
Flex Wind ApS

Hjortsvangen 26, DK-7323 Give

Annual Report for 1 January - 31 December 2020

CVR No 39 19 19 03

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/6 2021

Jens Nygaard Laursen
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Consolidated and Parent Company Financial Statements	
Income Statement 1 January - 31 December	9
Balance Sheet 31 December	10
Statement of Changes in Equity	13
Cash Flow Statement 1 January - 31 December	14
Notes to the Financial Statements	15

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Flex Wind 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 28 June 2021

Executive Board

Jens Nygaard Laursen

Board of Directors

Mikkel T Jørgensen
Chairman

Henning Nedergaard Jensen

Jens Nygaard Laursen

Ingvar Jensen

Independent Auditor's Report

To the Shareholders of Flex Wind ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Flex Wind ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 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 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:

- 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 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 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.
- 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.

Herning, 28 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen
statsautoriseret revisor
mne23324

Yvonne D. Bager
statsautoriseret revisor
mne42184

Company Information

The Company

Flex Wind ApS
Hjortsvangen 26
DK-7323 Give

CVR No: 39 19 19 03
Financial period: 1 January - 31 December
Municipality of reg. office: Vejle

Board of Directors

Mikkel T Jørgensen, Chairman
Henning Nedergaard Jensen
Jens Nygaard Laursen
Ingvar Jensen

Executive Board

Jens Nygaard Laursen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Platanvej 4
DK-7400 Herning

Financial Highlights

Seen over a three-year period, the development of the Group is described by the following financial highlights:

	Group		
	2020 TDKK	2019 TDKK	2018 TDKK
Key figures			
Profit/loss			
Operating profit/loss	11.007	14.788	2.147
Profit/loss before financial income and expenses	13.542	14.800	2.216
Net financials	4.750	1.457	-457
Net profit/loss for the year	11.685	7.492	1.028
Balance sheet			
Balance sheet total	43.602	37.164	23.026
Equity	20.096	12.022	1.134
Cash flows			
Cash flows from:			
- operating activities	-3.698	2.757	-3.170
- investing activities	-4.902	-3.308	-2.928
including investment in property, plant and equipment	-1.302	-2.727	-2.802
- financing activities	5.829	3.144	10.975
Change in cash and cash equivalents for the year	-2.770	2.592	4.877
Number of employees	195	176	137
Ratios			
Return on assets	31,1%	39,8%	9,6%
Solvency ratio	46,1%	32,3%	4,9%
Return on equity	72,8%	113,9%	181,3%

Management's Review

Key activities

The Flex Wind group mainly operates with in installation, repair and maintenance of wind turbines in Europe and South America.

The group was founded in 2018 and contains of the following entities: Flex Wind ApS (Denmark), Flex Wind (Poland), Flex Wind (Brazil), Flex Wind (Argentina) and Tighten by Elongation (Denmark).

Development in the year

The income statement of the Group for 2020 shows a profit of DKK 11,684,919, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 20,096,433.

The past year and follow-up on development expectations from last year

The past year has been affected by Covid-19. Projects have been delayed due to Cross-board travelling, quarantine of employees on site, or delay in the pre-phases before installation of the turbines.

As we are a part of the renewable energy sector the restrictions on cross-board travelling has been at a minimum. In regards to Covid-19 on site we have been following the general rules within the specific country, and instructions from the customer.

In consideration of the situation in the world the above presented result is satisfying from a turnover as well as earnings.

Foreign exchange risks

Special risks Activities abroad result in the annual result, cash flows and equity being affected by the development in exchange rates in respect to several currencies. It is the company's policy to minimize the currency risk by hedging against commercial foreign exchange exposure.

Targets and expectations for the year ahead

Covid-19 is also in 2021 a factor, which need to be calculated in. Covid-19 will affect the earnings in 2021. We are experience countries where we can't travel to at the moment due to Covid-19.

Flex Wind expects 2021 to be in line with 2020.

Management's Review

External environment

It is the objective of Flex Wind to be an environmentally conscious company and partner. In order to achieve this goal, we will contribute to a sustainable development by reducing waste and energy consumption as well as continuously improving the environmental considerations within the Group. We will increase the employees' environmental awareness, place demands on our suppliers, focus on resource consumption, ensure a correct disposal as well as provide a sound working environment. We have environmentally minded employees. We wish to continuously broaden our employees' resource and environmental awareness through information about environmental initiatives together with providing the necessary education and training. We guarantee a healthy working environment Flex Wind shows consideration for the working environment for the individual employee. We follow up on Workplace Assessments and employee satisfaction surveys. We have a mutual responsibility. Through continuous improvements the management will constantly develop and enhance the environmental profile. We have an eye on the resource consumption Flex Wind desires through energy saving initiatives to reduce its CO₂-emissions which primarily arises through consumption of heat, electricity, and transport. Telephone conferences reduces travel activity. Additionally, we work on limiting the consumption on other resources such as water, office supplies, graphical materials, and cleaning detergents.

Intellectual capital resources

Flex Wind has a strong intellectual capital resource, due to the highly skilled employees. We do our utmost to preserve these assets through engaging the employees and securing a good and stable work environment.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Gross profit/loss		52.661.342	44.921.995	12.251.010	958.572
Staff expenses	1	-36.332.434	-27.323.811	-11.565.127	-6.045.641
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.786.616	-2.798.019	-387.085	0
Profit/loss before financial income and expenses	2	13.542.292	14.800.165	298.798	-5.087.069
Income from investments in subsidiaries		0	0	12.204.708	12.022.651
Income from investments in associates		-60.000	-45.000	-60.000	-45.000
Financial income	3	8.825.388	2.686.095	279.522	119.346
Financial expenses	4	-4.015.643	-1.184.463	-1.150.316	-677.609
Profit/loss before tax		18.292.037	16.256.797	11.572.712	6.332.319
Tax on profit/loss for the year	5	-6.607.118	-8.765.062	101.490	1.240.955
Net profit/loss for the year		11.684.919	7.491.735	11.674.202	7.573.274

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2020	2019	2020	2019
		DKK	DKK	DKK	DKK
Acquired patents		253.998	71.174	144.794	0
Development projects in progress		1.683.389	0	0	0
Intangible assets	6	1.937.387	71.174	144.794	0
Land and buildings		94.485	72.161	0	0
Plant and machinery		577.707	0	577.707	0
Other fixtures and fittings, tools and equipment		1.436.753	3.467.161	388.461	15.200
Property, plant and equipment	7	2.108.945	3.539.322	966.168	15.200
Investments in subsidiaries	8	0	0	11.050.744	1.921.586
Investments in associates	9	2.132.500	455.000	2.132.500	455.000
Deposits	10	98.112	34.489	45.229	34.489
Other receivables	10	161.488	283.376	0	0
Fixed asset investments		2.392.100	772.865	13.228.473	2.411.075
Fixed assets		6.438.432	4.383.361	14.339.435	2.426.275

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Trade receivables		20.166.340	20.279.961	10.071.581	9.305.012
Contract work in progress	11	4.608.785	2.582.397	4.608.785	1.869.924
Receivables from group enterprises		0	0	8.678.436	5.725.708
Receivables from associates		60.000	1.345.637	60.000	1.345.637
Other receivables	12	9.183.130	1.118.893	3.313.015	982.558
Receivable from shareholders and Management		0	65.574	0	65.574
Deferred tax	15	784.065	1.441.858	1.353.000	1.251.510
Corporation tax		1.119.813	0	0	0
Prepayments	13	334.699	418.117	273.066	208.559
Receivables		36.256.832	27.252.437	28.357.883	20.754.482
Cash at bank and in hand		906.413	5.528.443	52.719	31.377
Currents assets		37.163.245	32.780.880	28.410.602	20.785.859
Assets		43.601.677	37.164.241	42.750.037	23.212.134

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Share capital		7.950.000	7.950.000	7.950.000	7.950.000
Reserve for net revaluation under the equity method		0	0	3.470.889	0
Retained earnings		12.128.766	3.566.114	8.657.877	3.566.114
Proposed dividend for the year		0	500.000	0	500.000
Equity attributable to shareholders of the Parent Company		20.078.766	12.016.114	20.078.766	12.016.114
Minority interests		17.667	5.760	0	0
Equity		20.096.433	12.021.874	20.078.766	12.016.114
Credit institutions		4.690.358	2.282.204	4.690.358	1.522.434
Prepayments received from customers		417.754	9.931	0	0
Trade payables		4.258.570	4.080.134	1.603.681	1.881.068
Payables to group enterprises		0	0	13.385.608	6.641.490
Payables to owners and Management		7.999.161	5.363.464	519.909	9.750
Corporation tax		750.001	7.919.066	0	0
Other payables		5.389.400	5.487.568	2.471.715	1.141.278
Short-term debt		23.505.244	25.142.367	22.671.271	11.196.020
Debt		23.505.244	25.142.367	22.671.271	11.196.020
Liabilities and equity		43.601.677	37.164.241	42.750.037	23.212.134
Distribution of profit	14				
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Accounting Policies	20				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	7.950.000	0	3.566.114	500.000	12.016.114	5.760	12.021.874
Exchange adjustments	0	0	-3.045.516	0	-3.045.516	1.857	-3.043.659
Ordinary dividend paid	0	0	0	-500.000	-500.000	0	-500.000
Other equity movements	0	0	-66.034	0	-66.034	-667	-66.701
Net profit/loss for the year	0	0	11.674.202	0	11.674.202	10.717	11.684.919
Equity at 31 December	7.950.000	0	12.128.766	0	20.078.766	17.667	20.096.433

Parent Company

Equity at 1 January	7.950.000	0	3.566.114	500.000	12.016.114	0	12.016.114
Ordinary dividend paid	0	0	0	-500.000	-500.000	0	-500.000
Exchange adjustments relating to foreign entities	0	0	-3.045.516	0	-3.045.516	0	-3.045.516
Other equity movements	0	0	-66.034	0	-66.034	0	-66.034
Net profit/loss for the year	0	3.470.889	8.203.313	0	11.674.202	0	11.674.202
Equity at 31 December	7.950.000	3.470.889	8.657.877	0	20.078.766	0	20.078.766

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 DKK	2019 DKK
Net profit/loss for the year		11.684.919	7.491.735
Adjustments	18	1.533.632	10.106.449
Change in working capital	19	-9.339.924	-13.968.093
Cash flows from operating activities before financial income and expenses		3.878.627	3.630.091
Financial income		2.481.667	1.985.236
Financial expenses		-1.482.890	-1.199.397
Cash flows from ordinary activities		4.877.404	4.415.930
Corporation tax paid		-8.575.055	-1.658.891
Cash flows from operating activities		-3.697.651	2.757.039
Purchase of intangible assets		-1.920.612	-81.105
Purchase of property, plant and equipment		-1.301.840	-2.727.033
Fixed asset investments made etc		-1.679.235	-500.000
Cash flows from investing activities		-4.901.687	-3.308.138
Repayment of payables to group enterprises		0	14.995
Repayment of other long-term debt		0	-37.025
Raising of loans from credit institutions		2.408.153	1.419.191
Raising/repayment of loans from owners and management		2.635.697	-4.888.660
Repayment/raising of loans to associates		1.285.637	-1.345.637
Minority interests		0	80.703
Cash capital increase		0	7.900.000
Dividend paid		-500.000	0
Cash flows from financing activities		5.829.487	3.143.567
Change in cash and cash equivalents		-2.769.851	2.592.468
Cash and cash equivalents at 1 January		5.528.443	4.927.791
Exchange adjustment of current asset investments		-1.852.179	-1.991.816
Cash and cash equivalents at 31 December		906.413	5.528.443
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		906.413	5.528.443
Cash and cash equivalents at 31 December		906.413	5.528.443

Notes to the Financial Statements

	Group		Parent Company	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
1 Staff expenses				
Wages and salaries	33.061.454	25.600.780	11.291.320	5.933.222
Pensions	240.672	72.000	240.672	72.000
Other social security expenses	2.216.219	856.313	33.135	40.419
Other staff expenses	814.089	794.718	0	0
	36.332.434	27.323.811	11.565.127	6.045.641
Including remuneration to the Executive Board and Board of Directors	1.098.500	684.364	1.098.500	684.364
Average number of employees	195	176	17	8
2 Special items				
Government funding for wages COVID-19 (Other operating income)	339.893	0	339.893	0
	339.893	0	339.893	0
3 Financial income				
Interest received from group enterprises	0	0	0	14.937
Interest received from associates	0	45.637	0	45.637
Other financial income	2.190.423	95.344	279.522	496
Exchange adjustments	6.634.965	2.545.114	0	58.276
	8.825.388	2.686.095	279.522	119.346

Notes to the Financial Statements

	Group		Parent Company	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
4 Financial expenses				
Interest paid to group enterprises	0	0	310.694	464.168
Other financial expenses	1.700.981	756.506	299.281	213.441
Exchange adjustments, expenses	2.314.662	427.957	540.341	0
	4.015.643	1.184.463	1.150.316	677.609
5 Tax on profit/loss for the year				
Current tax for the year	6.353.820	10.006.017	0	0
Deferred tax for the year	253.298	-1.240.955	-101.490	-1.240.955
	6.607.118	8.765.062	-101.490	-1.240.955

6 Intangible assets

Group

	Acquired pa- tents DKK	Development projects in progress DKK
Cost at 1 January	222.129	0
Exchange adjustment	-23.765	0
Additions for the year	144.794	1.683.389
Cost at 31 December	343.158	1.683.389
Impairment losses and amortisation at 1 January	9.931	0
Exchange adjustment	-5.752	0
Amortisation for the year	84.981	0
Impairment losses and amortisation at 31 December	89.160	0
Carrying amount at 31 December	253.998	1.683.389

Development projects relate to the development of special equipment for use in the wind turbine industry.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 January	103.074	0	12.546.520
Exchange adjustment	0	0	-3.829.214
Additions for the year	0	957.192	1.135.433
Disposals for the year	0	0	-1.445.197
Cost at 31 December	<u>103.074</u>	<u>957.192</u>	<u>8.407.542</u>
Impairment losses and depreciation at 1 January	0	0	9.062.634
Exchange adjustment	0	0	-3.149.879
Depreciation for the year	8.589	379.485	2.311.319
Impairment and depreciation of sold assets for the year	0	0	-1.253.285
Impairment losses and depreciation at 31 December	<u>8.589</u>	<u>379.485</u>	<u>6.970.789</u>
Carrying amount at 31 December	<u>94.485</u>	<u>577.707</u>	<u>1.436.753</u>
Depreciated over			<u>1-5 years</u>

Notes to the Financial Statements

	Parent Company	
	2020	2019
	DKK	DKK
8 Investments in subsidiaries		
Cost at 1 January	7.438.865	7.351.365
Additions for the year	35.990	87.500
Cost at 31 December	<u>7.474.855</u>	<u>7.438.865</u>
Value adjustments at 1 January	-5.517.279	669.972
Exchange adjustment	-3.045.506	-4.504.556
Net profit/loss for the year	12.204.708	12.022.650
Dividend to the Parent Company	0	-13.705.345
Other equity movements, net	-66.034	0
Value adjustments at 31 December	<u>3.575.889</u>	<u>-5.517.279</u>
Carrying amount at 31 December	<u>11.050.744</u>	<u>1.921.586</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Flex Wind - Brazil	Brazil	R\$ 338.000	99%
Flex Wind - Argentina	Argentina	AR\$ 21.400	100%
Flex Wind - Poland	Poland	PLN 50.000	100%
Tighten By Elongation ApS	Danmark	DKK 40.000	90%

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
9 Investments in associates				
Cost at 1 January	500.000	0	500.000	0
Additions for the year	1.737.500	500.000	1.737.500	500.000
Cost at 31 December	2.237.500	500.000	2.237.500	500.000
Value adjustments at 1 January	-45.000	0	-45.000	0
Net profit/loss for the year	-60.000	-45.000	-60.000	-45.000
Value adjustments at 31 December	-105.000	-45.000	-105.000	-45.000
Carrying amount at 31 December	2.132.500	455.000	2.132.500	455.000

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Hangout A/S	Horsens	DKK 574.000	50%

10 Other fixed asset investments

	Group		Parent Company
	Deposits	Other receivables	Deposits
	DKK	DKK	DKK
Cost at 1 January	98.112	161.488	45.229
Cost at 31 December	98.112	161.488	45.229
Carrying amount at 31 December	98.112	161.488	45.229

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
11 Contract work in progress				
Selling price of work in progress	6.960.555	10.099.376	6.960.555	6.978.594
Payments received on account	-2.351.770	-7.516.979	-2.351.770	-5.108.670
	4.608.785	2.582.397	4.608.785	1.869.924

12 Other receivables

Other receivables consists of DKK 2,7 mio. concerning overpaid royalty in Argentina. The majority of the amount is due for payment later than 1 year.

13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
14 Distribution of profit				
Proposed dividend for the year	0	500.000	0	500.000
Reserve for net revaluation under the equity method	0	-669.972	3.470.889	-669.972
Minority interests' share of net profit/loss of subsidiaries	10.717	-81.539	0	0
Retained earnings	11.674.202	7.743.246	8.203.313	7.743.246
	11.684.919	7.491.735	11.674.202	7.573.274

Notes to the Financial Statements

15 Deferred tax

Deferred tax asset at 1 January	1.441.858	34.921	1.251.510	10.555
Amounts recognised in the income statement for the year	<u>-386.627</u>	<u>1.406.937</u>	<u>101.490</u>	<u>1.240.955</u>
Deferred tax asset at 31 December	<u>784.065</u>	<u>1.441.858</u>	<u>1.353.000</u>	<u>1.251.510</u>

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to four years.

Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
16 Contingent assets, liabilities and other financial obligations				

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Floting charge of DKK 10.000,000, which provides a pledge of simple receivables, inventories, motor vehicles not previously registered, other fixtures and fittings, tools and equipment, propellants and goodwill.	11.182.543	9.320.212	10.382.587	9.320.212
---	------------	-----------	------------	-----------

Flex Wind ApS has submitted a letter of support regarding financial support to Tighten By Elongation ApS. The support is confirmed at least to the date of the ordinary general assembly in 2022.

Flex Wind ApS has provided a guarantee for the subsidiary Flex Wind S.A.S ' balances with financial institutions.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	154.755	0	0	0
Between 1 and 5 years	296.614	0	0	0
	451.369	0	0	0

17 Related parties

Basis

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group	
	<u>2020</u>	<u>2019</u>
	DKK	DKK
18 Cash flow statement - adjustments		
Financial income	-8.825.388	-2.686.095
Financial expenses	4.015.643	1.184.463
Depreciation, amortisation and impairment losses, including losses and gains on sales	2.786.616	2.798.019
Income from investments in associates	60.000	45.000
Tax on profit/loss for the year	6.607.118	8.765.062
Other adjustments	-3.110.357	0
	<u>1.533.632</u>	<u>10.106.449</u>
19 Cash flow statement - change in working capital		
Change in receivables	-9.828.012	-12.747.815
Change in trade payables, etc	488.088	-1.220.278
	<u>-9.339.924</u>	<u>-13.968.093</u>

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Flex Wind ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Flex Wind ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

20 Accounting Policies (continued)

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Notes to the Financial Statements

20 Accounting Policies (continued)

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

20 Accounting Policies (continued)

Income from investments in associates

The item “Income from investments in associates” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	1-5 years

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

20 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in associates

Investments in associates are recognised and measured under the equity method.

The item "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates.

Associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposita.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

20 Accounting Policies (continued)

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

20 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

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

Cash flows from operating activities

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$