

RESIDENTIAL AIR CON HOLDING APS  
Staktoften 16  
Vedbæk

Annual report for 2020

Adopted at the annual general meeting on  
12 July 2021

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John Korsø Jensen  
chairman

CVR-nr. 36 96 69 04

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## COMPANY DETAILS

The company	Residential Air Con Holding ApS Staktoften 16 2950 Vedbæk
	Telephone: +45 45 89 01 33 Fax: +45 45 89 31 33
	CVR no.: 36 96 69 04
	Reporting period: 1 January - 31 December 2020
	Domicile: Vedbæk
Board of Directors	John Korsø Jensen, chairman Annette Bernhoft Andersen Jesper Bernhoft
Board of Executives	Daniel Williams
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

## **STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT**

The supervisory and executive boards have today discussed and approved the annual report of Residential Air Con Holding ApS for the financial year 1 January - 31 December 2020.

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

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

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

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

Vedbæk, 12 July 2021

### **Board of Executives**

Daniel Williams

### **Board of Directors**

John Korsø Jensen  
Chairman

Annette Bernhoft Andersen

Jesper Bernhoft

# INDEPENDENT AUDITOR'S REPORT

## *To the shareholders of Residential Air Con Holding ApS*

### **Opinion**

We have audited the financial statements of Residential Air Con Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

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

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## INDEPENDENT AUDITOR'S REPORT

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

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

# INDEPENDENT AUDITOR'S REPORT

## Statement on management's review

Management is responsible for management's review.

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

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

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

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

Copenhagen, 12 July 2021

## **MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41

Kurt Christensen  
Statsautoriseret revisor  
(State-authorised public accountant)  
MNE no. mne26824

## MANAGEMENT'S REVIEW

### **Business review**

The Company's activity is developing and marketing solutions within the residential air con industry.

### **Financial review**

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 8.806.759, and the balance sheet at 31 December 2020 shows equity of DKK 52.007.832.

### **Significant events occurring after the end of the financial year**

At the beginning of 2021, the company sold to Multi-Wing Group A/S its shares in E-Flow technologies erurope s.r.o. (Czech Republic), E-Flow NEA Ltd. (Singapore) and E-Flow Customfan S.L. (Spain). The purpose is to strengthen its position within the HVAC industry.

At the beginning of June 2021 Multi-Wing Group has been sold to an external investor. This is considered as a strategic move that will support the continued development of the activities of Multi-Wing Group. Residential Air Con Holding ApS will make a reinvestment in Multi-Wing Group.

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



## ACCOUNTING POLICIES

The annual report of Residential Air Con Holding ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

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

The annual report for 2020 is presented in DKK

### **Basis of recognition and measurement**

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

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

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

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

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

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

### **Gross profit**

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

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

### **Other external expenses**

Other external expenses include expenses related to administration etc.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions etc.

### **Income from investments in subsidiaries, associates and participating interests**

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses.

## ACCOUNTING POLICIES

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

### **Tax on profit/loss for the year**

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

### **Investments in subsidiaries, associates and participating interests**

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Equity accounting is considered a consolidation method.

### **Equity**

#### **Dividends**

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

#### **Income tax and deferred tax**

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

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

#### **Liabilities**

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

#### **Foreign currency translation**

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

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 TDKK
<b>Gross profit</b>		<b>696.708</b>	<b>-5.331</b>
Staff costs	1	-25.000	-25
<b>Profit/loss before net financials</b>		<b>671.708</b>	<b>-5.356</b>
Income from investments in subsidiaries		-5.162.680	-6.656
Income from investments in associates		14.223.784	11.960
Financial income		-334.467	406
Financial costs		-591.586	0
<b>Profit/loss before tax</b>		<b>8.806.759</b>	<b>354</b>
Tax on profit/loss for the year		0	0
<b>Profit/loss for the year</b>		<b>8.806.759</b>	<b>354</b>
 <b>Recommended appropriation of profit/loss</b>			
Reserve for net revaluation under the equity method		9.061.104	5.304
Retained earnings		-254.345	-4.950
		<b>8.806.759</b>	<b>354</b>

## BALANCE SHEET 31 DECEMBER

	Note	2020 DKK	2019 TDKK
<b>ASSETS</b>			
Investments in subsidiaries	2	4.708.149	0
Investments in associates	3	43.989.407	42.384
<b>Fixed asset investments</b>		<b>48.697.556</b>	<b>42.384</b>
<b>Total non-current assets</b>		<b>48.697.556</b>	<b>42.384</b>
Receivables from group entities		3.835.640	1.662
Receivables from associates		939.100	0
<b>Receivables</b>		<b>4.774.740</b>	<b>1.662</b>
<b>Cash at bank and in hand</b>		<b>2.804.226</b>	<b>3.259</b>
<b>Total current assets</b>		<b>7.578.966</b>	<b>4.921</b>
<b>Total assets</b>		<b>56.276.522</b>	<b>47.305</b>

## BALANCE SHEET 31 DECEMBER

	Note	2020 DKK	2019 TDKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		125.000	125
Reserve for net revaluation under the equity method		2.777.805	3.218
Retained earnings		49.105.027	41.537
<b>Equity</b>		<b>52.007.832</b>	<b>44.880</b>
Other provisions		122.427	1.763
<b>Total provisions</b>		<b>122.427</b>	<b>1.763</b>
Trade payables		247.500	87
Payables to subsidiaries		0	1
Payables to group companies		3.898.763	574
<b>Total current liabilities</b>		<b>4.146.263</b>	<b>662</b>
<b>Total liabilities</b>		<b>4.146.263</b>	<b>662</b>
<b>Total equity and liabilities</b>		<b>56.276.522</b>	<b>47.305</b>
Contingent liabilities	4		

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2020	125.000	3.219.002	41.536.648	44.880.650
Purchase of minority shares	0	-1.365.478	0	-1.365.478
Other equity movements	0	-314.100	0	-314.100
Net profit/loss for the year	0	9.061.104	-254.345	8.806.759
Distributed dividends from investments in associates	0	-7.822.723	7.822.724	1
Equity at 31 December 2020	125.000	2.777.805	49.105.027	52.007.832

## NOTES

	2020	2019
	DKK	TDKK
<b>1 STAFF COSTS</b>		
Wages and salaries	25.000	25
	25.000	25
 Average number of employees	 1	 1
 <b>2 INVESTMENTS IN SUBSIDIARIES</b>		
Cost at 1 January 2020	183.170	125
Additions for the year	8.933.124	58
Cost at 31 December 2020	9.116.294	183
 Revaluations at 1 January 2020	-183.170	-125
Exchange adjustment	1.076.887	-122
Net profit/loss for the year	-5.162.680	-6.655
Transfers for the year	-981.592	0
Other equity movements, net	1.562.002	0
Equity investments with negative net asset value amortised over receivables	921.325	4.995
Equity investments with negative net asset value transferred to provisions	-1.640.917	1.724
Revaluations at 31 December 2020	-4.408.145	-183
 Carrying amount at 31 December 2020	 4.708.149	 0
 Remaining positive difference included in the above carrying amount at 31 December 2020	 3.618.018	

## NOTES

	2020 DKK	2019 TDKK
<b>3 INVESTMENTS IN ASSOCIATES</b>		
Cost at 1 January 2020	20.216.298	19.132
Additions for the year	0	1.083
Adjustment to equity value at beginning of year	-1.093.699	0
Cost at 31 December 2020	19.122.599	20.215
Revaluations at 1 January 2020	22.169.084	19.423
Exchange adjustment	-2.859.713	355
Net profit/loss for the year	14.223.785	11.960
Received dividend	-7.822.723	-7.723
Transfers for the year	981.592	-2.130
Other equity movements, net	-1.364.035	137
Equity investments with negative net asset value amortised over receivables	-461.182	470
Equity investments with negative net asset value transferred to provisions	0	-323
Revaluations at 31 December 2020	24.866.808	22.169
Carrying amount at 31 December 2020	43.989.407	42.384
Remaining positive difference included in the above carrying amount at 31 December 2020	5.177.923	5.604

#### 4 CONTINGENT LIABILITIES

The parent company is jointly taxed with its danish group entities. The entities are jointly and severally liable for danish income taxes as well as withholding taxes on dividends, interest and royalties payable by the group of jointly taxed entities. Any subsequent corrections of income taxes and withholding taxes may increase the tax payable by the entities. The group as such is not liable to any third parties.