejle, Denmark	www.cvr.dk

Related party transactions

DKK'000	2019	2018
Group		
Receivables from parent company	23,654	13,529
Subordinate loan capital	-9,438	-8,944
Subordinate loan capital, interest	-360	-341
Payables to parent company	-1,188	-1,188
Payables to related parties	-500	0
Parent Company		
Receivables from parent company	23,620	13,495
Subordinate loan capital	-9,438	-8,944
Subordinate loan capital, interest	-360	-341
Payables to related parties	-500	0

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

Notes to the financial statements

19 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group as such in the consolidated financial statements for FairWind Holding ApS.

		Parent company	
	DKK'000	2019	2018
20	**Appropriation of profit**		
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	43,733	-591
	Retained earnings/accumulated loss	-30,177	14,829
		13,556	14,238

		Group	
	DKK'000	2019	2018
21	**Adjustments**		
	Amortisation/depreciation and impairment losses	20,466	16,734
	Financial income	-2,746	-5,062
	Financial expenses	12,043	14,038
	Tax for the year	2,436	3,856
		32,199	29,566
22	**Changes in working capital**		
	Change in inventories	-622	-577
	Change in receivables	-124,655	-81,982
	Change in trade payables	90,750	45,247
		-34,527	-37,312
23	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	45,409	6,497
		45,409	6,497

PENN30

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 A/S
Serial number: PID:9208-2002-2-352789154671
IP: 188.177.xxx.xxx
2020-05-01 14:08:48Z
NEM ID

Thomas Bechmann
Board of Directors
On behalf of: FairWind A/S
Serial number: PID:9208-2002-2-060426427684
IP: 2.105.xxx.xxx
2020-05-02 10:49:05Z
NEM ID

Hans Steffen Steffensen
Board of Directors
On behalf of: FairWind A/S
Serial number: PID:9208-2002-2-584744038720
IP: 188.182.xxx.xxx
2020-05-03 06:19:21Z
NEM ID

Hans Christian Gabelgaard
Board of Directors
On behalf of: FairWind A/S
Serial number: PID:9208-2002-2-657722863454
IP: 176.23.xxx.xxx
2020-05-03 08:41:46Z
NEM ID

Maciej Suchy
Board of Directors
On behalf of: FairWind A/S
Serial number: PID:9208-2002-2-801208677354
IP: 217.126.xxx.xxx
2020-05-03 16:34:43Z
NEM ID

Søren Smedegaard Hvid
State Authorised Public Accountant
On behalf of: Ernst & Young P/S
Serial number: CVR:30700228-RID:1256831000710
IP: 87.50.xxx.xxx
2020-05-03 19:21:32Z
NEM ID

Morten Oestergaard Koch
State Authorised Public Accountant
On behalf of: Ernst & Young P/S
Serial number: CVR:30700228-RID:32977604
IP: 145.62.xxx.xxx
2020-05-04 06:24:23Z
NEM ID

The name is withheld (SSN validated)
Chairman
On behalf of: FairWind A/S
Serial number: PID:9208-2002-2-425859709733
IP: 195.249.xxx.xxx
2020-05-04 09:13:51Z
NEM ID