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# ***Flex Wind ApS***

Hjortsvangen 26, DK-7323 Give

## **Annual Report for 1 January - 31 December 2019**

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CVR No 39 19 19 03

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/08 2020

Jens Nygaard Laursen  
Chairman of the General  
Meeting



**pwc**

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# 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 2019.

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 2019 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2019.

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, 31 August 2020

## Executive Board

Jens Nygaard Laursen

## Board of Directors

Mikkel T Jørgensen  
Chairman

Henning Nedergaard Jensen

Jens Nygaard Laursen

# Independent Auditor's Report

To the Shareholder of Flex Wind ApS

## Report on the Consolidated Financial Statements and the Parent Company Financial Statements

### 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 2019 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 2019 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 2019, 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.

### **Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports**

#### **Violation of the provisions of Danish legislation on loans to shareholders**

Contrary to section 210 of the Danish Companies Act, the Company has granted a loan to one of the shareholders, and Management may be held liable in this respect.

Herning, 31 August 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Skjøtt Sørensen

statsautoriseret revisor

mne26807

## **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

### **Executive Board**

Jens Nygaard Laursen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Platanvej 4  
DK-7400 Herning

# Financial Highlights

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

	<b>Group</b>	
	2019 TDKK	2018 TDKK
<b>Key figures</b>		
<b>Profit/loss</b>		
Operating profit/loss	14.788	2.147
Profit/loss before financial income and expenses	14.800	2.216
Net financials	1.457	-457
Net profit/loss for the year	7.492	1.028
<b>Balance sheet</b>		
Balance sheet total	37.164	23.026
Equity	12.022	1.134
<b>Cash flows</b>		
Cash flows from:		
- operating activities	2.757	-3.170
- investing activities	-3.308	-2.928
including investment in property, plant and equipment	-2.727	-2.802
- financing activities	3.144	10.975
Change in cash and cash equivalents for the year	2.592	4.878
Number of employees	176	137
<b>Ratios</b>		
Return on assets	39,8%	9,6%
Solvency ratio	32,3%	4,9%
Return on equity	113,9%	181,3%

For definitions of the ratios, see under accounting policies "explanation of financial ratios".



# Management's Review

## **Key activities**

The Flex Wind group mainly operates with in installation, repair and maintenance of wind turbines, and solar cells 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) and Flex Wind (Argentina).

## **Development in the year**

The income statement of the Group for 2019 shows a profit of DKK 7,491,735, and at 31 December 2019 the balance sheet of the Group shows equity of DKK 12,021,874.

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

The Flex Wind group has performed better than expected in it is second year. Sales has increased 265%,and EBIT has increased by DKK 12,584,000 to DKK 14,800,000. The result is satisfying.

## ***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**

Flex Wind is expected a growth of 35 % - 40 % in sales. EBITDA is expected to increase by 5 % - 10 %, which are in both cases acceptable taken the Corona pandemic into account. Flex Wind will be hiring during the next year to keep up with the future expectations and demands.

# 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 CO<sub>2</sub>-emissions which primarily arises through consumption of heat, electricity and transport. Holding 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

Corona has impacted the business. Several projects have been postponed, but no projects have been cancelled. We do not foresee any major impact to the business both short- and long term.

For further explanation, please refer to note 1.

## Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>44.921.995</b>	<b>23.059.535</b>	<b>958.572</b>	<b>2.317.717</b>
Staff expenses	2	-27.323.811	-18.954.308	-6.045.641	-2.338.776
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.798.019	-1.889.023	0	0
<b>Profit/loss before financial income and expenses</b>		<b>14.800.165</b>	<b>2.216.204</b>	<b>-5.087.069</b>	<b>-21.059</b>
Income from investments in subsidiaries		0	0	12.022.651	1.035.362
Income from investments in associates		-45.000	0	-45.000	0
Financial income	3	2.701.032	306.381	119.346	90.131
Financial expenses	4	-1.199.400	-763.182	-677.609	-117.593
<b>Profit/loss before tax</b>		<b>16.256.797</b>	<b>1.759.403</b>	<b>6.332.319</b>	<b>986.841</b>
Tax on profit/loss for the year	5	-8.765.062	-731.224	1.240.955	10.555
<b>Net profit/loss for the year</b>		<b>7.491.735</b>	<b>1.028.179</b>	<b>7.573.274</b>	<b>997.396</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent Company	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Acquired patents		71.174	0	0	0
<b>Intangible assets</b>	6	<b>71.174</b>	<b>0</b>	<b>0</b>	<b>0</b>
Land and buildings		72.161	0	0	0
Other fixtures and fittings, tools and equipment		3.467.161	3.612.040	15.200	0
<b>Property, plant and equipment</b>	7	<b>3.539.322</b>	<b>3.612.040</b>	<b>15.200</b>	<b>0</b>
Investments in subsidiaries	8	0	0	1.921.586	8.021.337
Investments in associates	9	455.000	0	455.000	0
Deposits	10	34.489	0	34.489	0
Other receivables	10	283.376	126.059	0	0
<b>Fixed asset investments</b>		<b>772.865</b>	<b>126.059</b>	<b>2.411.075</b>	<b>8.021.337</b>
<b>Fixed assets</b>		<b>4.383.361</b>	<b>3.738.099</b>	<b>2.426.275</b>	<b>8.021.337</b>
Trade receivables		20.279.961	9.966.756	9.305.012	797.667
Contract work in progress	11	2.582.397	2.915.969	1.869.924	2.915.969
Receivables from group enterprises		0	14.995	5.725.708	819.595
Receivables from associates		1.345.637	0	1.345.637	0
Other receivables		1.118.893	685.819	982.558	284.108
Receivable from shareholders and Management	12	65.574	28.550	65.574	28.550
Deferred tax	15	1.441.858	399.655	1.251.510	10.555
Corporation tax		0	202.141	0	0
Prepayments	13	418.117	146.058	208.559	117.484
<b>Receivables</b>		<b>27.252.437</b>	<b>14.359.943</b>	<b>20.754.482</b>	<b>4.973.928</b>
<b>Cash at bank and in hand</b>		<b>5.528.443</b>	<b>4.927.791</b>	<b>31.377</b>	<b>3.505</b>
<b>Currents assets</b>		<b>32.780.880</b>	<b>19.287.734</b>	<b>20.785.859</b>	<b>4.977.433</b>
<b>Assets</b>		<b>37.164.241</b>	<b>23.025.833</b>	<b>23.212.134</b>	<b>12.998.770</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent Company	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Share capital		7.950.000	50.000	7.950.000	50.000
Retained earnings		3.566.114	997.396	3.566.114	997.396
Proposed dividend for the year		500.000	0	500.000	0
<b>Equity attributable to shareholders of the Parent Company</b>		<b>12.016.114</b>	<b>1.047.396</b>	<b>12.016.114</b>	<b>1.047.396</b>
Minority interests		5.760	86.463	0	0
<b>Equity</b>		<b>12.021.874</b>	<b>1.133.859</b>	<b>12.016.114</b>	<b>1.047.396</b>
Provision for deferred tax	15	0	364.734	0	0
<b>Provisions</b>		<b>0</b>	<b>364.734</b>	<b>0</b>	<b>0</b>
Credit institutions		2.282.204	863.013	1.522.434	863.013
Prepayments received from customers		9.931	1.763.407	0	0
Trade payables		4.080.134	1.060.662	1.881.068	354.490
Payables to group enterprises		5.353.714	10.242.374	6.641.490	10.242.374
Payables to owners and Management		9.750	35.075	9.750	35.075
Corporation tax		7.919.066	964.646	0	0
Other payables		5.487.568	6.598.063	1.141.278	456.422
<b>Short-term debt</b>		<b>25.142.367</b>	<b>21.527.240</b>	<b>11.196.020</b>	<b>11.951.374</b>
<b>Debt</b>		<b>25.142.367</b>	<b>21.527.240</b>	<b>11.196.020</b>	<b>11.951.374</b>
<b>Liabilities and equity</b>		<b>37.164.241</b>	<b>23.025.833</b>	<b>23.212.134</b>	<b>12.998.770</b>
Subsequent events	1				
Distribution of profit	14				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
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	50.000	669.972	327.423	0	1.047.395	86.463	1.133.858
Exchange adjustments	0	0	-4.504.555	0	-4.504.555	836	-4.503.719
Cash capital increase	7.900.000	0	0	0	7.900.000	0	7.900.000
Net profit/loss for the year	0	-669.972	7.743.246	500.000	7.573.274	-81.539	7.491.735
<b>Equity at 31 December</b>	<b>7.950.000</b>	<b>0</b>	<b>3.566.114</b>	<b>500.000</b>	<b>12.016.114</b>	<b>5.760</b>	<b>12.021.874</b>

### Parent Company

Equity at 1 January	50.000	669.972	327.423	0	1.047.395	0	1.047.395
Exchange adjustments	0	0	-4.504.555	0	-4.504.555	0	-4.504.555
Cash capital increase	7.900.000	0	0	0	7.900.000	0	7.900.000
Net profit/loss for the year	0	-669.972	7.743.246	500.000	7.573.274	0	7.573.274
<b>Equity at 31 December</b>	<b>7.950.000</b>	<b>0</b>	<b>3.566.114</b>	<b>500.000</b>	<b>12.016.114</b>	<b>0</b>	<b>12.016.114</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2019 DKK	2018 DKK
Net profit/loss for the year		7.491.735	1.028.179
Adjustments	16	10.106.449	3.077.048
Change in working capital	17	-13.968.093	-6.818.062
<b>Cash flows from operating activities before financial income and expenses</b>		<b>3.630.091</b>	<b>-2.712.835</b>
Financial income		1.985.236	306.381
Financial expenses		-1.199.397	-763.181
<b>Cash flows from ordinary activities</b>		<b>4.415.930</b>	<b>-3.169.635</b>
Corporation tax paid		-1.658.891	0
<b>Cash flows from operating activities</b>		<b>2.757.039</b>	<b>-3.169.635</b>
Purchase of intangible assets		-81.105	0
Purchase of property, plant and equipment		-2.727.033	-2.801.893
Fixed asset investments made etc		-500.000	-126.060
<b>Cash flows from investing activities</b>		<b>-3.308.138</b>	<b>-2.927.953</b>
Repayment of loans from credit institutions		1.419.191	863.013
Repayment of payables to group enterprises		14.995	-14.995
Raising of loans from group enterprises		-4.888.660	10.242.374
Raising of loans from associates		-1.345.637	0
Recording debt of shareholders		-37.025	-28.550
Minority interests		80.703	-86.463
Cash capital increase		7.900.000	0
<b>Cash flows from financing activities</b>		<b>3.143.567</b>	<b>10.975.379</b>
<b>Change in cash and cash equivalents</b>		<b>2.592.468</b>	<b>4.877.791</b>
Cash and cash equivalents at 1 January		4.927.791	50.000
Exchange adjustment of current asset investments		-1.991.816	0
<b>Cash and cash equivalents at 31 December</b>		<b>5.528.443</b>	<b>4.927.791</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		5.528.443	4.927.791
<b>Cash and cash equivalents at 31 December</b>		<b>5.528.443</b>	<b>4.927.791</b>

# Notes to the Financial Statements

## 1 Subsequent events

The consequences of COVID-19, in which many governments around the world have decided to "shut down the countries", are of great importance to the world economy.

The outbreak of COVID-19 is an event that occurred after the balance sheet date (December 31, 2019) and therefore constitutes a non-regulatory event for the company. So far, the company has not been significantly affected by COVID-19 and so far it is not considered that COVID-19 will have a significant impact on the company's activities in 2020.

In addition, after the balance sheet date, no circumstances have had a significant impact on the assessment of the annual report.

	<b>Group</b>		<b>Parent Company</b>	
	<u>2019</u> DKK	<u>2018</u> DKK	<u>2019</u> DKK	<u>2018</u> DKK
<b>2 Staff expenses</b>				
Wages and salaries	25.614.285	18.880.438	5.946.727	2.332.866
Pensions	72.000	0	72.000	0
Other social security expenses	856.308	35.868	40.414	5.910
Other staff expenses	781.218	38.002	-13.500	0
	<u><b>27.323.811</b></u>	<u><b>18.954.308</b></u>	<u><b>6.045.641</b></u>	<u><b>2.338.776</b></u>
<b>Including remuneration to the Executive Board and Board of Directors</b>				
	<u><b>684.364</b></u>	<u><b>0</b></u>	<u><b>684.364</b></u>	<u><b>0</b></u>
<b>Average number of employees</b>	<u><b>176</b></u>	<u><b>137</b></u>	<u><b>6</b></u>	<u><b>2</b></u>

Remuneration to the Executive Board in 2018 has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.



## Notes to the Financial Statements

	Group		Parent Company	
	2019 DKK	2018 DKK	2019 DKK	2018 DKK
<b>3 Financial income</b>				
Interest received from group enterprises	14.937	409	14.937	90.129
Interest received from associates	45.637	0	45.637	0
Other financial income	95.344	279.442	496	2
Exchange adjustments	2.545.114	26.530	58.276	0
	<b>2.701.032</b>	<b>306.381</b>	<b>119.346</b>	<b>90.131</b>
<b>4 Financial expenses</b>				
Interest paid to group enterprises	388.099	28.171	464.168	28.171
Other financial expenses	383.344	277.332	213.441	89.291
Exchange adjustments, expenses	427.957	457.679	0	131
	<b>1.199.400</b>	<b>763.182</b>	<b>677.609</b>	<b>117.593</b>
<b>5 Tax on profit/loss for the year</b>				
Current tax for the year	10.006.017	764.577	0	0
Deferred tax for the year	-1.240.955	-33.353	-1.240.955	-10.555
	<b>8.765.062</b>	<b>731.224</b>	<b>-1.240.955</b>	<b>-10.555</b>

# Notes to the Financial Statements

## 6 Intangible assets

<b>Group</b>	Acquired pa- tents <u>DKK</u>
Cost at 1 January	0
Additions for the year	<u>81.105</u>
Cost at 31 December	<u>81.105</u>
Impairment losses and amortisation at 1 January	0
Amortisation for the year	<u>9.931</u>
Impairment losses and amortisation at 31 December	<u>9.931</u>
<b>Carrying amount at 31 December</b>	<b><u>71.174</u></b>

## 7 Property, plant and equipment

<b>Group</b>	<u>Land and buildings DKK</u>	<u>Other fixtures and fittings, tools and equipment DKK</u>
Cost at 1 January	0	10.008.800
Exchange adjustment	0	-133.877
Additions for the year	<u>72.161</u>	<u>2.654.872</u>
Cost at 31 December	<u>72.161</u>	<u>12.529.795</u>
Impairment losses and depreciation at 1 January	0	6.403.552
Exchange adjustment	0	-85.653
Depreciation for the year	<u>0</u>	<u>2.744.735</u>
Impairment losses and depreciation at 31 December	<u>0</u>	<u>9.062.634</u>
<b>Carrying amount at 31 December</b>	<b><u>72.161</u></b>	<b><u>3.467.161</u></b>
Depreciated over		<u>1-5 years</u>

## Notes to the Financial Statements

	Parent Company	
	2019	2018
	DKK	DKK
<b>8 Investments in subsidiaries</b>		
Cost at 1 January	7.351.365	0
Additions for the year	87.500	7.351.365
Cost at 31 December	<u>7.438.865</u>	<u>7.351.365</u>
Value adjustments at 1 January	669.972	0
Exchange adjustment	-4.504.556	-15
Net profit/loss for the year	12.022.650	1.035.377
Dividend to the Parent Company	<u>-13.705.345</u>	<u>-365.390</u>
Value adjustments at 31 December	<u>-5.517.279</u>	<u>669.972</u>
<b>Carrying amount at 31 December</b>	<b><u>1.921.586</u></b>	<b><u>8.021.337</u></b>

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%

## Notes to the Financial Statements

	Group		Parent Company	
	2019 DKK	2018 DKK	2019 DKK	2018 DKK
<b>9 Investments in associates</b>				
Cost at 1 January	0	0	0	0
Additions for the year	500.000	0	500.000	0
Cost at 31 December	500.000	0	500.000	0
Value adjustments at 1 January	0	0	0	0
Net profit/loss for the year	-45.000	0	-45.000	0
Value adjustments at 31 December	-45.000	0	-45.000	0
<b>Carrying amount at 31 December</b>	<b>455.000</b>	<b>0</b>	<b>455.000</b>	<b>0</b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Hangout A/S	Horsens	DKK 400.000	50%

# Notes to the Financial Statements

## 10 Other fixed asset investments

	Group		Parent Company
	Deposits	Other receiv-	Deposits
	DKK	ables	DKK
Cost at 1 January	0	125.823	0
Exchange adjustment	0	-1.683	0
Additions for the year	34.489	159.236	34.489
Cost at 31 December	34.489	283.376	34.489
<b>Carrying amount at 31 December</b>	<b>34.489</b>	<b>283.376</b>	<b>34.489</b>

	Group		Parent Company	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
<b>11 Contract work in progress</b>				
Selling price of work in progress	10.099.376	2.915.969	6.978.594	2.915.969
Payments received on account	-7.516.979	0	-5.108.670	0
	<b>2.582.397</b>	<b>2.915.969</b>	<b>1.869.924</b>	<b>2.915.969</b>

## 12 Receivable from shareholders and Management

	Group	Parent Company
	Direktion	Direktion
	DKK	DKK
Receivable at the balance sheet date	65.574	65.574
This year accrued interest	1.024	1.024
The loan is due for immediate payment and interest is currently paid	10,05%	10,05%

The loan has been repaid in May 2020.

# Notes to the Financial Statements

## 13 Prepayments

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

	<b>Parent Company</b>	
	2019	2018
	DKK	DKK
<b>14 Distribution of profit</b>		
Proposed dividend for the year	500.000	0
Reserve for net revaluation under the equity method	-669.972	0
Retained earnings	7.743.246	997.396
	<b>7.573.274</b>	<b>997.396</b>

	<b>Group</b>		<b>Parent Company</b>	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
<b>15 Deferred tax</b>				
Deferred tax at 1 January	34.921	0	10.555	0
Amounts recognised in the income statement for the year	1.406.937	34.921	1.240.955	10.555
<b>Deferred tax at 31 December</b>	<b>1.441.858</b>	<b>34.921</b>	<b>1.251.510</b>	<b>10.555</b>

## Notes to the Financial Statements

	<b>Group</b>	
	2019	2018
	DKK	DKK
<b>16 Cash flow statement - adjustments</b>		
Financial income	-2.701.032	-306.381
Financial expenses	1.199.400	763.182
Depreciation, amortisation and impairment losses, including losses and gains on sales	2.798.019	1.889.023
Income from investments in associates	45.000	0
Tax on profit/loss for the year	8.765.062	731.224
	<b>10.106.449</b>	<b>3.077.048</b>
<b>17 Cash flow statement - change in working capital</b>		
Change in receivables	-12.747.815	-16.275.267
Change in trade payables, etc	-1.220.278	9.457.205
	<b>-13.968.093</b>	<b>-6.818.062</b>

# Notes to the Financial Statements

	Group		Parent Company	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
<b>18 Contingent assets, liabilities and other financial obligations</b>				

## Charges and security

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

Floting charge of DKK 2.000,000, which provides a pledge of simple receivables, inventories, motor vehicles not previously registered, other fixtures and fittings, tools and equipment, propellants and goodwill.	9.320.212	0	9.320.212	0
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## Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of J.N.L Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 19 Related parties

### Basis

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#### 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

## 20 Accounting Policies

The Annual Report of Flex Wind ApS for 2019 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 2019 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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## 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. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Other fixtures and fittings, tools and equipment	1-5	years
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# Notes to the Financial Statements

## 20 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

### 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.

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### **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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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.

### 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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$