



# WindowMaster International A/S

Skelstedet 13
2950 Vedbæk
Central business registration
No 13827532

**Annual report 2020** 

The Annual General Meeting adopted the annual report on 25.03.2021.

**Chairman of the General Meeting** 

Peter Mollerup

# WindowMaster International A/S

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Entity details 1

# **Entity**

WindowMaster International A/S Skelstedet 13 2950 Vedbæk

Central Business Registrations No (CVR): 13827532

Registered in: Rudersdal

Financial year: 01.01.2020 - 31.12.2020

# **Board of Directors**

Lars Fournais, Chairman Michael Gaarmann, Vice Chairman Mette Søs Lassesen Leif Jensen Erik Koch Boyter

# **Directors**

Erik Koch Boyter, CEO Steen Overgaard Sørensen, CFO

# **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab City Tower, Værkmestergade 2 8000 Aarhus The Board of Directors and the Executive Board have today considered and approved the annual report of WindowMaster International A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and the result of its operations and cash flows for the financial year 01.01.2020-31.12.2020.

We belive that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vedbæk, 25.03.2021		
Executive Board:		
Erik Koch Boyter CEO	Steen Overgaard Sørensen CFO	
Board of Directors:		
Lars Fournais Chairman	Michael Gaarmann Vice Chairman	Mette Søs Lassesen
 Leif Jensen	Erik Koch Boyter	

# Independent auditor's report

# To the shareholder of WindowMaster International A/S Opinion

We have audited the consolidated financial statements and the parent financial statements of WindowMaster International A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 ad-ditional requirements applicable in Denmark. Our responsibilities under those standards and re-quirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are inde-pendent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applica-ble 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 consolidated financial statements and the parent financial statements:

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

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

# Independent auditor's report, continued

# Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent'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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

# Wissman Maldulo idlentiffikatiionssnummeer: 2844 (3642)8-3890-44955-80088-491646-90e18 (449

# Independent auditor's report, continued

# Statement on the management commentary:

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Aarhus, 25.03.2021

Deloitte Statsautoriseret Revisionspartnerselskab Business Registration No 33 96 35 56

Michael Bach
State Authorised Public
Accountant
mne19691

Søren Lassen
State Autorised Public
Accountant
mne18520

# Wisman Maldib idlentiffikationsnummen: 2000-406 628-3000-44520-50000-61606-000-16638

# **Management commentary**

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Financial highlights					
Key figures					
Gross profit	79,064	83,348	79,845	81,503	75,367
EBITDA	12,002	14,542	14,028	9,222	4,892
Normalized EBITDA	14,574	14,542	14,028	9,222	4,892
Operating profit/loss	3,098	4,987	4,843	-1,618	9,067
Net financials	-2,326	-2,822	-2,465	-1,756	-414
Profit/loss for the year	-1	408	1,436	-3,056	7,033
Total assets	93,519	101,767	108,438	104,818	87,012
Investment in property, plant & equipment	596	1,622	3,621	1,833	1,946
Equity	33,997	11,668	11,043	9,431	30,856
Ratios					
Return of equity	0.0%	3.6%	14.0%	-15.2%	20.9%
Equity ratio	36.4%	11.5%	10.2%	9.0%	35.5%

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Key figures	Definition
Normalized EBITDA	$Normalized \ EBITDA \ is \ defined \ by \ EBITDA \ withheld \ non-recurring \ costs. \ Non-recurring \ costs \ can \ vary \ from \ year \ to \ year.$

Ratios	Calculation formula	Calculation formula reflects
Return on equity %	Profit/loss of the year X 100 / Avg. equity	The entity's return on capital invested in the entity by the owners.
Equity ratio %	Equity X 100 / Total assets	The financial strength of the entity.

# Management commentary, continued

### The Vision

To provide people with the best & safest indoor climate in the world in the most intelligent & sustainable way possible.

## The Mission

To create well-designed natural & smoke ventilation products and solutions that improve the indoor climate for the benefit of people, productivity, and the environment.

## **Primary Activities**

The primary activities of WindowMaster International A/S are to develop, produce, market and sell ventilation solutions and automatic window control. Solutions comprise hardware as well as software for control of Natural Ventilation, Mixed Mode Ventilation and Smoke Ventilation.

# **Development in activities and finances**

Profit for the year after tax amounts to DKK 0 against DKK 0.4m in 2019. The financial performance 2020 has been affected by several elements/events:

- The COVID-19 crises affected the sales performance due to lock downs and delayed projects in several markets especially in 2nd quarter of 2020 main effects coming from the United Kingdom, Switzerland, Norway, and the United States. Sales performance however picked up again in 3rd and especially in 4th quarter. It was a mix of structural growth in demand due to more focus on green-tech and increased public investments in buildings but also a delayed demand from the lockdown in the 1st half of the year. The increase in the 2nd half did not compensate for lost sales in the 1st half.
- As a result of the COVID-19 crises management also initiated a cost saving plan to secure profitable growth going forward. All actions were implemented in 2020 with full effect in Q3 2020 and full-year 2021 and have no one-off cost effects. The focus was to reach approx. 10% saving on fixed costs mainly on salary costs compared to the budget of 2020. This ambition was reached. These actions have also been the baseline for the expectations for the financial performance of 2021.
- Cash flow in 2020 also demonstrated the strong underlying business model giving 22.7m DKK in Cash flow from ordinary operating activities compared to 15.3m in 2019. Investments were under tight management, but vital investments were kept during 2020 to boost further digitalization (New webpage, software development etc).
- There was a one-off cost related to an ongoing patent case which is expected to be concluded during 2021. Costs linked to the case are seen as non-recurring costs and amounted to 2.6m DKK.
- Key OEM customers have been fulfilling their own expected and forecasted volume providing a solid base for the WindowMaster supply chain setup.
- WindowMaster International A/S have been successfully listed on NASDAQ First North on 27th of October 2020 with 60,7% of shares remaining under control of WindowMaster Holding Aps. Part of the listing costs has been expensed or booked to equity.
- The effect of the listing has strengthened the balance sheet and improved the equity ratio and is now at 35,3%.

The result is considered satisfactory seen in light of the positive ongoing transformation of the Company during 2020 and the solid evidence that the change in business model will improve profitability going forward.

# Management commentary, continued

### Outlook

The outlook for 2021 continues to look positive. Topline is expected in the range of 205-215m DKK – excluding acquisitions.

Growth is generated by a return to normal sales levels in Europe and organic growth in North America. In the outlook is not included significant effects from the political initiatives taken to support CO2 friendly renovation and new build (European Green deal plus several country specific initiatives) and the marcet impact of Joe Biden winning the presidential elections in the United States. All these initiatives/effects and the strong will politically, and in society in general to improve on CO2 emissions, provides for a positive outlook – however, it is not expected to materialize in turnover in 2021. The outlook does not include any potential acquisitions. Profitability (EBITDA) is expected in a range of 22-28m DKK. Included in this profit expectation are also investments in organic growth in North America, plus impact from significant strengthening of our digital setup both for marketing, product solutions, and processes. Despite these investments we still expect a strong cash generation during 2021 enabling continued pursuit of our acquisition strategy with an even stronger financial capacity.

### Intellectual capital resources

The Company continuously relates to the necessity of being able to attract, retain and develop employees with the right competences where each employee has a clearly defined responsibility and a large influence on the planning and performing of his/her own tasks. Information and knowledge sharing across the organization is given high priority, partly for the benefits of employees and partly to maintain the Company's leading position on the market.

# Research and development activities

The Company continues its focus to develop highly efficient solutions to maintain the position as frontrunner in the market. These activities have progressed from hardware driven developments to an increased focus on software and digital solutions. This has also been the case in 2020 and will remain the focus the coming years. On top of this there are requirements to invest in CE-marking of the solutions towards the Smoke Ventilation market – investments that the Company will continue as a high priority going forward.

### Particular risks

The Company's most significant risk relates to the ability to continue being the leading supplier of solutions within automatic window control and software for control of Natural Ventilation and Smoke Ventilation for the markets where the Company is represented through own sales subsidiaries and partners.

Moreover, the Company is affected by building life cycles.

The Company has no significant risks relating to individual customers or partners other than the usual business risks as well as generally occurring customer/supplier relationships.

With respect to COVID-19 the main identified risks are:

- Further postponement of building projects resulting in disruption and bottlenecks in supply chain.
- Extreme disruption of the supply chain of materials from suppliers due to high demand on semiconductors and high transportation costs.

The Company is reviewing all potential actions to accommodate these risks and has established corrective actions to secure that the supply chain is up and running with limited interruptions in deliveries to end customers.

# Management commentary, continued

# **Environmental performance**

Natural Ventilation contributes to reducing CO2 emissions compared to traditional mechanical ventilation solutions. In addition to lower CO2 emissions throughout a buildings life cycle, the use of Natural Ventilation in e.g. schools and office buildings often results in savings in capital expenditure as well as operating costs. Natural Ventilation also improves the indoor climate, and several scientific studies show that improved indoor climate has a very positive impact on cognitive abilities eg improving school children's learning as well as employees' well-being and productivity.

Furthermore, the Company has chosen to adhere to the principles of the UN Global Compact. This by documenting the Company impact on society and the environment in an annual sustainability report, which is available at the Company's website. On top of that the Company will also provid separate reporting in an ESG Fact Sheet according to the requirements of the Nasdaq Nordic ESG reporting framework.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Wisman Maldob intentifikationsmummen: 2001/466238 3000-44225-8006-42164608-61646

# Consolidated income statement for 01.01.2020 - 31.12.2020

		2020	2019
Notes		DKK	DKK
	Net sales	189,454,309	201,583,129
	Gross profit	79,063,922	83,348,397
1	Staff costs	-67,062,344	-68,806,413
2	Depreciation, amortisation and impairment losses	-8,903,658	-9,554,549
	Operating profit/loss	3,097,920	4,987,435
	Other financial income	1,273,795	263,605
3	Other financial expenses	-3,599,527	-3,086,073
	Profit/loss before tax	772,188	2,164,967
4	Tax on profit/loss for the year	-772,771	-1,757,162
5	Profit/loss for the year	-583	407,805

# Wisman Maldib idlentiffikationsnummen: 2000-406 628-3000-44520-50000-61606-000-16638

# Consolidated balance sheet as at 31.12.2020 Assets

Notes		2020 DKK	2019 DKK
	Acquired intangible assets	6,214,081	4,857,514
	Research and development projects	6,492,524	6,745,073
	Goodwill	4,920,258	9,009,223
6	Intangible assets	17,626,863	20,611,810
	Other fixtures and fittings, tools and equipment	3,214,095	3,971,304
	Leasehold improvements	1,067,450	1,251,742
7	Property, plant and equipment	4,281,545	5,223,046
	Deposits	730,292	720,127
8	Fixed assets investments	730,292	720,127
	Fixed assets	22,638,700	26,554,983
	Goods under production	18,277,740	23,586,958
	Manufactured goods and goods for resale	5,982,210	7,317,613
	Inventories	24,259,950	30,904,571
	Trade receivables	18,446,578	18,981,868
11	Contract work in progress	2,005,515	3,355,734
	Receivables from group enterprises	2,430,962	2,379,000
9	Deferred tax	1,522,322	2,479,308
	Other receivables	1,974,924	1,627,188
	Prepayments	3,141,759	2,672,140
	Receivables	29,522,060	31,495,238
	Cash	17,097,977	12,811,783
	Current assets	70,879,987	75,211,592
	Total assets	93,518,687	101,766,575

# Wissman Andulo intentifikationsmummen: 2844 485 238 3990 44 272 3990 44 272 3990 5 2 1 1 1 1 1 1 1 1 1 1 1 1 1

# Consolidated balance sheet as at 31.12.2020 Liabilities

Notes		2020 DKK	2019 DKK
	Contributed capital Retained earnings	14,399,232 19,597,288	12,000,000 -332,462
	Equity	33,996,520	11,667,538
9	Deferred tax Other provisions	373,602 959,513	2,596,445 932,629
	Provisions	1,333,115	3,529,074
	Subordinated loan capital Other payables	0 3,428,998	11,410,000 1,482,684
10	Non-current liabilities other than provisions	3,428,998	12,892,684
10	Current portion af long-term liabilities other than provisions Bank loans	0 24,911,619	1,262,036 42,208,504
11	Contract work in progress Trade payables	4,052,138 10,868,533	3,158,862 11,401,564
12	Payables to group enterprises Income tax payables Other payables	0 952,877 13,974,887	299,232 2,013,209 13,333,872
	Current liabilities other than provisions	54,760,054	73,677,279
	Liabilities other than provisions	58,189,052	86,569,963
	Equity and liabilities	93,518,687	101,766,575

- 14 Unrecognised rental and lease commitments
- 15 Contingent liabilities
- 16 Assets charged and collateral
- 17 Group relations
- 18 Subsidiaries
- 19 Related parties with controlling interest
- 20 Transactions with related parties

# Wisman Maldio idlentifikationsnummen: 2006/962/3838-38980-44/922-38088-2193/6-302-16938-38

# Consolidated statement of change in equity for 2020

	Contributed	Retained	
	capital	earnings	Total
	DKK	DKK	DKK
Equity beginning of the year	12,000,000	-332,462	11,667,538
Share issue	2,399,232	0	2,399,232
Share premium on share issue	0	20,053,075	20,053,075
Exchange rate adjustments	0	-360,046	-360,046
Currency hedging reserve	0	237,304	237,304
Profit/loss for the year	0	-583	-583
Equity end of the year	14,399,232	19,597,288	33,996,520

# Wissman Maldibo intentifikationsmummen: 2004/4664288, 36080s/44272530008424466690edf8676

# Consolidated cash flow statement for 01.01.2020 - 31.12.2020

Nicker		2020	2019
Notes	-	DKK	DKK
	Operating profit/loss	3,097,920	4,987,435
	Amortisation, depreciation and impairment losses	8,903,658	9,554,549
13	Working capital changes	10,737,224	771,362
	Cash flow from ordinary operating activities	22,738,802	15,313,346
	, , ,	, ,	, ,
	Financial Income received	1,273,795	263,605
	Financial expenses paid	-3,599,527	-3,086,073
	Income taxes refunded/(paid)	-3,010,656	-1,812,893
	Cash flow from operating activities	17,402,414	10,677,985
	Acquisition etc of intangible assets	-4,864,987	-11,271,480
	Acquisition etc of property, plant and equipment	-596,443	-1,621,956
	Earn-out regarding purchase of subsidiaries	-1,262,036	1,595,831
	Cash flows from investing activities	-6,723,466	-11,297,605
	Repayments of loans etc	0	-1,814,951
	Contribution/repayment of subordinate loan capital	-11,410,000	-1,590,000
	Share issue	22,452,307	-1,550,000
	Cash flows from financing activities	11,042,307	-3,404,951
	cash nows from mancing activities	11,042,307	-3,404,331
	Increase/decrease in cash and cash equivalents	21,721,255	-4,024,571
	•	, ,	, ,
	Cash and cash equivalents beginning of year	-29,396,721	-25,604,513
	Exchanges rate adjustments on cah and cash equivalents	-138,176	232,363
	Cash and cash equivalents end of year	-7,813,642	-29,396,721
	Cash and cash equivalents at year-end are composed of:		
	Cash	17,097,977	12,811,783
	Bank loans	-24,911,619	-42,208,504
	Cash and cash equivalents end of year	-7,813,642	-29,396,721

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# Notes to consolidated financial statements

Notes		2020 DKK	2019 DKK
1	Staff costs		
	Wages and salaries	60,055,000	61,194,476
	Pension costs	3,287,332	3,359,463
	Salary compensation schemes received	-1,059,545	0
	Other social security costs	4,779,557	4,252,474
	Total	67,062,344	68,806,413
	Average number of employees	119	118
		Remunera-	Remunera-
		tion of	tion of
		management	management
		2020	2019
		DKK	DKK
	Total amount of management categories	5,084,802	4,831,436
		5,084,802	4,831,436

Remuneration to part of the Executive Board is not included in staff costs as the Executive Board is partially remunerated by the Parent. Management fee is recognised under other external expenses, and the disclosed management remuneration thus includes the share relating to remuneration to the Executive Board.

# 2 Depreciation, amortisation and impairment losses

	8,903,658	9,554,549
equipment		
Profit/loss from sale of intangible assets and property, plant and	32,615	135
Depreciation of property, plant and equipment	1,529,591	1,686,992
Amortisation of intangible assets	7,341,452	7,867,422

# Wisman Maldon idlentiffikationsnummen: 20tt 46628. 3000-4125-5006421646988

# Notes to consolidated financial statements, continued

<u>Notes</u>			2020 DKK	2019 DKK
3	Other financial expenses Financial expenses arising from group enterprises		452,699	602 620
	Other financial expenses		452,699 3,146,828	603,620 2,482,453
	Other imancial expenses		3,599,527	3,086,073
				3,000,070
4	Tax on profit/loss for the year			
	Current tax		2,531,071	821,403
	Changes in deferred tax		-1,265,856	882,981
	Adjustment concerning previous years		-492,444	52,778
			772,771	1,757,162
5	Proposed distribution of profit/loss		500	407.005
	Retained earnings		-583	407,805
			-583	407,805
		Acquired	_	
		intangible	Development	
		assets	projects	Goodwill
c	-	DKK	DKK	DKK
6	Intangible assets	20 270 500	12 500 064	10 205 542
	Cost beginning of year	28,279,580	13,509,064	18,385,542
	Exchanges rate adjustments Additions	-1,579 3,269,511	0 1,595,476	-823,646 0
	Disposals	-300,000	1,393,470	0
	Cost end of year	31,247,512	15,104,540	17,561,896
	-	31,247,312	13,104,340	17,301,030
	Amortisation and impairment losses beginning			
	of year	-23,422,066	-6,763,991	-9,376,319
	Exchanges rate adjustments	1,579	0	356,831
	Amortisation for the year	-1,871,277	-1,848,025	-3,622,150
	Reversal regarding disposals	258,333	0	0
	Amortisation and impairment losses end of	OF OCC 15-		40.000.000
	year _	-25,033,431	-8,612,016	-12,641,638
	Carrying amount end of year	6,214,081	6,492,524	4,920,258

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# Notes to consolidated financial statements, continued

# <u>Notes</u>

		Other fixtures and fittings, tools and aquipment DKK	Leasehold improve- ments DKK
7	Property, plant and equipment		
	Cost beginning of year	17,600,554	1,602,524
	Exchange rate adjustments	-31,111	-917
	Additions	523,605	72,838
	Disposals	-29,464	0
	Cost end of year	18,063,584	1,674,445
	Depreciation and impairment losses beginning of year	-13,629,250	-350,782
	Exchange rate adjustment	23,068	607
	Deprciation for the year	-1,272,771	-256,820
	Reversal regarding disposals	29,464	0
	Depreciation and impairment losses end of year	-14,849,489	-606,995
	Carrying amount end of year	3,214,095	1,067,450
			Deposits
•	et al acceptance of the second		DKK
8	Fixed assets investments		720 427
	Cost begging of year		720,127
	Additions		10,165
	Amortization for the year	-	720,202
	Cost end of year	_	730,292
	Carrying amount end of year	_	730,292
		2020	2019
		DKK	DKK
9	Deferred tax		
	Intangible assets	-2,754,637	-2,472,000
	Property, plant and equiment	527,641	545,308
	Receivables	-3,044,779	-2,588,445
	Tax losses carried forward	6,420,494	4,398,000
		1,148,719	-117,137
	Changes during the year		
	Beginning of year	-117,137	
	Recognised in the income statement	1,265,856	
	End of year	1,148,719	

# Wissman Maldib i idlentiffikadi ionsanummen: 20kt/86 again 36 mb 44 paza 30 mb/24 again 60 palikaga

# Notes to consolidated financial statements, continued

<u>Notes</u>			Due after
	Due within 1	Due within 2-	more than 5
	year	5 years	years
	DKK	DKK	DKK
10 Liabilities other than provisions			
Other payables	0	302,880	3,126,118
	0	302,880	3,126,118

Other payables consists of long-term holdiday pay obligations, that are due after more than 5 years. And an Escrow regarding the acquisition of Clearline Inc. back in 2019. The escrow is due in 2024.

		2020	2019
11	Contract work in progress	DKK	DKK
	Sales value of production of the period	55,317,223	51,205,565
	Payments received on account	-57,363,846	-51,008,693
		-2,046,623	196,872
	Recognised as follows in the balance sheet:		
	Contract work in progress under assets	2,005,515	3,355,734
	Contract work in progress under liabilities	-4,052,138	-3,158,862
		-2,046,623	196,872
		2020	2019
		DKK	DKK
12	Other short-term payables		
	VAT and duties	3,742,767	2,445,068
	Wages and salaries, personal income taxes, social security costs,		
	etc payable	4,424,619	948,343
	Holiday pay obligation	2,543,509	4,594,822
	Currency hedging liabilities	1,021	238,325
	Other costs payable	3,262,971	5,107,314
		13,974,887	13,333,872

# Notes to consolidated financial statements, continued

# <u>Notes</u>

# **Currency hedging liabilities**

There have been no currency hedging made in 2020. The open forward exchange contracts per 31.12.2020 are prolonged contracts hedged in December 2019. The contracts expires in January 2021 and February 2021.

	Forward exchange					
	contracts					
	outstanding			Loss/gain	Amount incl.	Transferred
	at 31.12 to			when stated	in income	to currency
	hedge future	Contract	Avg. hedging	at market	statement for	hedging
	cash flows	amount	price	value	2020	reserve
	CHF	177,578	6.85302	-1,021	-258,507	124,802
	GBP			-	527,677	112,502
		177,578		-1,021	269,170	237,304
					2020	2019
					DKK	DKK
13	Change in work	ing capital				
	Increase/decrea	se in inventories			6,644,621	-4,040,156
	Increase/decrea	se in recievables			535,290	8,794,387
	Increase/decrea	se in Trade payal	bles		-1,892,595	-3,549,202
	Changes in Worl	k in Progress			2,243,495	-1,155,446
	Changes in othe	r receivables/oth	er payables		2,969,109	960,104
	Currency hedgin	ng			237,304	-238,325
					10,737,224	771,362
					2020	2019
					DKK	DKK
14	Unrecognised re	ental and lease co	ommitments			
	Liabilities under	rental or lease ag	greements until r	naturity in		
	total				38,813,151	44,397,878

Of this amount, liabilities for leaseholds until 2029 totals DKK 32,304,281.

# Notes to consolidated financial statements, continued

## Notes

## 15 Contingent liabilities

The Group participates in a Danish joint taxation arrangement in which BBH serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

# 16 Assets charged and collateral

A floating charge of DKK 30,000,000 nominal has been provided as security for bank loans.

The Group has provided performance and payments guarantees amounting to DKK 2,539,903.

## 17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Berkshire Boyter Holding ApS, Hørsholm.

				<b>Equity interst</b>
			Corporate	
		Registered in	form	%
18	Subsidiaries			
	WindowMaster Control Systems Ltd.	Kettereing,		
	Willdowiviaster control systems Eta.	<b>Great Britan</b>	Ltd.	100.0
	WindowMaster Industries GmbH	Herford,		
	Willdowiviaster illaustries dilibil	Germany	GmbH	100.0
	WindowMaster GmbH	Hamburg,		
	Willdowiviaster Gillbh	Germany	GmbH	100.0
	WindowMaster Focair AG	Trimbach,		
	Windowiviaster Focair AG	Switzerland	AG	100.0
	WindowMaster BSI AS	Larvik,		
		Norway	AS	100.0
		Delaware OH,		
	WindowMaster Clearline Inc.	USA	Inc.	100.0
		Philadelphia		
	- Clearline Inc.	PA, USA	Inc.	100.0
		Rudersdal,		
	WindowMaster A/S	Denmark	A/S	100.0
		Dublin,	•	
	WindowMaster Control Systems Ltd.	Ireland	Ltd.	100.0

# 19 Transactions with related parties

The annual report only discloses transactions with related parties that have not been completed on market terms. No such transactions have been completed during the financial year.

# Wisman Maldob intentifikationsmummen: 2001/466238 3000-44225-8006-42164608-61646

# Parent income Statement for 01.01.2020 - 31.12.2020

		2020	2019
Notes	<u>5</u>	DKK	DKK
	Net sales	37,861,341	40,169,556
	Gross profit	15,667,176	18,640,787
1	Staff costs	-20,848,691	-21,633,366
2	Depreciation, amortisation and impairment losses	-4,557,397	-6,186,524
	Operating profit/loss	-9,738,912	-9,179,103
	Income from investments in group enterprises	8,929,798	9,092,014
3	Other financial income	1,216,350	1,936,745
4	Other financial expenses	-2,913,733	-3,868,851
	Profit/loss before tax	-2,506,497	-2,019,195
5	Tax on profit/loss for the year	2,505,914	2,427,000
6	Profit/loss for the year	-583	407,805

# Wisman Maldib idlentiffikationsnummen: 2000-406 628-3000-44520-50000-61606-000-16638

# Parent balance sheet as at pr. 31.12.2020 Assets

Notes	_	2020 DKK	2019 DKK
	Acquired intangible assets	6,214,051	4,857,484
	Research and development projects	6,492,524	6,745,073
7	Intangible assets	12,706,575	11,602,557
	Other fixtures and fittings, tools and equipment	964,817	1,525,447
	Leasehold improvements	971,707	1,168,913
8	Property, plant and equipment	1,936,524	2,694,360
	Investments in group enterprises	27,328,702	29,190,363
	Deposits	644,538	644,538
9	Fixed assets investments	27,973,240	29,834,901
	Fixed assets	42,616,339	44,131,818
	Trade receivables	0	16,262
	Receivables from group enterprises	12,183,953	23,480,650
10	Deferred tax	4,006,549	2,278,000
	Other receivables	254,500	106,062
	Joint taxation contribution receivable	239,403	2,379,000
11	Prepayments	1,697,683	1,806,082
	Receivables	18,382,088	30,066,056
	Cash	356,106	377,462
	Current assets	18,738,194	30,443,518
	Total assets	61,354,533	74,575,336

# Wisamaa Makkibi idkentiffikadii oorsamummen: 20kt/06*820*k, 36080s/44272538286s/342466902eff86768

# Parent balance sheet as at pr. 31.12.2020 Liabilities

		2020	2019
Notes		DKK	DKK
12	Contributed capital	14,399,232	12,000,000
	Reserved for net revaluation according to the equity method	8,578,575	10,440,236
	Reserved for development expenditure	4,817,192	5,069,741
	Retained earnings	6,201,521	-15,842,439
	Equity	33,996,520	11,667,538
		_	
	Subordinated loan capital	0	11,410,000
	Other payables	2,108,889	719,050
12	Non-company tick titals and another manifely and	2 400 000	12 120 050
13	Non-current liabilities other than provisions	2,108,889	12,129,050
	Bank loans	16,619,928	42,137,573
	Trade payables	2,815,846	3,019,389
	Payables to group enterprises	1,383,347	1,373,930
14	Other payables	4,430,003	4,247,856
	Current liabilities other than provisions	25,249,124	50,778,748
	Liabilities other than provisions	27,358,013	62,907,798
			32,307,730
	Equity and liabilities	61,354,533	74,575,336

- 15 Unrecognised rental and lease commitments
- 16 Contingent liabilities
- 17 Assets charged and collateral
- 18 Transactions with related parties

# Wisman Adulto idlentiffikationsmunnen. But 96496 3696 4490 3000 Katolaa 90-1860

# Parent statement of changes in equity for 2020

		Reverse for			
		net revalua-	Reverse for		
		tion according	develop-		
	Contributed	to the equity	ment	Retained	
	capital	methood	projects	earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity beginning of	12,000,000	10,440,236	5,069,741	-15,842,439	11,667,538
the year					
Share issue	2,399,232	0	0		2,399,232
Share premium on	0	0	0	20,053,075	20,053,075
share issue					
Exchange rate	0	-360,046	0	0	-360,046
adjustments					
Currency hedging	0	0	0	237,304	237,304
reserve					
Development	0	0	-252,549	252,549	0
projects					
Profit/loss for the	0	-1,501,615	0	1,501,032	-583
year					
Equity end of the	14,399,232	8,578,575	4,817,192	6,201,521	33,996,520
year					

# **Wisnes Additio idlentifikations**munnen: 2844/86428-3886-444225-3888k/2446698468

# Notes to parent financial statements

Notes	2020 DKK	2019 DKK
1 Staff costs		_
Wages and salaries	19,664,549	19,937,871
Pension costs	1,609,428	1,507,351
Salary compensation schemes received	-561,065	0
Other social security costs	135,779	188,144
,	20,848,691	21,633,366
Average number of employees	32	32
<u> </u>		
	Remunera-	Remunera-
	tion of	tion of
	management 2020	management 2019
	DKK	2019 DKK
	DKK	DKK
Total amount of management categories	5,084,802	4,831,436
	5,084,802	4,831,436

Remuneration to part of the Executive Board is not included in staff costs as the Executive Board is partially remunerated by the Parent. Management fee is recognised under other external expenses, and the share attributable to remuneration to the Executive Board is included as part of the manage-ment remuneration disclosed in the notes.

		2020 DKK	2019 DKK
2	Depreciation, amortisation and impairment losses		
	Amortisation of intangible assets	3,719,302	5,092,370
	Depreciation of property, plant and equipment	796,429	1,094,154
	Profit/loss from sale of intangible assets and property, plant and equipment	41,666	0
	- -	4,557,397	6,186,524
3	Other financial income		
	Financial income arising from group enterprises	459,561	436,619
	Other financial income	756,789	1,500,126
	_	1,216,350	1,936,745

# Wissman Adulto idlentifikationsnummen: 2001/968/30:30:00-44/2003 SECONDIA (1903)

# Notes to parent financial statements, continued

Notes
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Note:	<u>5</u>		
		2020 DKK	2019 DVV
		DKK	DKK
4	Other financial expenses		
•	Financial expenses arising from group enterprises	476,548	603,816
	Other financial income	2,437,185	3,265,035
		2,913,733	3,868,851
5	Tax on profit/loss for the year		
J	Change in deferred tax	-1,728,549	-534,000
	Adjustment concerning previous years	-537,962	2,000
	Refund in joint taxation arrangement	-239,403	-1,895,000
		-2,505,914	-2,427,000
6	Proposed distribution of profit/loss  Transferred to reserve for net revaluation according to the		
	equity method	-1,501,615	-10,195,288
	Retained earnings	1,501,032	10,603,093
	Ç	-583	407,805
		<del></del>	
			Acquired
		Development	intangible
		projects	assets
		DKK	DKK
7	Intangible assets		
	Cost beginning of year	13,509,064	27,891,423
	Additions	1,595,476	3,269,511
	Disposals	0	-300,000
	Cost end of year	15,104,540	30,860,934
	Amortisation and impairment losses beginning of year	-6,763,991	-23,033,939
	Amortisation for the year	-1,848,025	-1,871,277
	Reversal regarding disposals	0	258,333
	Amortisation and impairment losses end of year	-8,612,016	-24,646,883
	Carrying amount end of year	6,492,524	6,214,051

# Wismen Melilib idlentiffkationsnummen: Okt/86 ågeb-9000-44 gebsekettele 90 ellere

# Notes to parent financial statements, continued

<u>Notes</u>

		Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
8	Property, plant and equipment		
	Cost beginning of year	10,128,023	1,350,235
	Additions	0	38,593
	Cost end of year	10,128,023	1,388,828
	Depreciation and impairment losses beginning of year	-8,602,576	-181,322
	Depreciation for the year	-560,630	-235,799
	Depreciation and impairment losses end of year	-9,163,206	-417,121
	Carrying amount end of year	964,817	971,707
		Investments	
		in group	
		enterprises	Deposits
		DKK	DKK
9	Fixed assets investments		
	Cost beginning of year	18,750,127	644,538
	Cost end of year	18,750,127	644,538
	Revaluations beginning of year	10,440,236	0
	Exchange rate adjustments	-360,046	0
	Share of profit/loss for the year	8,929,798	0
	Dividend paid out	-10,431,413	0
	Revaluations end of year	8,578,575	0
	Carrying amount end of year	27,328,702	644,538
		2020	2019
		DKK	DKK
10	Deferred tax		
	Intangible assets	-2,754,637	-2,472,000
	Property, plant and equiment	340,692	352,000
	Tax losses carried forward	6,420,494	4,398,000
		4,006,549	2,278,000
	Changes during the year	_	
	Beginning of year	2,278,000	
	Recognised in the income statement	1,728,549	
	End of year	4,006,549	

# 

# Notes to parent financial statements, continued

# <u>Notes</u>

# 11 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

12 Contributed capital	Number	Par value DKK	Norminal value DKK
Ordinary shares	14,399,232	1	14,399,232
	14,399,232		14,399,232
		-	
			Due after
	Due within 1	Due within 2-	more than 5
	year	5 years	years
	DKK	DKK	DKK
13 Liabilities other than provisions			
Other payables	0	0	2,108,889
	0		2,108,889
Other payables consists of long-term holdiday pa	ay obligations.		
		2020	2019
		DKK	DKK
14 Other payables			
Wages and salaries, personal income taxes, socia	al security costs,		
etc payable		2,716,311	263,527
Holiday pay obligation		1,208,875	2,517,610
Currency hedging liabilities		1,021	238,325
Other costs payable		503,796	1,228,394
		4,430,003	4,247,856

# Notes to parent financial statements, continued

### Notes

## **Currency hedging liabilities**

There have been no currency hedging made in 2020. The open forward exchange contracts per 31.12.2020 are prolonged contracts hedged in December 2019. The contracts expires in January 2021 and February 2021.

	Forward exchange contracts outstanding at 31.12 to	Contract	Ava hodging	Loss/gain when stated at market	Amount incl. in income statement for	Transferred to currency
	hedge future	Contract	Avg. hedging	0.0		hedging
	cash flows	amount	price	value	2020	reserve
	CHF	177,578	6.85302	-1,021	-258,507	124,802
	GBP	<u> </u>		_	527,677	112,502
	-	177,578		-1,021	269,170	237,304
					2020 DKK	2019 DKK
15	Unrecognised re Liabilities under			maturity in		
	total				26,595,791	31,318,702

Of this amount, liabilities for leaseholds until 2029 totals DKK 24,424,901

## 16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Berkshire Boyter Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

# 17 Assets charged and collateral

A floating charge of DKK 10,000,000 nominal has been provided as security for bank loans.

# Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt with Danske Bank. The guarantee is unlimited. Bank loans of group enterprises amounts at 31. December 2020 to DKK 8,291,690.

# Wisman Walden identifikadi onsanummen: Okt/466498-3090-44922-30088-6493-690-1698

# Notes to parent financial statements, continued

# **Notes**

# 18 Related parties with controlling interest

Erik Koch Boyter, Immortellevej 10, DK-2950 Vedbæk possess through Berkshire Boyter Holding ApS, CVR-no. 35042296, Selskabet af 5. februar 2015 ApS, CVR-no. 36501065 and WMa Holding ApS, CVR-no. 41679298 the majority of shares, and has therefore like Berkshire Boyter Holding ApS, Selskabet af 5. februar 2015 ApS

# 19 Transactions with related parties

The annual report only discloses transactions with related parties that have not been completed on market terms. No such transactions have been completed during the financial year.

# **Accounting policies**

# **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial State-ments Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## **Recognation and mesurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Consolidated financial statements**

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

### **Basis of consolidation**

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the ac-quisition date, with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance date are recognised directly in equity.

## **Income statement**

## **Gross profit or loss**

Gross profit or loss comprises revenue, cost of sales and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

# Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

## **Staff Costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Remuneration to part of the Executive Board is not included in staff costs as the Executive Board is partially remunerated by the Parent. Management fee is recognised under other external expenses, and the share attributable to remuneration to the Executive Board is included as part of the management remuneration disclosed in the notes.

# Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to tangible and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of tangible and intangible assets.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all Danish subsidiaries and other Danish group enterprises. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## **Balance**

# Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation period is 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

## Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Intellectual property rights acquired are amortised on a straight-line basis over their estimated useful lives. The amortisation period is usually five years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

## Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3-5 years
Leasehold improvements 5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits and losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. The amortisation period is 5 years. Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

## **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financecosts are recognised in the income statement as incurred.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

## Dividend

Dividend is recognised in the balance sheet as a liability when adopted at the annual general meeting. Proposed but not yet paid dividend for the financial year is recognised in equity until approved by the shareholders at the general meeting.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

# **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged trans-actions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

### Cash

Cash comprises cash in hand and bank deposits.

# Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and loss on con-tract work in progress.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

## **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

## Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

# Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

# Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the op-erating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.



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Lars Fournaise

23-03-2021 17:03

# NEM ID

Serienummer: PID:9208-2002-2-057724644924

Leif Jensen Boardmember

23-03-2021 17:14

# NEM ID

Serienummer: PID:9208-2002-2-190537095141

Erik Koch Boyter

23-03-2021 19:08

# NEM ID

Serienummer: PID:9208-2002-2-314663857793

Mette Søs Lassesen Boardmember

24-03-2021 10:19

# DI M3N

Serienummer: PID:9208-2002-2-531687081139

Michael Gaarmann Vice Chairman

24-03-2021 12:37

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2021-03-23 16:21	En besked er sendt til Michael Gaarmann
2021-03-23 16:21	En besked er sendt til Lars Fournais
2021-03-23 16:21	En besked er sendt til Erik Koch Boyter
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2021 22 21 22 5	privat blev anvendt fra IP adresse 217.63.119.50
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2021 02 2412 22	531687081139)
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Steen Overgård Sørensen CFO

25-03-2021 08:10

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	NemID privat blev anvendt fra IP adresse 62.243.227.110
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Serienummer: PID:9208-2002-2-085164582398

Søren Lassen Statsautoriseret revisor, Deloitte

25-03-2021 11:49

# NEM ID

Serienummer: PID:9208-2002-2-283345362050

Michael Bach Statsautoriseret revisor, Deloitte

25-03-2021 14:43

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Peter Mollerup Attorney-at-law, Lundgrens

25-03-2021 15:53

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