

A man in a suit is seen from behind, looking out a large window. The view outside shows lush green trees. The window has a grid pattern. The overall tone is professional and clean.

WINDOW Master®

Fresh Air. Fresh People.

INITIAL PUBLIC OFFERING – WINDOWMASTER INTERNATIONAL A/S

DANISH CLEANTECH COMPANY – PROVIDER OF INTELLIGENT NATURAL VENTILATION
AND HEAT AND SMOKE VENTILATION SOLUTIONS

FINANCIAL ADVISER AND CERTIFIED ADVISER



SELLING AGENT



Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.



WindowMaster International A/S (the “**Company**” or “**WindowMaster**” or “**WindowMaster International**”) is a Danish public limited liability company incorporated under the laws of the Kingdom of Denmark with company registration number CVR13827532.

Initial Public Offering of between 4,702,495 and 5,662,188 Offer Shares
Offer price: DKK 10.42 per Offer Share

This company description (the “**Company Description**”) has been prepared in connection with an application for admission to trading of the Company’s existing shares (the “**Existing Shares**”) and an initial public offering (the “**Offering**”) of a minimum of 1,439,539 and a maximum of 2,399,232 of new shares (“**New Offer Shares**”) of nominal DKK 1 each and 3,262,956 of Existing Shares (“**Existing Offer Shares**”) of nominal DKK 1 each. The New Offer Shares and the Existing Offer Shares are jointly referred to as (the “**Offer Shares**”). The proceeds from the Offering will be between DKK 49.0 million for the minimum offering and DKK 59.0 million for the maximum offering. The Existing Shares and Offer Shares are jointly referred to as (the “**Shares**”) in the Company. As of the date of this Company Description (the “**Company Description Date**”), but prior to the Offering, the registered share capital of the Company is nominal DKK 12,000,000 and consists of 12,000,000 Existing Shares of nominal DKK 1 each, all of which are fully paid. The Company has one share class.

The exact number of Offer Shares will be determined during the subscription period. If a minimum of 4,702,495 Offer Shares are not subscribed during the subscription period, the Offering will not be completed. The Offering is not guaranteed, but prior to publication of this Company Description, the Company has obtained subscription undertakings for a total of DKK 20.36 million from pre-subscribers (the “**Pre-subscribers**”). Pre-subscribers will be allocated the full amount of subscribed shares in connection with the allocation of Offer Shares.

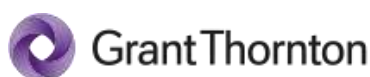
The offer price (the “**Offer Price**”) is DKK 10.42 per nominal DKK 1 Offer Share. The Offer Price is fixed. The offer period (the “**Offer Period**”) is expected to begin on October 6, 2020 and end on October 19, 2020. To facilitate an offer of both the Existing Shares and the New Shares in the permanent ISIN code DK0061278355 for the Company’s shares, the Shareholder has agreed to loan to the Company nominally DKK 2,399,232 shares in the Company equalling the maximum number of New Shares offered by the Company in the Offering. The Offer Shares will be delivered electronically against payment under permanent ISIN code DK0061278355 to investors’ accounts with VP Securities A/S (“**VP Securities**”). It is expected that delivery against cash payment of the Offer Shares will take place on or around October 23, 2020 (the “**Closing Date**”).

Prior to the Offering, the Shares have not been publicly traded. The Company has applied for admission to trading for all Shares on Nasdaq First North Growth Market Denmark (“**First North**”) under the ticker WMA. First day of trading is expected to be on October 27, 2020. The Offer Shares will have the same rights as the Existing Shares and will rank *pari passu* in every respect.

Investing in the Offer Shares involves significant risks. Potential investors are advised to seek independent advice on legal, financial, accounting and tax matters that apply to the individual investor before deciding to invest in the Offering. Reference is made to section 4 “Risk factors” for a review of the primary risk factors that could have an impact on potential investors’ investment in the Offering. The provided information regarding the outlined risk factors and the Company’s historical operating performance is non exhaustive and potential investors should thus carefully consider putting disproportionate emphasis on the Company’s expectations for future growth opportunities, earnings and financial position.

The distribution of this Company Description is only intended to be for the use by investors in Denmark. The distribution of this Company Description is, in certain jurisdictions, restricted by law, and this Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Company Description does not constitute an offer of or an invitation to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Company Description comes shall inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation by any person, of any such restrictions.

Certified Adviser



This company description is dated October 6, 2020

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1. Key information about the Company

1.1 BACKGROUND

WindowMaster International A/S is a market leading Danish CleanTech company that provides intelligent natural ventilation solutions and heat and smoke ventilation solutions, primarily for commercial use in the following six segments: (i) Office, (ii) Education institutions, (iii) Cultural buildings, (iv) Shopping centers, (v) Hospitals and (vi) Sports facilities. The Company was established in 1990 and operates under a vision to *provide “an excellent and safe indoor climate for the benefit of people, environment, and productivity”*.

WindowMaster was originally established in 1990 as part of VKR Holding, the holding company of VKR Gruppen, which in turn is the owner of VELUX, one of the world's leading manufacturers of roof windows and skylights. However in 2015, WindowMaster was acquired by the current majority shareholder, Erik Boyter, in a management buy-in. VKR Holding's divestment of WindowMaster was a result of a general corporate strategy, which included an increased focus on the group's core business area as a window and skylight manufacturer.

Since the change in ownership structure in 2015, WindowMaster has initiated a substantial strategic shift in business model from primarily being a contractor to becoming a manufacturer. As part of this strategic shift, WindowMaster has invested heavily in establishing a sustainable and scalable platform, which the Company has started to and will continue to capitalize on in the coming years.

Among other things, this has resulted in the launch of the Company's first IoT solution, NV Embedded®, which represents the next generation of natural ventilation solutions as it allows for a new level of interaction between the building occupant and the natural ventilation solution through the use of a cloud-based app interface or through full integration with the BMS.

1.2 ORGANIZATION

WindowMaster was founded under the vision to make buildings better by supplying them with plenty of fresh air and an extraordinary and safe indoor climate. Today, WindowMaster International A/S is an international corporation headquartered in Vedbæk, north of Copenhagen, Denmark. In addition to the operating company, WindowMaster International A/S, the Company holds an array of sales subsidiaries across the world. Currently, WindowMaster has sales subsidiaries in Denmark, Germany, Ireland, Norway, UK, US and Switzerland¹.

In addition to the sales subsidiaries, WindowMaster has a German subsidiary, WindowMaster Industries GmbH, which covers the assembly facility in Herford, Germany as well as the Company's procurement and global supply chain functions.

Currently, WindowMaster employs approx. 120 employees across the global organization. A complete group chart has been included on the next page.

¹. See organizational chart on next page.

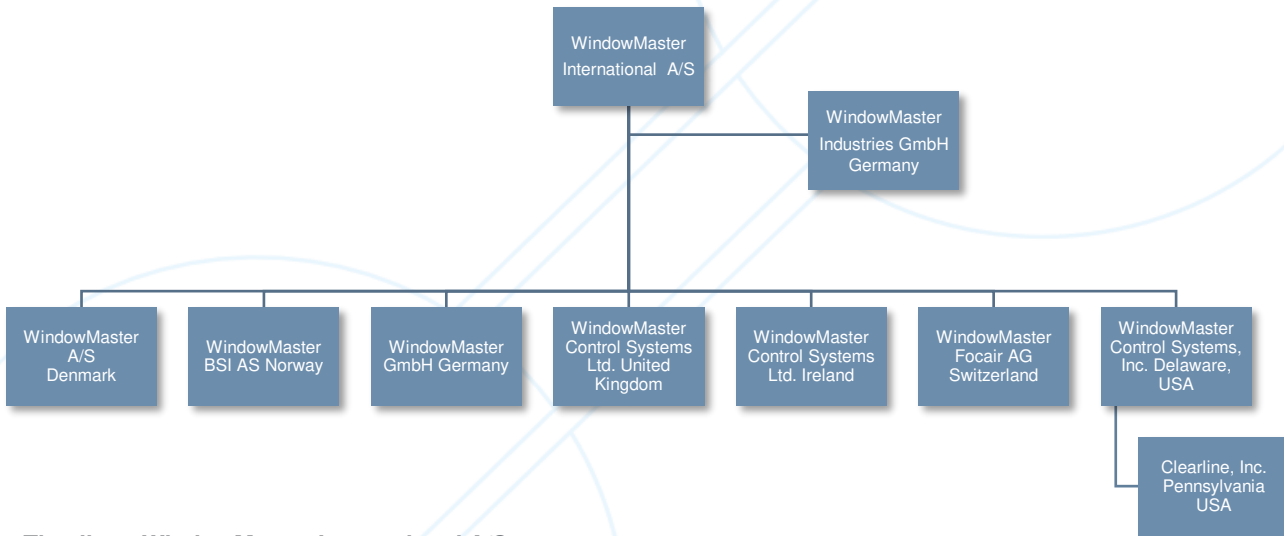
1.3 REASONS FOR THE OFFERING

Considering the organizational transformation that WindowMaster has undergone since the change in ownership in 2015, both Executive Management and the Board of Directors are focused on ensuring that the Company is in an optimal position to fully capitalize on its strong and well-established operational platform. Listing on First North will provide WindowMaster with a strong financial foundation to continue the positive development through both organic and acquisitive growth as the strong public marketplace provides access to the additional capital required to carry out one or more contemplated strategic acquisitions over the coming years.

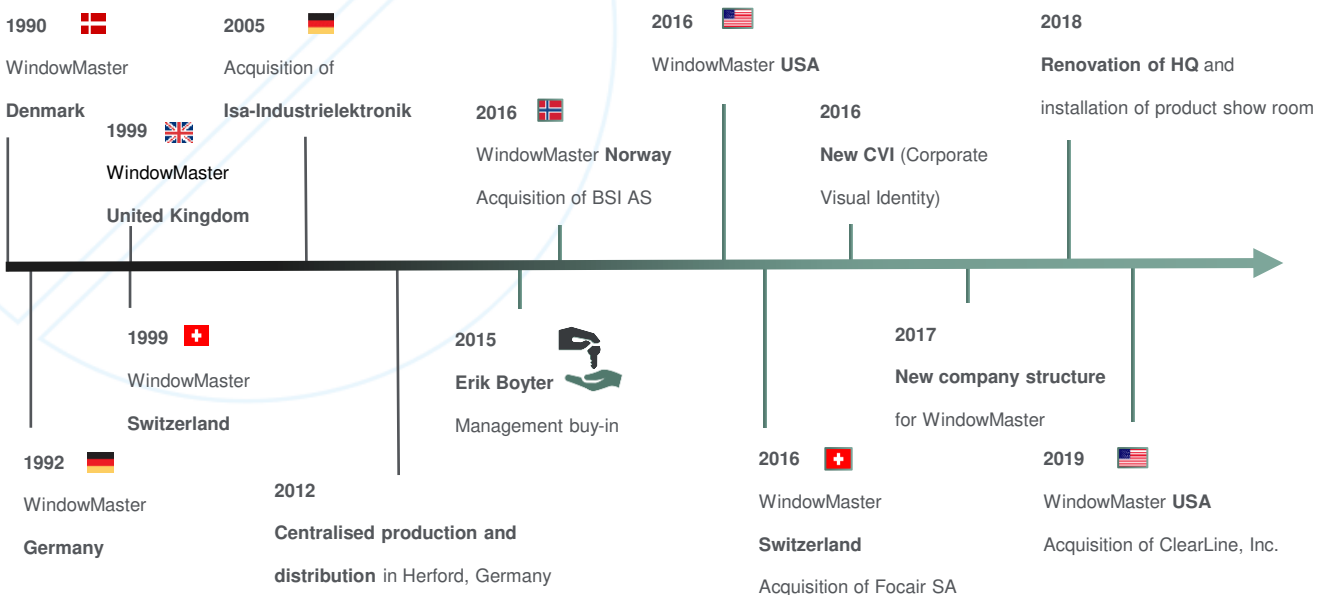
1.4 USE OF THE PROCEEDS

With the capital raised through the issuance of the New Offer Shares, WindowMaster can maintain the ambitious capex levels in digital and software product development required to continue organic growth. In addition, the general strengthening of the Company's balance sheet increases WindowMaster's "purchasing power" allowing the Company to execute on smaller potential strategic acquisitions – where minimum one additional market position in Europe is targeted in the short term. The proceeds from the Offering will provide additional financial flexibility in WindowMaster as the proceeds from the sale of the Existing Offer Shares will be allocated to pay off the remaining acquisition debt in Selskabet af 5. februar 2015 ApS, the company established to acquire WindowMaster, which dates back to Erik Boyter's acquisition of the Company in 2015.

Corporate structure – WindowMaster International A/S



Timeline - WindowMaster International A/S



Penneo dokumentnøgle: ON80E-JEJFY-5JBO2-3P6BH-4NO8-3JO4Q

“We make your building
breathe naturally”

- Erik Boyter, CEO





2. Liability statement

2.1 LIABILITY STATEMENT FROM THE BOARD OF DIRECTORS

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

Copenhagen, October 6, 2020

Board of Directors of WindowMaster International A/S

Lars Fournais
Chairman

Michael Gaarmann
Vice chairman

Leif Jensen
Board member

Mette Søs Lassenen
Board member

Erik Boyter
Board member

See end of document for digital signatures from the Board of Directors

3. Certain information about this Company Description

This Company Description has been drawn up under the responsibility of the Issuer and has been reviewed by the Exchange.

3.1 APPLICABLE LEGISLATION

This Company Description has been prepared for the Offering in compliance with the rules and requirements of Nasdaq First North Growth Market – Rulebook, dated September 1, 2019. As the capital raise with the Offering amounts to less than EUR 8 million, there are no requirements to prepare a prospectus in accordance with the Consolidated Act no. 12 of January 8, 2018 on Capital Markets, as amended (the “**Danish Capital Markets Act**”).

3.2 LANGUAGE

The Company Description has been prepared in the English language only.

3.3 DISTRIBUTION

The distribution of this Company Description is only intended to be for the use by investors in Denmark.

The distribution of this Company Description is, in certain jurisdictions, restricted by law, and this Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Company Description does not constitute an offer of or an invitation to subscribe for the Offer Shares in any jurisdiction in which such offer or invitation would be unlawful.

Persons into whose possession this Company Description comes shall inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation by any person, of any such restrictions.

3.4 FORWARD-LOOKING STATEMENTS

Certain statements in this Company Description are based on the beliefs of the Board of Directors, Executive Management and the Management Team, as well as assumptions made by and information currently available to the Board of Directors and the Management Team, which may constitute statements regarding the future. These statements regarding the future results of operations, financial condition, cash flows and business strategy, and the plans and objectives of the Board of Directors, Executive Management and Management Team for future operations can generally be identified by terminology such as “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “anticipates”, “would”, “could”, “estimates” or similar expressions or the negatives thereof.

Such statements regarding the future involve known and unknown risks, uncertainties and other important factors that could cause the actual result, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such statements regarding the future.

The Company does not intend or assume any obligation to update any statements regarding the future contained in this Company Description, except as may be required by law or the rules of First North. All subsequent written and oral statements regarding the future attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained in this Company Description.

3.5 MARKET AND INDUSTRY INFORMATION

This Company Description contains historical market data and industry forecasts, including information related to the size of the markets, in which the Company operates. This information has been obtained from a variety of sources, provided business intelligence products and services, literature, market reports, company websites and other publicly available information as well as the Company's knowledge of the markets. The professional data suppliers state that the historical information they provide has been obtained from sources and through methods believed to be reliable, but that they do not guarantee the accuracy and completeness of this information.

Similarly, industry forecast and market research, while believed to be reliable, have not been independently verified by the Company and the Company does not represent that this historical information is accurate. Industry forecasts are subject to significant uncertainty by nature. There can be no assurance that any of the forecasts will materialize. The Company confirms that information from third parties have been accurately cited and reproduced and that to the best of the Company's knowledge and belief, and so far, as can be ascertained from the information published by such third party, no facts have been omitted which would render the information provided inaccurate or misleading.

Market statistics are inherently subject to uncertainty and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what type of products and transaction should be included in the relevant market or market segment definitions.

3.6 COMPANY VIEWS AND OPINIONS

This Company Description makes use of an array of sources to provide transparency and information to the investor and/or reader. If no source of information is stated, the information and views are of the Company itself.

4. Risk factors

4.1 INTRODUCTION

An investment in the Company's shares is associated with economic risk. The Company is affected by a number of factors, where the Company only has the power to influence some of these factors with specific actions while some factors are outside the control of the Company. These factors may have a negative impact on the Company's business, earnings and financial position, and may result in a decline in the market price of the Shares, subsequently resulting in shareholders losing parts or all of their invested capital. Potential investors should carefully consider the risks outlined below before deciding to invest in the Company, and are advised to seek independent advice on legal, financial, accounting and tax matters that apply to the individual investor before deciding to invest in the Offering.

As it is not possible to outline all risks associated with investing in the Company, this section describes a number of risk factors as of the date of this Company Description, which the Company considers to be the most significant known risks. Other risks and uncertainties that the Company is not aware of at present may also have a material adverse effect on the Company and the Shares. The risk factors are not presented in a prioritized order of importance.

4.2 INDUSTRY AND OPERATIONAL RISKS

4.2.1 Exposure to a cyclical industry

The activity level in the global construction industry is to a large extent dependent on the general trends in the global economy and will thus be negatively affected in case of an economic slowdown. As WindowMaster has substantial exposure to this industry, an economic downturn could potentially have a negative impact on the Company's financial performance.

It should however be noted that the Company did not experience a significant reduction in revenue during the global financial crisis that started in 2007.

4.2.2 Dependency on key individuals

WindowMaster's ability to operate its business and implement its strategies is dependent on two key employees; Erik Boyter (CEO) and Steen Overgaard Sørensen (CFO), who together constitute the company's Executive Management Team. A loss of these key individuals could have an adverse impact on the Company's market presence, growth opportunities and consequently revenue and earnings.

It is important for the Company to recruit and retain qualified employees in order to safeguard the level of competences and market knowledge within the Company. Therefore, the Company has entered into agreements on employments with these key individuals on what is considered to be market terms.

There is a risk, however, that the Company will not be able to retain these key individuals. However, as both members of the Executive Management Team are indirect shareholders in WindowMaster, the actual risk of this happening is considered to be limited.

As part of the retention of other important employees, the Management Team has previously been offered the opportunity to acquire shares in the Company. At the date of this Company Description, these shares have been transferred to shares in WMa Holding ApS, WindowMaster's majority shareholder. As a consequence, members of the Management Team are indirect shareholders in WindowMaster.

In relation to the Offering, WindowMaster has established an employee warrant program to allow employees to acquire warrants in connection with the Offering. The details of the employee warrant programme is elaborated in section 9 of this Company Description.

4.2.3 Uncertainty caused by COVID-19

As it is the case for companies across the world, the continuous development in the global COVID-19 pandemic adds an increased level of uncertainty to WindowMaster's operations. However, as described further in section 8, WindowMaster has managed to overcome the challenges faced in Q2 2020 during the first global shut down and is currently in a position where activity for Q4 2020 is back on level with the same quarter in 2019. In addition, WindowMaster has managed to increase profitability, which puts the company in a strong position for 2021 given the current circumstances. However, as uncertainty remains regarding potential additional waves of the pandemic, it is impossible to predict exactly how 2021 might be affected by the development in the COVID-19 pandemic. In other words, a global shut down caused by potential additional waves might negatively impact WindowMaster's business, earnings, and financial position.

4.2.4 Intellectual property rights ("IPR")

WindowMaster is the proprietor of material IPR, including but not limited to patents, trademarks and copyrights, exploited by the Group.

WindowMaster's material IPR relates to, *inter alia*, software solutions, technology and know-how which is implemented in WindowMaster's current product portfolio and product pipeline. WindowMaster is the proprietor to all IPR, including copyrights, pertaining to its material software (including source codes), technology and related know-how.

WindowMaster generally employs a proactive approach in its IPR enforcement strategy. With a view to identify possible infringements of WindowMaster's IPR, WindowMaster closely monitors the market and has a policy of always defending potential infringements of its IPR.

WindowMaster GmbH is involved in a court proceeding (case on the merits) in Germany initiated by the competitor Schüco International AG claiming infringement of two patents in Germany. A third patent is claimed infringed, and Schüco International AG's counsel has informed that a court case will be initiated. In the pending proceedings, only the technology comprised by one patent, which is utilized in WindowMaster's product WAB 813T (fitting set), is considered important to WindowMaster. However, if Schüco's action is successful, WindowMaster will to some extent be able to work around the patent and continue to exploit the WMX 813 motor without the WAB 813T fitting set.

Thus, the end result of the proceedings will not be business critical and will not have a negative impact on WindowMaster's existing investments in development of its product portfolio. WindowMaster and Schüco are currently exploring possible settlement opportunities

As part of a defense strategy, opposition proceedings before the European Patent Office (EPO) has been initiated by WindowMaster GmbH relative to Schüco's patent comprising the technology utilized in WindowMaster's product WAB 813T (fitting set). The Company's German legal and patent counsel, Bardehle Pagenberg Partnerschaft mbB, has assessed the likelihood of success of invalidating the patent to be medium. If successful, this will secure WindowMaster GmbH's freedom-to-operate on the German market relative to continued exploitation of the technology utilized in WindowMaster's product WAB 813T (fitting set) as such. Likelihood of success in the infringement proceedings is assessed to be medium to low, which may entail that WindowMaster GmbH may be ordered to stop selling the product WAB 813T (fitting set) on the German market (until the EPO – if WindowMaster GmbH is successful in its claim – invalidates the patent). WindowMaster GmbH will, as noted above, be able to some extent to work around the patent by offering a different solution.

WindowMaster has engaged Danish patent agency Patrade A/S to monitor all new patents with relevance to WindowMaster's operations and industry for potential infringement of WindowMaster's existing IPR. In WindowMaster's own product development, WindowMaster uses the "stage-gate" model to ensure that no products under development are to infringe any existing third party IPR.

WindowMaster has adopted a strategy in order to secure exclusive rights to key brands on relevant markets. According to this strategy, WindowMaster's legal counsel, Lundgrens, files applications for trademark registration of key brands for relevant products in i) key markets, ii) markets with considerable activity and iii) emerging markets.

4.2.5 Product liability and insurance coverage

WindowMaster's operations involve the marketing and sales of products that are CE approved and have EN certifications, which means that WindowMaster risks having to remedy, compensate or recall products that fail to work as intended. There is a risk that WindowMaster could be held liable if a product was to fail due to an unforeseen or uncontrollable error that could cause personal injuries. WindowMaster holds product liability insurance, which in the Company's own view, provides sufficient insurance against current product liability risks. WindowMaster continuously evaluates whether sufficient product liability insurance is held. In spite of this, there is a risk that the Company's current or future insurance coverage may not be sufficient for potential product liability claims that may arise.

Consequently, such claims might negatively impact WindowMaster's business, earnings, and financial position.

4.2.6 Competition

Both in the market for natural ventilation and heat and smoke ventilation, WindowMaster is in strong competition with large global players from closely related industries. As a consequence, WindowMaster risks losing market share to competitors or risks being forced to enter into a price war with competitors.

However, due to the relatively high barriers to entry in the market for heat and smoke ventilation (due to the process related to EN approvals), the risk of an intensive price pressure from low price providers and a consequential loss of market share is considered low.

As the clear market leader for natural ventilation solutions, WindowMaster considers the short-term risks of a loss in market share to be relatively limited as substantial product development would be required for a competitor to develop a solution of comparable quality. However, as the market for natural ventilation develops competition is expected to intensify accordingly in the long-term.

4.2.7 Dependency on suppliers

As a manufacturer of natural and heat and smoke ventilation solutions, WindowMaster is dependent on the consistent delivery of materials from suppliers to WindowMaster's German assembly facility in Herford. As a consequence, WindowMaster is exposed to the operational stability of these suppliers, which means that events such as supplier bankruptcy as well as suppliers' inability to deliver as scheduled might have a negative impact on WindowMaster's business, earnings, and financial position. However, WindowMaster has a corporate policy, which states that the Company must have two suppliers for all sub-supplier solutions, which mitigates the risks related to individual suppliers. As a consequence, an unforeseen event with one supplier will not cause longer downtime than cannot be covered by inventories.

The Company's and, WindowMaster GmbH's agreement with its supplier of electronics manufacturing services is important to the Group's production. The supplier purchases materials inter alia based on framework orders and forecasts placed by WindowMaster. WindowMaster is liable for the value of such materials if orders are not placed by WindowMaster in which the materials can be used. The agreement may be terminated by either party with six months notice. The Group does not consider itself dependent on the agreement as other sources of supply are available to the Group without causing material adverse effect to the business.

4.2.8 Key customers

Generally, orders placed by customers are based on the product price list, with rebates granted on larger projects. The Group is not materially exposed to one or more customers, and thus no single customer is considered especially material to the Group. The Group's largest customer based on revenue is the VELUX group owned by VKR Holding A/S, which sold the Company to Selskabet af 5. februar 2015 ApS in 2015.

4.2.9 Certifications

Some of WindowMaster's products hold certifications demonstrating the products' compliance with regulatory standards and right to be marketed. After being granted the certification, the products are at all times subject to the requirements under the given certification. WindowMaster ensures that the respective products comply with the given standards by inspecting and auditing products and underlying processes on a continuous basis. Depending on the nature of the standard or certification, audits are either performed by WindowMaster, the issuer of the certification, or another third-party. Failure to comply will result in revocation of the necessary certification, which would have a negative impact on the ability to maintain the customer base within certain business areas.

4.2.10 GDPR

The WindowMaster group is subject to various regulations including general data protection regulation (GDPR). While the WindowMaster group has certain policies and procedures in place relating to compliance with such regulations, there can be no assurance that its internal policies or procedures are fully compliant with regulations. A failure to comply with applicable regulations could result in substantial fines.

4.2.11 Regulatory factors

As a supplier within the building and construction industry, WindowMaster's products are subject to a variety of regulatory requirements. As a consequence, changes in regulations that could potentially have a negative impact on the use of natural ventilation solutions within the industry could have an adverse effect on WindowMaster's future operations. It is thus of high priority for WindowMaster to remain on top of any regulatory developments in the industry.

4.3 FINANCIAL RISKS

4.3.1 Currency risks

Currency risk is a risk of financial loss as a result of the Company having operations and positions in several currencies.



Natural ventilation regulates a building's indoor climate by exploiting the natural forces created by temperature differences between the interior and the exterior environment, thermal displacement within the building, and winds around the building.

In addition, the currency risk exists because the Company's revenues are generated in currencies different from currencies in which the majority of costs are incurred. As WindowMaster's activities take place in several currencies but the reporting currency is DKK, the Company's reporting results are subject to translational risks relating to currency exchange fluctuations.

Since the financial statement is denominated in DKK, the conversion effect of significant currency fluctuations can have a negative impact on the Company's profit and financial position, and it can affect the comparability between different accounting periods.

Therefore, exchange rate fluctuations, especially if they occur unexpectedly or suddenly, can have a negative impact on the Company's profitability and cash flows and can have a material adverse effect on the Company's business, earnings and financial position and the value of the Shares.

Currently, the Company is primarily exposed to fluctuations in Swiss Franc (CHF), Pound Sterling (GBP), the US Dollar (USD), the Euro (EUR), Norwegian Kroner (NOK), and Danish Kroner (DKK). The Company engages in currency risk hedging of the exposure to the CHF and GBP. The Company has established a policy aiming at hedging 80% of the exposure to these currencies. Details of the currency hedging activities are reevaluated each year.

4.3.2 Taxation risk

The Company has operations located in multiple countries outside of Denmark, including European and non-European countries. It is the assessment of the Company that all these operations are in compliance with current local tax legislation.

The Company has interpreted these tax regulations in good faith and after best efforts, however, there is a risk that such interpretations are incorrect or that legislation will be changed, even retrospectively. Danish or foreign tax authorities may decide to change or amend tax legislation, which could affect the Company's previous or current tax situation. There is a risk that such changes or amendments could have a negative impact on the Company's business, earnings and financial position and the value of the Shares.

4.3.3 Credit risk

WindowMaster is exposed to credit risk, which is influenced by the characteristics of each of its customers. Although the Company has guidelines to ensure that sales are made to customers with suitable credit history, the Company's credit risks may have a negative impact on the Company's business, earnings, and financial position. Historically, the company has not suffered any significant losses on credits.

4.4 RISKS RELATED TO THE OFFERING AND THE SHARES

4.4.1 Share price development

Investing in shares and securities is always associated with risk. Prior to the Offering, there is no public market for the Company's Shares. There is a risk that an active and liquid trading market may not develop, or if developed, will not be sustained after the Offering. If an active and liquid market does not develop or remain developed, there is a risk that the liquidity and trading price of the Shares could be materially affected, and investors may have difficulty selling their Shares.

The market price of the Shares may vary from the Offer Price and may be higher or lower than the price paid by investors. There may be fluctuations in the trading price of the Shares as a result of many factors, including external factors such as financial results varying from expectations, changes in expectations to future performance, economic downturns, changes in business or regulatory conditions, or changes in geopolitical conditions.

There is also a risk that the global securities market experiencing significant price and volume fluctuations may have a material adverse effect on the market price of the Shares, which may lead investors not being able to sell their Shares for at least the Offer Price.

4.4.2 The Offering of the Shares

The Company has applied for admittance to trading on Nasdaq First North Growth Market. The admission as well as the continued admission to trading on First North are subject to requirements of free float and sufficient number of shareholders for the Company's Shares are met before the first day of trading. If such requirements are not met, the Offering may be withdrawn by Nasdaq First North Denmark. Withdrawal of the Offering can also occur as a decision made by the Company, this event can take place any time prior to the announcement of the result of the Offering. In the event of a withdrawal, such information will be announced immediately through Nasdaq First North Denmark.

First North is a multilateral trading platform owned by Nasdaq and does not have the same legal status as a regulated main market. Companies trading on First North are subject to a regulatory framework that is less extensive than the framework applicable to companies trading on the regulated main market. However, on both the regulated main market and First North, the Market Abuse Regulation applies.

Investing in a company listed on First North may include more risk than investing in a company listed on a regulated main market, and investors risk losing part or all of their investment.

4.4.3 Sale of Shares by Major and Existing Shareholders

There is a risk that after the Offering, the market price of the Shares may decline as a result of sale of Shares in the market or the perception that such sales could occur. Such sales may as well make it difficult for the Company to issue new shares in the future if deemed appropriate.

Sale of a large portion of Shares by members of the Company's Board of Directors, Executive Management, Management Team or by Major Shareholders, or the perception that such sales could occur, may cause a decline in the market price of the Shares.

In connection with the Offering, the Major Shareholder holding 100% percent of the Existing Shares before the Offering has agreed to enter into lock-up agreement on the shares not sold in the Offering, obligating the Major Shareholder to not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the Existing Shares in the Company or to announce the intention to make any such act without the prior written consent of Grant Thornton acting as Certified Adviser in the Offering (the "**Lock-Up Obligation**").

Such consent may be granted if deemed reasonable and necessary due to specific matters, e.g. for tax reasons and is not to be unreasonably withheld or delayed by the Certified Adviser. The Lock-Up Obligation shall apply from the first day of trading and for a period until after the publication of the company's H1 2021 financial report (the "**Initial Lock-up Obligation**").

After expiry of the Initial Lock-Up Obligation, the Existing Shares are released from the Lock-Up Obligation in three installments of equal size.

The first installment is released after the publication of the Company's H1 2021 financial report, the second installment will be released after the publication of the H2 2021 financial report, and the third installment after publication of the Company's H1 2022 financial report.

Prior to the Offering, the Major Shareholder has agreed to enter into lock-up agreement on the shares not sold in the Offering:

Shareholder	Number of Shares under Lock-up
WMA Holding ApS	8,737,044

4.4.4 Future dividends

The Company's ability to pay dividends will depend, among other things, on its financial condition, working capital requirements and the availability of distributable profits, and reserve and cash available, and other factors as the Board of Directors may deem relevant.

Dividends are decided by the Annual General Meeting following a proposal from the Board of Directors. Currently, the company aims at maintaining a solvency ratio in the range of 25-40%. It is the Company's expectation that excess funds, subject to the expectations of Management and the Board of Directors regarding capital requirements in subsequent years, will be proposed distributed as dividends to the Company's Shareholders.

4.4.5 Shareholders with significant influence

At the date of this Company Description but prior to the Offering, the Company is owned directly by one Major Shareholder, WMA Holding ApS with 100% ownership.

In the event, that the Offering results in the minimum number of New Offer Shares sold in the Offering, WMA Holding ApS will own 65.0% of the Shares. If the maximum number of New Offer Shares are sold in the Offering, WMA Holding ApS will own 60.7% of the Shares after the Offering. This Major Shareholder will have the ability to influence or determine the outcome of specific matters submitted to the shareholders for approval. These matters could include election or dismissal of members of the Board of Directors, policy on dividends and amendments to the Company's articles of association. As a result, this Major Shareholder may have the ability to influence the future direction of the Company. The interest of the Major Shareholder with significant influence could differ from the interest of other shareholders and may not be aligned with the interest of minority shareholders.

4.4.6 Offering of additional shares

The Company may decide to raise additional capital in the future in order to pursue growth opportunities, invest in current business venture or for other purposes deemed relevant and necessary by the Board of Directors. In its pursuit to raise additional capital, the Company may decide to issue additional equity, which may result in dilution of the Shares.

4.4.7 Unsecured subscription undertakings

The Company has obtained subscription undertakings for a total of DKK 20.36 million in share value from Pre-subscribers. No compensation will be given to the Pre-subscribers for their respective undertakings, and same terms and conditions as for other investors in the Offering applies to the Pre-subscribers' investments. The subscription undertakings are not secured by e.g. blocked funds or pledge of collateral, bank guarantee or similar arrangement.

A modern, multi-story building with a white upper facade and a dark wood-paneled lower section. Large, white, 3D block letters spelling 'DSV' are mounted on the wood paneling. In the foreground, a fountain with several jets of water is visible. The ground is paved with grey stone tiles. The sky is blue with some clouds.

DSV

DSV GLOBAL HEADQUARTERS, ROSKILDE, DENMARK

WindowMaster has delivered natural ventilation, mixed mode ventilation, heat and smoke ventilation, and control of solar shading in both buildings at the DSV HQ

5. Industry overview

5.1 INTRODUCTION TO MARKET OVERVIEW

WindowMaster's natural ventilation solutions rely on utilization of the natural forces created by temperature differences between the interior and exterior environment, thermal displacement within the building, and winds around the building. By taking advantage of these natural forces, the technology enables efficient, sustainable, and low energy regulation of the indoor climate.

Humans spend 90% of their lives within man-made structures and has consequently always been interested in ways to cool, heat and ventilate buildings to achieve the most comfortable state². The primary solution used to secure a good indoor climate has been mechanical ventilation as these systems allow for a high degree of control of temperature in offices, schools, houses etc. However, the downside with sole mechanical ventilation has been extensive energy consumption, limited user-control, and thermal discomfort. As research has found that humans are remarkably more adaptable to changes in temperature than to e.g. air quality, focusing solely on the temperature constitutes a limited approach to comfort ventilation³. Instead, comfort ventilation should apply a holistic approach to the indoor climate and take into account other measures such as CO₂-level and air humidity.

With climate change at the top of the agenda in developed countries all over the world, pressure has increased on governments and corporations to consider their carbon footprint and the sustainability of their operations. With approx. 39% of global energy related carbon emissions originating from buildings, this area needs to be prioritized. Alone, the energy consumption from ventilation, heating, cooling, and lighting, constitutes 28% of global energy related carbon emissions⁴. At the same time, a good indoor climate is crucial to ensure an optimal learning environment in schools and productive office facilities.

The construction industry serves as WindowMaster's primary market - an industry where recent sustainability directives have raised awareness on the issue of heavy CO₂ emission from buildings. Regardless of whether stakeholders within this industry wish to improve their carbon footprint or save costs on lower energy consumption, WindowMaster leads the way in sustainable natural ventilation solutions.

The emergence of intelligent and open IoT solutions have provided a range of new opportunities within intelligent operation of buildings. With NV Embedded®, WindowMaster has positioned itself as first mover in relation to connecting natural ventilation solutions with existing building management systems. This enables building occupants to have a pleasant and productive indoor climate, while significantly reducing CO₂ emission.

2. Toftum, J., Wargocki, P., & Clausen, G. (2011). Indeklima i skoler – Status og konsekvenser. FOA - Fag og arbejde.

3. Clements-Croome DJ. (2014) Sustainable Intelligent Buildings for Better Health, Comfort and Well-Being

4. World Green Building Organization (2019). Bringing Embodied Carbon Upfront.



39 % of the global energy related carbon emissions comes from buildings

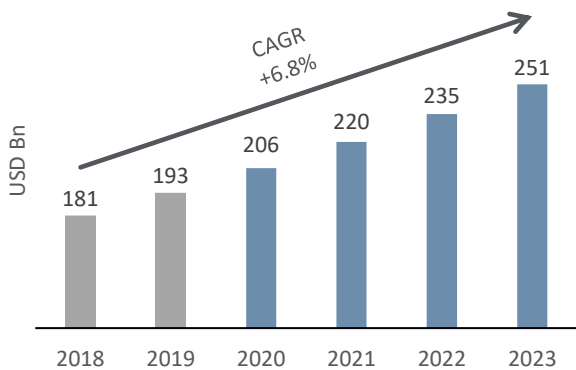
... heating, ventilation and lighting of buildings alone account for 28% of global carbon emission

5.2 THE HVAC MARKET

The global market for Heating, Ventilation and Air Conditioning (HVAC) includes both mechanical and natural ventilation solutions. Today, this market is primarily dominated by mechanical ventilation, which means that mixed mode and natural ventilation thus only constitute a very small proportion of the overall market. In WindowMaster's primary markets, natural ventilation constitutes approx. 1-2 % of the total HVAC market in the given countries.

Globally, the HVAC market was valued at USDbn 181 in 2018 and is expected to increase to USDbn 251 by 2023, at a CAGR of 6.8%.

Expected growth in HVAC market 2018-2023



Source: HVAC System Market Report, MarketsAndMarkets, 2019

The HVAC market is driven by the need for regulating the indoor climate to reach a comfortable state. Three primary groups of ventilation solutions characterize the market:

- **Mechanical ventilation (MV):** These solutions are constituted by fans or other types of mechanical plants. This market segment accounts for a very large majority of the HVAC market (98-99%).
- **Natural ventilation (NV):** These solutions utilize pressure differences between the inside and the outside of a building, wind conditions, and other natural forces to regulate the indoor climate. This market is addressed through intelligent window automation solutions that enable efficient control of the indoor climate.
- **Mixed-mode ventilation (MMV):** These solutions function as a combination between mechanical ventilation and natural ventilation. In this setup, a balanced use of natural and mechanical ventilation occurs so that mechanical ventilation takes over when required by external conditions or when needed in specific areas of the building.

As a central component in building operations, the HVAC market is naturally also affected by the increased environmental focus. Buildings and construction are responsible for approximately 40% of global energy consumption and 39% of energy related carbon emissions, with operational emissions (from energy used to heat, cool and light buildings) accounting for 28% of the world's total energy related carbon emissions⁵.

The increased environmental awareness is reflected in the action of the European Union (EU), who are continuously instituting directives, regulations and packages such as the "Clean energy for all Europeans Package". In relation to the release of the package, the EU Commission stated:

"Making buildings more energy efficient will contribute significantly to the EU achieving its energy and climate goals"

This increased focus on sustainability and environmentally-friendly solutions applies significant pressure to classic energy heavy ventilation solutions such as mechanical ventilation systems and air conditioners. As a result, demand is increasing for a sustainable and energy efficient way to regulate indoor climate in buildings all over the world.


WindowMaster's natural ventilation solutions offer a sustainable alternative to traditional mechanical ventilation. As market leader within the field, WindowMaster can provide customers with an intelligent solution that unites low energy consumption with efficient control of the indoor climate in any type of building.

5.3 THE NATURAL VENTILATION MARKET

WindowMaster's natural ventilation solutions aim to provide fresh air to fresh people. By using data points and cloud-based software, the intelligent natural ventilation solutions track CO₂-levels, temperature, and humidity, and intelligently regulate the indoor climate by exploiting the natural forces in the surrounding environment.

The market for natural ventilation currently constitutes only 1-2% of the total HVAC market. However, considering the global sustainability trend with focus on reduction of carbon emissions and bringing down energy consumption, it must be expected that growth in the market for natural ventilation will exceed the general market for HVAC. As a result, a very conservative estimate of expected growth in the market for natural ventilation is the 6.8% CAGR estimate for the HVAC market.

5. Bringing embodied carbon upfront, World Green Building Council, Sep 2019



WindowMaster provides **sustainable natural ventilation and mixed mode ventilation** solutions to secure:

“an excellent and safe indoor climate for the benefit of **people, environment, and productivity**”

... while simultaneously **reducing carbon emissions** and energy costs significantly

5.3.1 Mixed mode ventilation

The intelligence behind WindowMaster's natural ventilation solutions allows for full integration with any kind of existing mechanical ventilation solution. The solution provided by WindowMaster can take control of the mechanical ventilation system, and thus take complete responsibility for maintaining an optimal indoor climate to ensure a balanced use of natural and mechanical ventilation. Today's widespread use of mechanical ventilation thus represents an attractive point of entry for WindowMaster as the tech leader for natural and mixed mode ventilation solutions.

As the general market for HVAC gradually moves in a more sustainable direction, mixed mode ventilation solutions provide an opportunity to partly implement natural ventilation with an existing mechanical ventilation solution.

The mixed mode ventilation market draws upon utilizing the benefits of mechanic and natural ventilation coherently. The application of mixed mode ventilation is relatively widespread due to climate seasonality, where substantial fluctuations in humidity, wind-speeds, and temperature occur over the year.

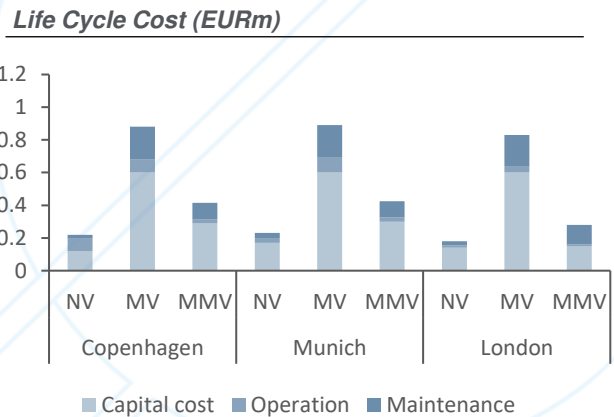
Currently, the market for mixed mode ventilation is dominated by a large base of installed mechanical ventilation systems and relatively smaller natural ventilation setups installed to supplement the mechanical solution. However, as expectations and regulation from governments and the EU are tightened for buildings to limit carbon emission and increasing energy efficiency, natural ventilation is expected to constitute an increasing part of the mixed mode ventilation market in the coming years.

One of the primary complications influencing the market is the achievable level of integration between mechanical and natural solutions. In order to achieve successful integration both hardware and software must be able to communicate across solutions. The application of an intelligent cloud-based solution such as WindowMaster's facilitates this form of integration.

One of the most interesting markets for natural ventilation is the United States. The US has for a long time used more energy on air conditioning and mechanical ventilation than all other nations combined⁶. As a result, the US constitutes an enormous market, which combined with the global trend towards reducing energy consumption, also represents a market with great potential for mixed mode and natural ventilation. As a tech leader in natural and mixed mode ventilation solutions, WindowMaster recently entered the US market, seeking to capitalize on this potential.

5.3.2 Cost savings

Besides significantly reducing energy consumption, natural ventilation solutions can also contribute to reductions in costs. A study by the Fraunhofer-Institute for Building Physics on life cycle costs of traditional mechanical ventilation, natural ventilation and mixed mode ventilation concluded that over a 20-year period, the natural ventilation system is able to reduce costs by 80% compared to the mechanical system. In addition, the mixed mode solution can provide cost savings of 60% compared to the mechanical system. The results of the study are summarized in the figure below.



Source: Big Data for Smart Buildings, Research and Markets, 2018⁷

In the same study, the researchers also performed detailed energy calculations on office buildings. Here, the results show that energy consumption in relation to regulation of indoor climate (incl. heating) in buildings with natural ventilation is 9-11 kWh/m²/year, buildings with mechanical ventilation 20-25 kWh/m²/year, and buildings with mixed mode ventilation 7-8.5 kWh/m²/year. For a 50,000 sq.m. headquarter office building such as the HQ for Danish pharmaceutical company, Novo Nordisk, this corresponds to potential yearly savings in energy costs of up to DKK 2,000,000 or 900,000 kWh - equivalent to the yearly energy consumption of 200 households.

6. Climate risks heat up as world switches on to air conditioning, *The Guardian*, 2012

7. The calculation of the Life Cycle Cost (LCC) included the capital cost, maintenance of the systems and the operational cost (electricity and heating).

5.4 TRENDS AND DRIVERS

The market for ventilation solutions is naturally strongly affected by the development in the construction industry as ventilation solutions have to be considered at some point during the construction process. In addition to this, the market for natural ventilation is driven by several global mega trends. Among others, these include increased focus on climate change, sustainability in construction, increased demand for productivity, the concept of “healthy buildings”, and the development of “smart buildings”.

5.4.1 Climate change and sustainability

“Climate change is no longer some far-off problem; it is happening here; it is happening now” – Barack Obama

With 39% of global energy related carbon emissions, buildings hold the #1 rank between climate sinners and hence far exceed e.g. the transportation industry, which accounts for approx. 29%⁸. This realization has resulted in the introduction of a range of political measures intended to change this state. Some of the many political initiatives towards creating more energy efficient buildings include:

- Californian Building Energy Efficiency standard⁹
- EU targets for zero-energy buildings
- Energy certifications
- Governments financing renovation
- Clean energy for all Europeans act.

This environmental awareness is not only present in the political landscape as companies are also showing an awareness towards their carbon footprint and general environmental impact. As an obvious example of the increased corporate attention on sustainability, one of WindowMaster’s international reference projects can be considered:

CASE

WindowMaster: A pioneer in sustainable construction

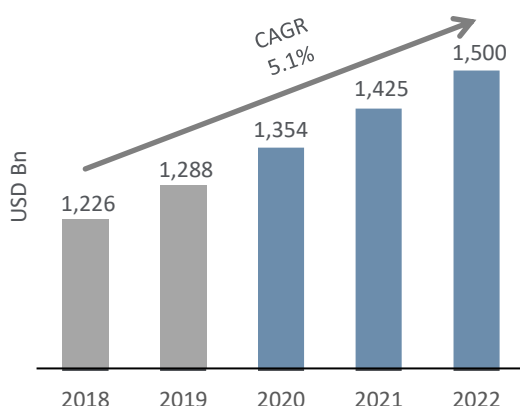
In 2015, the large American bank PNC Financial Services Group Inc. completed their new headquarters in Pittsburgh, Pennsylvania. CEO William Demchak commented on the new building, saying “[It’s] the crown jewel of PNC’s sustainability initiatives” and the company claims that the building is 50% more energy-efficient than similar buildings. This serves as a statement of how to overcome the challenge of increasing urbanization in a city influenced by high energy consumption and carbon emissions, CEO of PNC said: “We believe in Downtown Pittsburgh” and the building demonstrates the trend of companies taking measures to reduce their environmental impact. Altogether, climate change and trying to reverse it poses a clear trend towards more energy-efficiency and less energy consumption in buildings, which impacts the industry.

WindowMaster provided a unique natural ventilation solution for the PNC headquarters consisting of more than 6,300 actuators and 1,450 automated air vents in the inner façade.

5.4.2 A sustainable construction industry

The decision to buy ventilation solutions most often lies in the planning phase of a construction project as this is where building design is decided upon. With the majority of sales being generated from new building projects, the continuous growth of the construction sector is a key industry for the ventilation solution providers. Market data suggest optimistic forecasts for the European construction industry with a CAGR of 5.1% measured from 2018-2022.


European construction market development



Source: Construction in Europe, MarketLine Oct 2018

8. Led efter aktieguld I den grønne omstilling af byggesektoren, Børsen, 2019

9. 2019 Building Energy Efficiency Standards, California Energy Commission



85% of the buildings we will live in by 2050 already exist today. The global goal to reduce energy consumption and carbon emissions thus rely on sustainable energy renovation of existing buildings

In line with global sustainability trend, the political landscape has influenced the construction industry by imposing a variety of sustainability initiatives. These initiatives have materialized in a range of regulations and directives on buildings e.g. the “Clean Energy for All Europeans package”. This package represents a strategy by the EU commission, which amongst other things includes measures to decrease CO₂ emissions by (i) renovating existing old housing and (ii) using sustainable products and solutions in new construction projects. These regulations thus promote a greener and more sustainable outlook, which is likely to gradually shift the industry stakeholders’ focus from mechanical to natural ventilation.

In addition, the construction industry has seen the emergence of sustainability certification agencies such as DGNB or LEED. These certificates enable companies, building owners or whole urban areas to brand themselves based on a given level of sustainability certification. In Denmark, the agencies are represented by the Green Building Council Denmark with the purpose “to create a base for the Danish building industry to be the leader within sustainable building industries on the international market.” Companies are thus incentivized to be as sustainable as possible in order to acquire the highest possible rank, e.g. silver, gold, platinum etc.

These sustainability certificates have had a significant effect on the construction industry, and can for instance be observed in Denmark, where 16% of all commercial buildings constructed in 2019 were DGNB certified. Green Building Council Denmark expects this number to reach 20-25% in 2020.

Considering that only a very low percentage of buildings received these certificates a few years ago, the sustainability trend has clearly had a strong influence on the industry.

This focus on sustainability and energy efficiency is also becoming increasingly more important in existing buildings. The Danish Energy Agency estimate that 85 percent of the buildings we will live in by 2050 already exist today¹⁰. Consequently, if we are to bring down energy consumption and carbon emissions related to buildings, focus on energy renovation is a necessity.

In 2012, the Danish government presented 21 specific initiatives, which are expected to reduce energy consumption for heating in existing buildings by 35%¹¹. In addition, the Danish government recently proposed an entire legislative package targeted at climate action (*klimaloven*), which among other things states that by 2030, Denmark must reduce yearly carbon emission by 70%¹². To meet this goal, everyone from architects and building owners have to direct their attention to more sustainable alternatives.

As the leading provider of natural ventilation solutions, WindowMaster can provide a sustainable ventilation solution suitable for new construction projects as well as renovations of existing buildings.

10. Energy renovation of buildings, *State of green*, 2018

11. New Danish strategy for energy renovation of buildings, Copenhagen Capacity, 2014

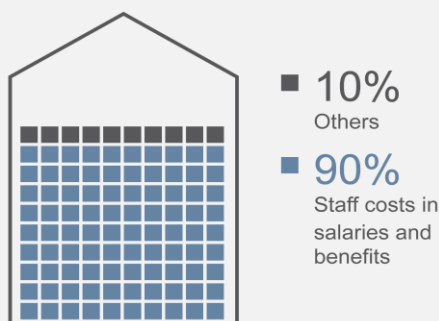
12. Bredt politisk flertal er enig om ny dansk klimalov, *Børsen*, 2019

Small investment – big impact

Energy investments are smart investments as they will not only reduce energy costs, but also improve productivity between employees

Switching ventilation system from mechanical to natural or mixed mode can impact your business with...

Typical business operating costs



Annual productivity gains of approx. DKK 30,000 per employee

Average ROI of 407 % for new construction and 120% for retrofits

Payback on investment in less than one year

5.4.3 Healthy buildings

The COVID-19 pandemic has emphasized the importance of “healthy buildings” and increased focus on the quality of indoor environments. In the light of COVID-19, the correct use of ventilation is considered vital for maintaining healthy workforces, patients, and building occupants by breaking the chain of infection through better airflow and ventilation of buildings.

Researchers continue to study the possible routes of infection for SARS-CoV-2 (COVID-19). Some studies have found that COVID-19 aerosols (airborne droplets) can stay infectious for more than three hours¹³, whereas other studies indicate that the COVID-19 aerosols can remain infectious for up to 16 hours¹⁴. Thus, WHO and national health organizations emphasize that further research is needed to fully comprehend the modes of transmission for COVID-19. In spite of this, WHO and other health organizations recommend workplaces to **“open windows and doors whenever possible to make sure the venue is well-ventilated”**¹⁵.

Often, mechanical ventilation systems are not designed to handle vira or other airborne diseases as they typically recirculate the same air around buildings – thereby possibly spreading airborne diseases from one room to another.

I suspect we'll see more consideration of **natural ventilation** in many buildings, and the **enhanced fresh air rates** this can bring, although it's important that it is designed thoroughly, with properly considered controls.

- Richard Walder, Science and Technology sector lead at Buro Happold Engineering¹⁶.

The general trend towards more **naturally ventilated** spaces has been accelerated by COVID-19, with all our current projects reviewing the provision of natural ventilation as both a purge method and a **means to provide fresh air**.

- Edmund Vaughan, Operations Director, ChapmanBDSP¹⁶

In order to mitigate the amount of recirculated air, experts suggest that higher fresh air rates and lower occupancy densities in offices are key together with new building designs allowing for a greater number of naturally ventilated spaces¹⁶. Consequently, investments in natural ventilation in buildings are expected to become part of the general corporate strategy on how to prevent the pandemic spread across organizations and corporate properties.

In support of this view, Richard Walder, Science and Technology UK sector lead at Buro Happold Engineering, stated the following in a paper from the Chartered Institution of Building Services Engineers (CIBSE) Journal, when asked about the impact of COVID-19 on the design of HVAC systems for future buildings: **“I suspect we'll see more consideration of natural ventilation in many buildings, and the enhanced fresh air rates this can bring, although it's important that it is designed thoroughly, with properly considered controls.”**

13. Aerosol and Surface Stability of SARS-CoV-2 as Compared with SARS-CoV-1,” letter to the editor New England Journal of Medicine, March 17, 2020

14. Fears AC, Klimstra WB, Duprex P, Weaver SC, Plante JA, Aguilar PV, et al. (2020) Persistence of Severe Acute Respiratory Syndrome Coronavirus 2 in Aerosol Suspensions

15. WHO – Getting workplaces ready for COVID-19

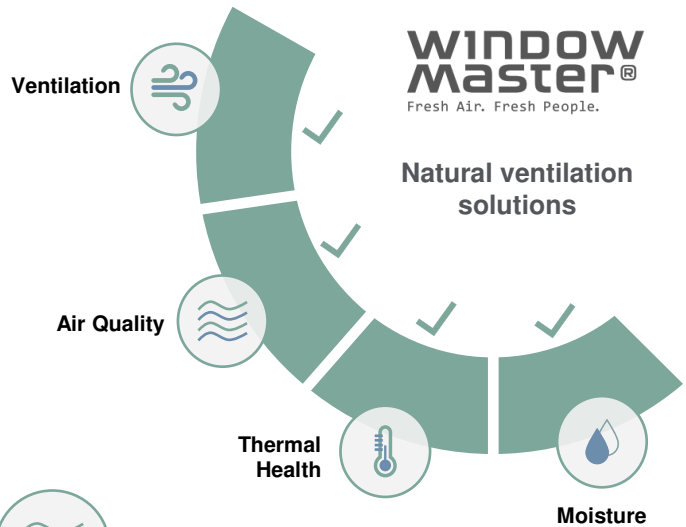
16. CIBSE Journal - New normals: Consultants predict how COVID-19 will change HVAC design

Healthy Buildings

Harvard University has created *The 9 foundations of a healthy building* (see figure below)¹⁷ as an approach to understanding how buildings impact the people inside them. As part of the research, Harvard University concludes that at a fundamental level, health drives human performance. As such, the 9 foundations serve as Health Performance Indicators (HPIs).

WindowMaster's natural ventilation solutions target four of the foundations – Ventilation, Air Quality, Thermal Health, and Moisture. The natural ventilation solutions measure CO₂ levels (Air Quality), temperature (Thermal Health), humidity (Moisture) and regulate the parameters by providing fresh air (Ventilation).

WindowMaster's natural ventilation solutions target 4 of Harvard's 9 HPIs



Penneo dokumentnøgle: ON80E-JEJFY-5JBO2-3P6BH-4NO8-3JO4Q

17. Allen, J. D., & Macomber, J. D. (2020). What Makes An Office Building "Healthy." Harvard Business Review

5.4.4 Enhanced productivity

For WindowMaster, optimal regulation of the indoor climate cannot be achieved by focusing solely on regulating temperature in a sustainable way. By taking a holistic approach to the regulation of the indoor climate (incl. measurements of CO₂ levels and air humidity), WindowMaster's solutions focus on providing better air quality – ultimately solving various potential health implication associated with poor indoor climate.

Research shows that humans spend approximately 90% of their lives inside man-made structures. Issues such as headache, difficulty to concentrate, fatigue etc. are strongly influenced by the indoor climate that individuals find themselves in on a daily basis. The World Health Organization (WHO) has for a long time emphasized the seriousness of poor indoor air quality, leading to the so-called Sick-Building-Syndrome (SBS) i.e. people showing symptoms of illness or feeling unwell for no apparent reason¹⁸.

For corporations, the well-being of employees is strongly correlated with employee productivity. Independent studies have shown that utilizing natural or mixed mode ventilation can decrease the SBS symptoms by more than 65%, which ultimately leads to more satisfied employees and increased productivity levels.

A recent study conducted at the Technical University of Denmark (DTU) examined the business case in energy renovation.

Even though the primary focus in the study was on energy savings, the study found that the economic benefits derived from the change in employee satisfaction and productivity gains far exceeded the gains of regular energy cost savings¹⁹.

The concrete impact of different ventilation solutions has been quantified in a study at Carnegie Mellon University. The study concluded that when comparing mechanical ventilation with mixed mode or natural ventilation, natural ventilation or mixed mode ventilation could provide 0.8 – 1.3 % savings in health costs, 3-18% in productivity gains, 47-79% HVAC energy savings, and an average ROI of 120%. Considering the entire US office sector, this would translate into more than USD 6.4 billion in energy savings every year.

The consequences of a bad indoor climate is also apparent in many schools and educational institutions. The fact that classrooms are generally small compared to the amount of people that they are intended to hold often leads to high concentrations of CO₂ in the room. This is documented to have a negative impact on the learning process of youngsters, primarily due to symptoms such as dizziness, fatigue, nasal irritation etc. Studies have shown that doubling the rate of ventilation e.g. through an automated natural ventilation solution (from a low starting point) can enhance the performance of scholars with up to 14%, which theoretically corresponds to a student in a Danish primary school saving more than a year of total schooling²⁰.

18. Jafari, M. J., Khajevandi, A. A., Mousavi Najarkola, S. A., et al., Association of sick building syndrome with indoor air parameters. *Tanaffos* 14(1):55–62, 2015.

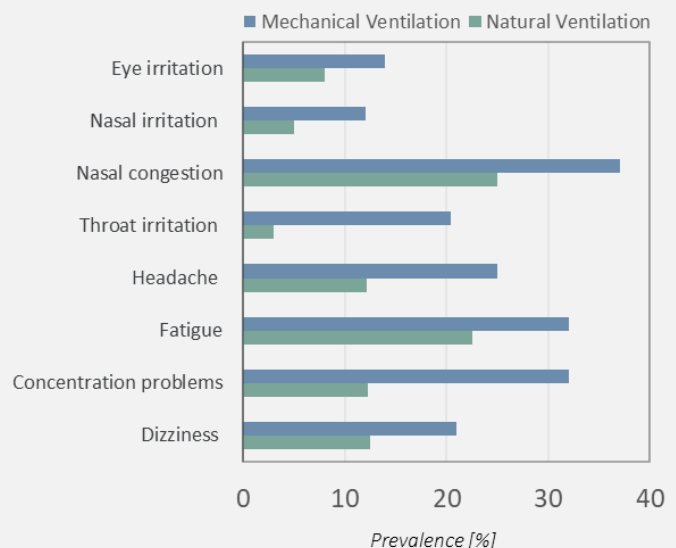
19. Energirenovering af erhvervsbyggeri: indeklimaforbedringer skal med i business-casen. DTU & Teknologisk institut

20. Toftum, J., Wargocki, P., & Clausen, G. (2011). Indeklima i skoler – Status og konsekvenser. FOA - Fag og arbejde.

Natural ventilation increases well-being of humans

“Humans are remarkably adaptive to temperature, in a way they are not, for example to air quality.”

Utilizing natural or mixed-mode ventilation can decrease the SBS symptoms by more than 65%



Prevalence in symptoms in the schools depending on the type of ventilation

1. Meyer HW, Würtz H, Suadcani P, Sigsgaard T, Nielsen PA, Gyntelberg F and the Danish Moulds in Buildings-group. Are high levels of moulds in dust a greater problem in mechanically ventilated rooms? *Proceedings of the 11th International Conference on Indoor Air Quality and Climate 2008, Copenhagen, Denmark, 17-22 August 2008*.

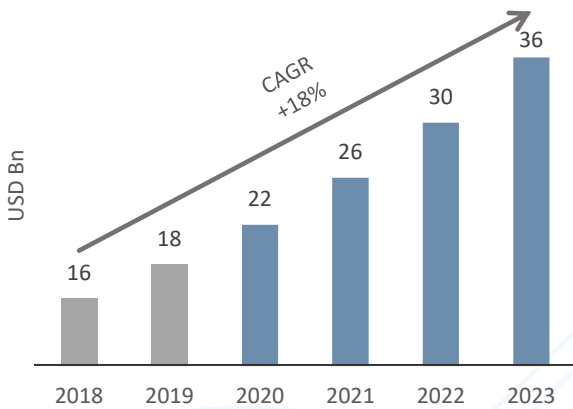
2. OH, SYJ. (2005). Indoor air quality and productivity in offices in Malaysia. *School of Construction Management and Engineering, University of Reading*.

5.4.5 Smart buildings

Building management systems (BMS) have up until recently been distinctively analogous and centralized, demanding lots of hardware and only offering a low degree of integrability with other systems. The emergence of intelligent and open IoT solutions have provided a range of new opportunities within intelligent operation of buildings.

With the continuous development of intelligent cloud-based solutions and increased IoT connectivity, the benefits of natural ventilation have become much easier to integrate with existing mechanic ventilation systems.

Forecast for smart building market (2018-2023)



Source: Big Data for Smart Buildings, Research and Markets, 2018

With NV Embedded®, WindowMaster has positioned itself as first mover in relation to connecting natural ventilation solutions with existing BMS. Among other things, this enables additional data points allowing window actuators to collaborate with e.g. sun protection screens, mechanical ventilation, or dehumidifiers to regulate the indoor climate in an efficient and intelligent manner.

Consequently, the introduction of NV Embedded® marks an important step for WindowMaster into the attractive and growing smart building market.

5.5 COMPETITIVE LANDSCAPE

WindowMaster is an international corporation with established subsidiaries in the following countries: Germany, US, UK, Ireland, Norway, Switzerland, and Denmark. These constitute WindowMaster's primary markets and will thus form the basis for the following discussion on the competitive landscape.

Within natural ventilation, WindowMaster represents the industry's clear tech leader. Although comparable solutions do exist, WindowMaster's recent introduction of NV Embedded® represents the next generation of natural ventilation solutions.

The primary differences between suppliers are the level of technological advancement of the solution, the opportunity for customers to control the solution, the provided product range, and the pricing of products. WindowMaster's primary competitors have been mapped below:

Competitive overview – NV and MMV market

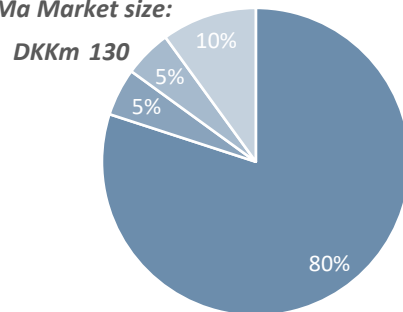


WindowMaster has been able to successfully capitalize on the position as tech leader and has thus established a position as a clear market leader within the natural and mixed mode ventilation market with a market share of approx. 80% in existing markets.

Natural and mixed mode ventilation market

WMa Market size:

DKKm 130



■ WindowMaster ■ D+H ■ Aumüller ■ Other

In addition to the above, WindowMaster has commercial presence through certified partners in Australia, Austria, Belgium, Holland, Iceland, New Zealand, Russia, Turkey, Poland, and Sweden.

WindowMaster has introduced the next generation of intelligent ventilation solutions. NV Embedded is a cloud-based IoT solution, which is fully compatible with any existing building management system



5.6 HEAT AND SMOKE VENTILATION MARKET

WindowMaster has a long track record within heat and smoke ventilation and delivers tailor-made solutions suitable for any customer needs. WindowMaster guarantees that all provided solutions meet current regulatory requirements and continues to do so following installation.

The idea behind heat and smoke ventilation is to remove smoke and heat from a burning building and keep escape routes and fire service access areas free of smoke. When a fire breaks out, the most acute problem for humans is the toxic smoke developed from the fire, which can potentially cause suffocation from smoke inhalation.

By installing a heat and smoke ventilation system it is possible to prolong the time that people have to exit a building - additional time that in some cases can be the difference between life and death.

WindowMaster estimates a total market size of approx. DKKm 800 for markets that WindowMaster are already present in. The Management Team expects conservative growth rates of 2-3% for the general market for heat and smoke ventilation.

As opposed to the market for natural ventilation where comfort is one of the primary areas of focus, the main priority in the market for heat and smoke ventilation is safety. Consequently, one of the main market drivers is the development in regulatory standards.

5.6.1 Regulations

Grenfell Tower Fire

In 2017, Grenfell Tower in West London was in flames for more than 60 hours. Although the fire is still being investigated, authorities have concluded that failure to comply with building regulations is part of the cause. As a consequence of this tragic event, a lot of attention has been redirected to heat and smoke systems.

Heat and smoke ventilation solutions are subject to a wide range of regulatory requirements. The specifics of these requirements vary across building type, construction year, geographic markets etc. In Europe, one of the major regulatory schemes are the EN standards set out by the European Union (EN 12101-2), under which equipment for heat and smoke ventilation is required to have a CE marking. In addition, the development in EU directives where the EBPD since 2018 has included articles around fire safety, has increased demand for approved fire safety solutions.

The direct connection to the regulatory environment means that this market is less cyclical than it is the case for the market for comfort ventilation. Companies like WindowMaster can thus use this market as a source of relatively stable revenue generation, while larger growth rates are pursued in the natural ventilation market.

In line with technological advancements, heat and smoke ventilation solutions, such as those provided by WindowMaster, can also be used as part of a natural ventilation setup. For WindowMaster, this market consequently serves multiple purposes as it has also become a strategic point of entry for natural ventilation solutions.

5.6.2 Competitive landscape

The market for heat and smoke ventilation is characterized by a few dominating companies. With a market share of approx. 15% in existing markets, WindowMaster is one of those companies.

Heat and smoke ventilation market

WMA market size:
DKKm 800



The consolidation around few major players is among other things attributable to the relatively high barriers to entry that are present in this market. This is primarily due to the complex and costly process required to satisfy the regulatory requirements for heat and smoke ventilation solutions. The process around EN-approvals not only requires financial resources, but also deep industry knowledge and experience. Naturally, this is to the benefit of already established players such as WindowMaster.

Over the past two years, WindowMaster has been able to gain market share through several important additions to the actuator portfolio as well as substantial investments in EN tests and approvals, which ultimately has expanded usability of WindowMaster's heat and smoke ventilation solutions. These initiatives have been part of a strategic focus on heat and smoke ventilation and WindowMaster's positioning in this market.

AXEL TOWERS, COPENHAGEN, DENMARK – HEAT AND SMOKE VENTILATION

WindowMaster has delivered intelligent and flexible modular smoke control panels, FlexiSmoke™, to help keep escape routes and fire service access areas free of smoke in case of an emergency





6. Company overview

6.1 INTRODUCTION

WindowMaster International A/S was established 1990 but has since the ownership change in 2015 carried out a substantial strategic shift from contractor to manufacturer. As part of this strategic shift, WindowMaster has invested heavily in the establishment of an attractive platform through which the company can ensure continued growth and increased profitability in the coming years.

WindowMaster is a market leading Danish CleanTech provider of intelligent natural ventilation solutions and heat and smoke ventilation solutions. The company was established in 1990 and operates under a vision to *provide “an excellent and safe indoor climate for the benefit of people, environment, and productivity”*. WindowMaster delivers both hardware (e.g. window actuators, sensors, and control panels) as well as the software required for every element of the natural ventilation solution to interact in an intelligent and flexible manner.

WindowMaster was originally established as part of VKR Holding, the holding company of VKR Gruppen, which in turn is the owner of VELUX, one of the world’s leading manufacturers of skylights and roof windows. In 2015, WindowMaster was acquired by the current majority shareholder, Erik Boyter, in a management buy-in. VKR Holding’s divestment of WindowMaster was a result of a general corporate strategy, which included an increased focus on the group’s core business area as a window manufacturer.

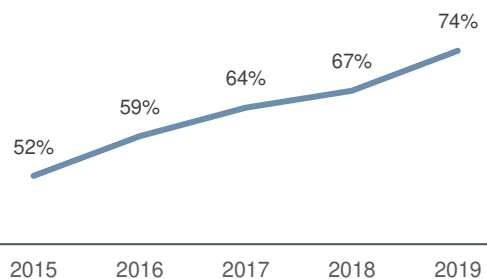
6.2 FROM CONTRACTOR TO MANUFACTURER

Since the change in ownership structure in 2015, WindowMaster has initiated a substantial strategic shift in business model from primarily being a contractor to becoming a manufacturer. As a pioneer within the field, WindowMaster has historically been forced to handle installation of solutions internally as complexity has been too high for external partners to successfully execute.

The idea behind this strategic shift from contractor to manufacturer is to create a more scalable business model, where WindowMaster primarily delivers products and solutions for external partners to install and configure.

As a direct consequence of the strategic shift towards becoming a manufacturer, revenue generated from products produced and assembled in WindowMaster’s German assembly facility has increased from approx. 52% in 2015 to 74% in 2019 and is expected to grow further towards 80% by 2021.

Development in revenue share from own products

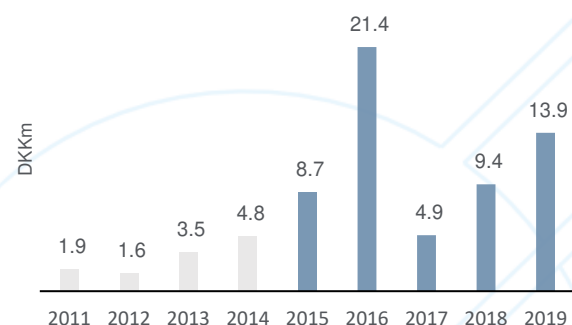


As a manufacturer of natural ventilation and heat and smoke solutions, WindowMaster's operational platform is based on the company's assembly facility in Herford, Germany, which serves as the operational hub in WindowMaster's global supply chain covering purchasing, assembly, production, and logistics. All subsidiaries and partners across the world are serviced from this facility in Herford, where products and goods are received from suppliers from across the world for further processing before WindowMaster's high quality products can be distributed to global partners and subsidiaries. For an international corporation with primarily European operations, the central European location of WindowMaster's assembly and logistics hub is based on a strategic decision to not only reduce costs, but also as a step towards optimizing WindowMaster's own CO₂ footprint.

6.3 HIGH INVESTMENT LEVEL TO ESTABLISH SUSTAINABLE PLATFORM

To successfully achieve the shift from contractor to manufacturer, WindowMaster has invested heavily in product development and improved IT infrastructure.

Development in capex level 2011-2019 (DKKkm)



In all 5 financial years (2015-2019) since the change in ownership, yearly capex levels have substantially exceeded levels observed in all previous 25 years of operating history.

Acquisitions

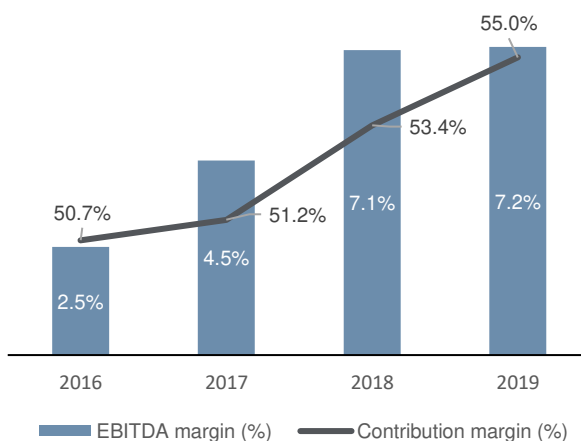
Part of the explanation behind the recent years' high investment level are the three strategic acquisitions that WindowMaster has completed within the last 4 years in Switzerland, Norway, and the US, respectively. In 2016, WindowMaster acquired Norwegian distributor, Building System Integrator, and Swiss installation partner, Focair, as part of the ambitious growth strategy. Most recently, WindowMaster acquired US distributor, Clearline Inc. in 2019 as part of the Company's US expansion strategy with the intention to establish a strong position in the US market.

By ensuring an increased level of scalability, WindowMaster has established a platform from which the company can maintain continued growth and an increased level of profitability. Thus, based on the ambitious investment rates over the previous 5 years, WindowMaster has now established a unique platform, which the company can capitalize on over the coming years.

6.4 SUBSTANTIAL IMPROVEMENT IN MARGINS

As a direct result of the strategic shift from contractor to manufacturer, WindowMaster has achieved a significant increase in profitability over the last 3 financial years. This development has primarily been driven by the increased revenue generated from products produced in Herford as the contribution margin on these products is higher than on the more contractor-oriented services that WindowMaster has offered historically. From 2016-2019, the contribution margin increased from 51% to 55%. Over the same period, EBITDA margin has increased from 2.5% to 7.2%, which is partly due to the described development in contribution margin as well as a streamlining of the fixed cost base.

Development in key margins (2016-2019)



As a consequence of the COVID-19 pandemic, the 2020 EBITDA margin (adjusted for non-recurring items) is expected to remain unchanged at 7.2% compared to 2019*. However, as described in section 8, WindowMaster has streamlined the operational setup further during Q2 2020. These cost reductions will be in full effect from Q4 2020 and are expected to materialize in a significant increase in the EBITDA margin for 2021 (12.9%).

6.5 STAKEHOLDERS AND CUSTOMERS

As a manufacturer of products, WindowMaster must be able to interact with a variety of stakeholders in the construction value chain. WindowMaster's primary customer groups are "manufacturers of elements" and "contracting partners", which together generated approx. 2/3 of total revenue in 2019

*adjusted for non-recurring items

An overview of all relevant stakeholders for WindowMaster is provided in the figure below. As can be seen from the figure, interaction with stakeholders in all stages in the value chain can potentially generate orders – this goes all the way from the initial planning process where architects and engineers specify the building design (i.e. also the ventilation solution) to the actual operations of the finished building.

6.5.1 Manufacturers

This group consists of skylight & rooflight manufacturers, window manufacturers, and façade builders. Currently, skylight manufacturers constitute the largest subgroup within manufacturers and thus represents one of WindowMaster's most important customer group. Despite a relatively high current penetration level, WindowMaster continues to believe in substantial potential for this customer group, and has recently developed a new actuator (230V AC) targeted specifically at this customer segment. WindowMaster estimates potential for additional turnover in the range of DKK 100 million within this customer segment over the next 5 years.

Revenue from this segment is primarily generated by OEM products through partnerships with e.g. skylight manufactures and other window manufacturers. In this setup, WindowMaster's actuators are purchased by the window manufacturer, who in turn offers an integrated solution to customers, which includes both window and window actuator. In 2019, revenue from joint developments based on WindowMaster's technology adapted to OEM's solutions assembled in Herford constituted approx. 20% of total revenue.

6.5.2 Contracting partners

In line with WindowMaster's strategic shift from contractor to manufacturer, contracting partners has become an increasingly interesting customer group. Through close collaboration with this customer group, which primarily consists of electrical installers and BMS integrators, WindowMaster can facilitate the use of own products and solutions without being involved in the installation or integration of the delivered solution.

As part of the strategic shift in business model, WindowMaster has invested substantial resources in education of contracting and distribution partners in order to facilitate the use WindowMaster's solutions across the market. Due to the increasing importance of external partners, WindowMaster has established the WindowMaster Academy in order to streamline training of external partners.

6.5.3 Distribution partners

WindowMaster collaborates with two primary groups of distribution partners:

- **Partners in markets where WindowMaster is present with own established sales subsidiary:** These partners hold stock and sell WindowMaster products to smaller customers. Currently, WindowMaster are present with own sales subsidiary in Germany, US, UK, Ireland, Norway, Switzerland, and Denmark.
- **Distributors in markets where WindowMaster would otherwise not be present:** WindowMaster has external distribution partners in Australia, Austria, Belgium, China, France, Holland, Iceland, New Zealand, Russia, Turkey, Poland, and Sweden.



As a manufacturer, WindowMaster interacts with all stakeholders throughout the construction value chain





THE TOWER AT PNC PLAZA, PITTSBURGH, USA – WINDOWMASTER PROVIDED NATURAL VENTILATION

WindowMaster has delivered more than 6,300 actuators to control 700 parallel windows in the outer double skin façade and 1,450 automated air vents in the inner façade.

7. Sustainable solutions

7.1 WINDOWMASTER'S SOLUTIONS

WindowMaster operates within three primary business areas:

- **Natural ventilation:** Natural ventilation solutions are activated based on temperature level, humidity level, and CO₂ level in a given room. In short, the system regulates a building's indoor climate by exploiting the natural forces created by temperature differences between the interior and the exterior environment, thermal displacement within the building, and winds around the building.
- **Mixed mode ventilation:** Mixed mode ventilation is a combination of natural and mechanical ventilation. In this setup, a balanced use of natural and mechanical ventilation occurs so that mechanical ventilation takes over when required by external conditions or when needed in specific areas of the building. In this context, WindowMaster supplies a natural ventilation solution that can be integrated with any mechanical ventilation product or building management system.
- **Heat and smoke ventilation:** Heat and smoke ventilation removes smoke and heat from a burning building and keeps escape routes and fire service access areas free of smoke.

Illustration of natural ventilation air flow



7.2. MARKET LEADER IN GROWING MARKET

The general underlying market for window automation is predicted to grow by a CAGR of 8% in the period from 2016-2024²¹. However, as described in the industry overview, WindowMaster is a clear market leader within natural ventilation solutions. Currently, this market only constitutes approx. 1-2% of the total market for comfort ventilation. However, as natural ventilation solutions are very much in line with the current mega trends of sustainability, CO₂-neutrality and the evolution of smart buildings, the Management Team expects the market for natural ventilation

21. Global Market Insights. (2016). *Window Automation Market Size, Industry Analysis Report, Regional Outlook (U.S., Germany, UK, Italy, Russia, China, India, Japan, South Korea, Brazil, Mexico, Saudi Arabia, UAE, South Africa), Application Opportunities, Growth Potential, Competitive Market Growth & Forecast, 2016 – 2024*. USA : Global Market Insights.

to constitute a rapidly growing part of the comfort ventilation market in the future. Gradually more corporations will increase focus on their own carbon footprint, and with a market share of approx. 80% in the market for natural ventilation even minor shifts in the relationship between mechanical ventilation and natural ventilation can provide substantial potential for growth for WindowMaster.

7.3 LEADING PROVIDER OF CLEANTECH IOT SOLUTIONS

Since 2015, WindowMaster has invested heavily in product development in order to achieve the technological advancements required to launch the company's first IoT solution. With the launch of NV Embedded® in 2019, WindowMaster has established a position as the clear technological leader within natural ventilation solutions.

7.3.1 NV Embedded®

In short, NV Embedded® represents the next generation of natural ventilation solutions as it allows for a new level of interaction between the building occupant and the NV solution through the use of a cloud-based app interface, which also allows for remote access and control.

NV Embedded® is fully compatible with existing BMS, which means that it can either be integrated with the existing BMS or take full ownership of the building and exist as a stand-alone solution. In addition, NV Embedded® is a fully BMS agnostic solution, meaning that the product is not limited to any specific BMS supplier, but can be compatible with any BMS supplier or system.

- **NV Embedded® as a stand-alone cloud solution:** As a stand-alone solution NV Embedded® can control the entire indoor climate in the building e.g. natural, mixed mode, and mechanical ventilation, as well as heating and solar shading. This setup enables data logging in the cloud.

- **NV Embedded® as a BMS compliant solution:** Depending on configuration, NV Embedded® can interface or fully integrate with BMS. In this setup, NV Embedded® can control the same functions as described above. Alternatively, the BMS can control ventilation schedules and control to which extent that the functionality of NV Embedded® is employed. Environmental data can be supplied either by existing sensors from the BMS or through sensors supplied by WindowMaster. In this setup, data logging can be done in the cloud or by the BMS.

With the launch of NV Embedded®, WindowMaster can provide customers with the next generation of natural ventilation solutions and has thus at the same time taken a monumental step ahead of competition within this market.

Historically, WindowMaster has offered several different natural ventilation solutions dependent on building specifications, the covered area, and desired level of control. However, with the introduction of NV Embedded® WindowMaster can now offer a more universal natural ventilation solution, which is able to cover everything from a single zone setup to a large-scale setup in large properties.

Furthermore, WindowMaster's introduction of NV Embedded® paves the way for proactive ventilation solutions. In the future, the IoT platform that forms the basis for NV Embedded® could allow for e.g. factoring in weather forecasts, the amount of people expected to be in a given meeting room etc. With continuous enhancements and development of increasingly intelligent solutions, it will be possible to ventilate proactively, instead of reactively. With the introduction of NV Embedded®, WindowMaster has established a strong position as frontrunner for this development.



7.3.2 Mixed mode ventilation

Due to the open nature of NV Embedded®, WindowMaster can provide customers with mixed mode ventilation solutions. In practice, WindowMaster's natural ventilation solution can be integrated with any kind of existing mechanical ventilation. In this setup, the solution provided by WindowMaster can take control of the mechanical ventilation and thus take full responsibility for maintaining an optimal indoor climate. This will ensure a balanced use of natural and mechanical ventilation in the sense that mechanical ventilation takes over when required by external conditions, or when needed in specific areas of the building.

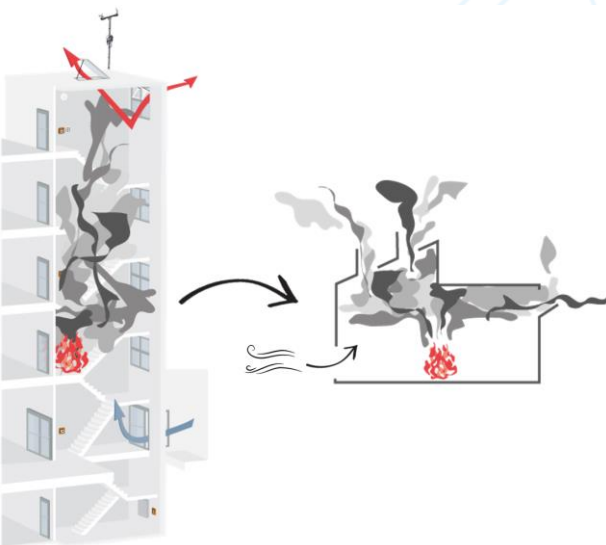
Through potential strategic partnerships with providers of mechanical ventilation solutions, WindowMaster expects to capitalize on being able to provide a bundled solution for customers.

7.4 HEAT AND SMOKE VENTILATION

The idea behind heat and smoke ventilation is to remove smoke and heat from a burning building and keep escape routes and fire service access areas free of smoke. As the majority of fire related fatalities occur due to smoke inhalation, it is crucial to remove smoke as quickly and efficiently as possible in order for occupants to escape and fire service personnel to gain control of the fire.

Heat and smoke ventilation utilizes thermal buoyancy to direct smoke out of the building through roof windows or windows placed in the uppermost part of the façade, while opening of windows placed in the lower part of the building ensures inflow of fresh air.

Illustration of heat and smoke ventilation



WindowMaster has a long operational track record within heat and smoke ventilation and delivers tailor-made solutions suitable for any customer needs – regardless of whether this is in relation to planning for heat and smoke ventilation in a new building or adding the solution to an existing structure. With long-term experience within the field, WindowMaster guarantees that all provided solutions meet current regulatory requirements and continuous to do so following installation.

In order to operate within the heat and smoke market, a given solution provider must obtain approval from authorities to sell the given products. Such approval is obtained through the European Committee for Standardization (CEN). CEN sets out and continuously updates requirements for the companies to follow. The two most relevant certifications are described below:

The EN 12101-2 test provides specific requirements and gives test methods for natural smoke and heat exhaust ventilators, which are intended to be installed as a component in a natural smoke and heat exhaust system. To comply with Construction Products Regulations, AOV (automatic opening vent) systems must be CE marked against this standard.

EN12101-10 specifies requirements and gives test methods for primary and secondary electrical and pneumatic power supply equipment, designed for use in smoke and heat control systems in buildings.

The investment and knowledge needed to obtain the abovementioned certifications are high, serving as an entry barrier for potential entrant companies interested in the industry.

Example of smoke control panel from WindowMaster



With a wide portfolio of EN approved window actuators, WindowMaster can provide heat and smoke ventilation solutions suitable for almost any type of building and project setup. Similarly, WindowMaster can provide the smoke control panel suitable for any heat and smoke ventilation setup, which ultimately provides a high degree of flexibility in the heat and smoke ventilation solutions that WindowMaster can offer to clients.

As one of the key players within the industry, WindowMaster also plays a role in streamlining regulation within the field. Among other things, WindowMaster is involved in different working groups under CEN with the purpose of making regulation clear to everyone in the industry.

WindowMaster has in close collaboration with partners invested heavily in EN tests with the purpose of gaining additional market share in the future.

As the primary driver behind the market for heat and smoke ventilation is regulation, this specific business area must be considered less cyclical than WindowMaster's other business areas. As a result, WindowMaster's heat and smoke business functions as a stable supplement to the natural ventilation business, which to a larger extent is driven by mega trends such as sustainability.

7.5 PRODUCT SYNERGIES

Due to the substantial overlap in core technological elements and mechanical components, WindowMaster's heat and smoke solutions can function as natural ventilation solutions on a daily basis, while functioning as a heat and smoke solution when needed in emergency situations.

This overlap between WindowMaster's two primary offerings creates added value for both WindowMaster and its customers. For customers, it provides an incentive to expand an acquired heat and smoke solution, which they are required to have by regulation, to a complete natural ventilation solution – a decision that not only provides additional cost savings, but also a greener and more sustainable indoor climate solution. For WindowMaster, the connection between the two offerings provides synergies both with regards to the competencies (i.e. technology, hardware etc.) required to succeed in each market, but also in relation to additional revenue generation from existing customers.

7.6 PRODUCT DEVELOPMENT

Product development continues to be at the forefront in WindowMaster. In addition to the development of the company's first IoT solution, NV Embedded®, WindowMaster continues to improve the functionality and user experience related to the hardware that forms the basis for the market leading natural ventilation solutions offered to customers around the world.

7.6.1 MotorLink® technology

With the MotorLink® technology, WindowMaster has achieved a new level of precision control of window actuators. With efficient two-way communication between actuator and motor controller, the exact position of every window in the building is used to ensure the optimal indoor climate regardless of weather conditions. Among other things, continuous communication between window actuators and controller ensures complete synchrony between actuators, which ultimately results in optimal operations and minimal stress to the window.

7.6.2 TrueSpeed™

In combination with the MotorLink® technology, WindowMaster also offers TrueSpeed™. This technology offers the possibility for users to select completely silent operation of window actuators for minimum disturbance to building occupants.

By using TrueSpeed™, the window actuator is slowed down to one millimeter per second for completely soundless operation. Thus, WindowMaster is able to efficiently control the indoor climate without building occupants noticing the complex processes that forms the basis for the comfortable indoor climate in the building.



The majority of fire related fatalities occur due to suffocation from smoke inhalation.

WindowMaster's heat and smoke ventilation solution can prolong the period of time that building occupants need to exit a burning building - additional time which can be the difference between life and death.

7.6.3 A complete portfolio of window actuators

Since the change in ownership in 2015, the frequency of new product introductions has been doubled. Since 2017, WindowMaster has introduced more than 10 new actuators with primary focus on the smaller actuators targeted at façade windows. With these latest additions of smaller actuators, WindowMaster can offer a complete portfolio of window actuators, which ultimately provides an increased level of flexibility in the ventilation solutions that WindowMaster can provide for customers. One of the primary drivers behind the increased frequency of product introductions is the 50% reduction in product development time, which has been achieved over the past 3 years. In 2019, approx. 15% of total revenue was generated from new products²².

Provided here are three examples of WindowMaster actuators. The size and nature of the window actuators vary with the intended use, where smaller actuators are primarily used for façade windows, and larger actuators are used for large and heavy windows e.g. roof light windows.

Small chain actuator



Medium chain actuator



Large chain actuator



22. Products that have been in the market for less than 5 years.

8. Financial status as of H1 2020

8.1 COVID-19 IMPACT

As is the case for companies across the world, H1 2020 was for WindowMaster affected by the COVID-19 pandemic, where especially Q2 was characterized by both private and public shutdowns and restrictions in international business travel.

8.1.1 Revenue

Revenue for H1 2020 amounted to DKKm 88.2, which constitutes a reduction of DKKm 8.5 compared to H1 2019. This reduction in revenue is directly linked to the global COVID-19 situation as some of WindowMaster's primary markets have experienced substantial spread of the virus and consequently long-term shutdowns of society. In Denmark, the reduction in revenue can primarily be attributed to postponements of projects due to COVID-19. By far, the largest contributor to the reduction in revenue is the UK market, which has been strongly affected by severe shutdowns from April to June. Other WindowMaster markets such as Germany has shown strong performance throughout COVID-19.

However, when looking at June to August, activity has picked up with order backlog indicating that activity for H2 2020 will be back on level with H2 2019 with Q4 looking particularly strong.

8.1.2 Operational costs

WindowMaster has executed on several initiatives to reduce the cost base. Most initiatives were initiated during Q2, but will partly be in effect from Q3 2020 and in full effect by Q4 2020.

Increased focus on digitalization of lead generation, improvements to the web page, and a more digital sales process will facilitate a reduction in marketing expenses and travel costs in the future. In addition, headcount reductions have been implemented regarding both back and front office staff. The financial effect of these initiatives is displayed in section 9. Regarding cash flow, WindowMaster has achieved an improved cash position despite the lower EBITDA with less utilization of the credit facility with around DKKm 4.0. This is due to better debt collection, lower purchase activity, and lower investments.

8.1.3 Looking ahead

As described, revenue for H2 2020 is expected to be almost at level with H2 2019, while the implemented cost reductions will provide increased profitability compared to H2 last year. Historically, H2 is significantly more profitable than H1, which was clearly illustrated in 2019, where H1 EBITDA constituted DKKm 4.3 out of the full-year EBITDA of DKKm 14.5. This same seasonality is expected in 2020 with a full year EBITDA estimate of DKKm 11.9 for 2020. A budget for 2020 and expectations for 2021 are described in section 9.

Overall, WindowMaster has seen a reduction in revenue in H1 2020 but has managed to successfully navigate through the corona crisis, and is in a strong position to capitalize on the expected normalization in the activity level in H2 2020.

Consolidated profit and loss statement H1 2020 - WindowMaster International A/S (unaudited)

DKK	H1 2020	H1 2019
Revenue	88,152,810	96,727,272
Cost of sales	-35,954,972	-39,548,945
Gross profit	52,197,838	57,178,327
Staff cost	-34,473,911	-33,987,158
Other external costs	-17,503,582	-18,916,121
Earnings before interest, tax, depreciation and amortization (EBITDA)	220,345	4,275,048
Depreciation, amortisation and impairment losses	-4,460,938	-5,094,947
Operation profit/loss (EBIT)	-4,240,593	-819,899
Other financial income	41,184	150,837
Other financial expenses	-1,251,532	-1,111,741
Profit/loss before tax	-5,450,941	-1,780,803
Tax on profit/loss for the year	1,029,720	17,686
Profit/loss for the year	-4,421,221	-1,763,117

9. Expectations for the future

9.1 CAPITALIZING ON WELL-ESTABLISHED PLATFORM

Since the change in ownership in 2015, WindowMaster has executed a clear strategic shift from contractor to manufacturer. WindowMaster has invested heavily in product development and IT. These investments have contributed to establishing WindowMaster's position as a clear market leader within natural ventilation solutions and have facilitated the shift from contractor to manufacturer.

The financial year of 2019 represents a milestone in this journey as WindowMaster has managed to establish a sustainable platform that, together with the operational streamlining initiated in Q2 2020, is expected to provide a strong increase in profitability in the coming years.

9.1.1 Full year 2020 estimate

Clearly, H1 2020 has been unexpectedly challenging due to COVID-19, but as activity has steadily returned since the beginning of Q3, WindowMaster's outlook for H2 2020 remains positive, where Q3 and Q4 are expected to reach levels close to H2 2019. Furthermore, due to the cost saving initiatives described in section 8 of this Company Description, increased profitability is expected in H2 2020, when compared to the same period last year. The budgeted full year numbers for 2020 are presented on the following page. Due to the increased profitability level in H2, WindowMaster expects to achieve an EBITDA of DKKm 13.5 (when adjusted for non-recurring items) in 2020, which corresponds to an EBITDA margin of 7.2% - the same as in 2019.

In short, the mentioned streamlining of the operational setup together with an already identifiable increasing activity level, WindowMaster expects a solid H2 2020, which is expected to amount to a total revenue of DKKm 187.7 and an EBITDA of DKKm 11.9 for 2020 (DKKm 13.5 when adjusted for non-recurring items).

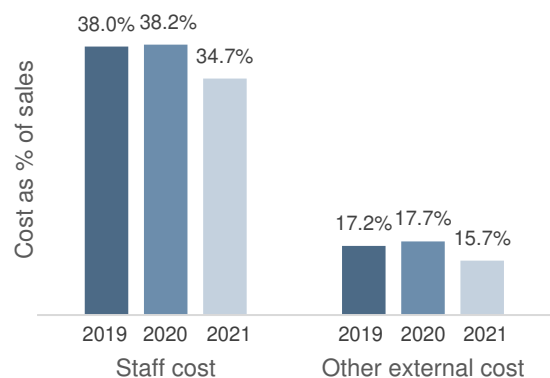
9.1.2 Expectations for 2021

The 2021 expectations include further normalization in revenue, which is expected to reach DKKm 210. In addition, the full-year effects of the cost savings initiated in Q2 have been included. To explain the development in the cost base from 2019 to 2021, a normalized 2020 estimate has been included (see next page) to illustrate the full year effect of the cost savings that will be effectuated by Q4 2020.

By comparing FY2019 and the 2020 budget with the normalized 2020 budget, the effects of the mentioned cost reductions become evident. Here, the primary driver behind the increase in EBITDA margin can be identified as staff costs, which decreases from DKKm 76.7 in 2019 to DKKm 71.8 for 2020B and DKKm 70.2 in the normalized 2020 budget.

For 2021, the cost base presented in the normalized 2020 budget has been carried forward and adjusted to the higher activity level, which results in a strong increase in profitability and an expected EBITDA of DKKm 27.0. Staff costs and other external costs as a share of revenue from 2019-2021 has been illustrated below to explain this increasing profitability level. For 2021, WindowMaster expects to achieve an EBITDA margin of 12.9%. The Company has thus managed to establish a sustainable platform that forms an attractive foundation for the years to come.

Development in cost level 2019-2021



*adjusted for non-recurring items

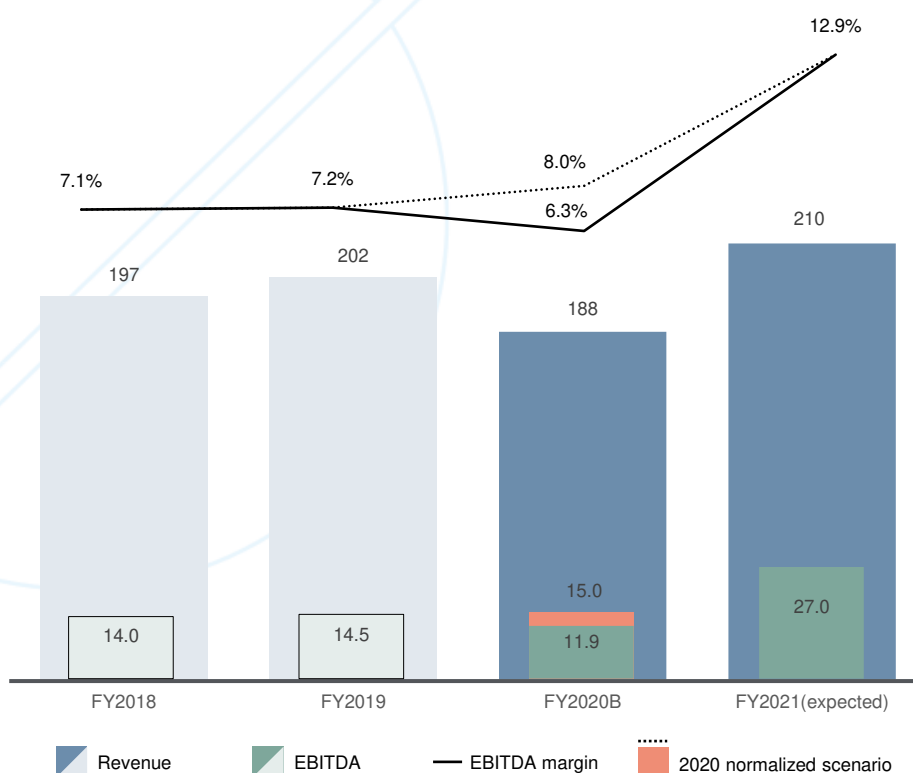
Financial forecast 2020-2021 - WindowMaster International A/S

DKK	2019	2020B	2020N*	2021(expected)
Revenue	201,620,000	187,730,000	187,730,000	210,000,000
Cost of sales	-75,644,000	-70,784,000	-70,784,000	-77,226,000
Gross profit	125,976,000	116,946,000	116,946,000	132,774,000
Staff cost	-76,681,000	-71,796,000	-70,196,000	-72,863,000
Other external costs	-34,736,000	-33,240,000	-31,712,000	-32,909,000
EBITDA	14,559,000	11,910,000**	15,038,000	27,002,000
Depreciation, amortisation and impairment losses	-9,668,000	-8,913,000	-8,913,000	-9,759,000
Operation profit/loss (EBIT)	4,891,000	2,997,000	6,125,000	17,243,000
Other financial income	0	0	0	0
Other financial expenses	-2,716,000	-2,509,000	-2,509,000	-2,000,000
Profit/loss before tax	2,175,000	488,000	3,616,000	15,243,000
Tax on profit/loss for the year	-1,767,000	-171,000	-976,000	-4,573,000
Profit/loss for the year	408,000	317,000	2,640,000	10,670,000
<i>EBITDA margin %</i>	<i>7.22%</i>	<i>6.34%**</i>	<i>8.01%</i>	<i>12.86%</i>

* Normalized result for 2020 based on the full-year effect of cost reduction in staff cost and other external cost

** Includes DKKm 1.6 in non-recurring costs

Financial forecast (2020-2021)



9.2 UPSIDE POTENTIAL

The financial forecast presented in section 9.1 should be considered as the Management Team's base case estimates, which are based on the current market situation and the existing state of the global environment that WindowMaster operates in. WindowMaster's long operational track record provides solid documentation for the Company's capabilities to achieve this level of financial results. The forecast provided is thus a reflection of a strong continuation of WindowMaster's strong historical performance and long-term operational track record. This strong track record together with the operational streamlining that has been executed in Q2 2020 means that WindowMaster has established a strong and highly profitable platform for the future.

The revenue forecast presented in section 9.1 does not account for the non-quantifiable upsides that might come from the launch of NV Embedded®, the product additions to the actuator portfolio, and WindowMaster's leading position in the market for natural ventilation, which potentially stands to undergo a rapid development in the coming years.

Considering the described mega trends of increased focus on climate change, operational sustainability, and the technological development supporting the smart building market, there are many indications that things are rapidly changing and that WindowMaster's market conditions stand to be strongly affected by these changes that are currently just starting to kick in.

The extent and timing of market effects derived from these mega trends remain uncertain. However, WindowMaster's Management Team is convinced that these factors will drive global markets in the coming years, and thus provide additional upside potential for WindowMaster.

As the leading provider of intelligent natural and mixed mode ventilation solutions, WindowMaster can offer the most sustainable ventilation solutions available in the market. The Company is thus in a very strong position to capitalize on the continuous development in these trends.

10. Corporate governance

10.1 BOARD OF DIRECTORS

WindowMaster's Board of Directors currently consists of 5 board members, including the Chairman. The primary objective of the Board of Directors is to supervise the work of the Executive Management and the direction of the overall strategy. The Executive Management Team is responsible for planning, leading and controlling the day-to-day operations of the Company.

All Board members are elected for a term of one year at the Annual General Meeting and may be re-elected. The Board of Directors elects a Chairman and can elect a Vice Chairman if deemed necessary. In case of parity of votes, the Chairman has the casting vote. The business address for the current members of the Board of Directors is Skelstedet 13, 2950 Vedbæk, Denmark.

Overview of Board of Directors and independency assessment before the Offering

Name	Position	Board member since	Independency assessment	Shares	Warrants
Lars Fournais	Chairman	2015	Independent	0	0
Michael Gaarmann	Vice Chairman	2015	Not independent*	0	0
Leif Jensen	Board Member	2015	Independent	0	0
Erik Boyter	Board Member	2015	Not independent**	9,936,000	0
Mette Søs Lassen	Board Member	2020	Independent	0	0

* Besides the position as Vice Chairman of the Board, Michael Gaarmann is partner and owner at Lundgrens Advokatpartnerselskab, which serves as WindowMaster's general legal council as well as legal adviser on the Offering. As a consequence, Michael Gaarmann cannot be considered independent of the Company and its management.

** Erik Boyter is part of the Executive Management team through his function as CEO in WindowMaster International A/S. Furthermore, Erik Boyter is the major shareholder in WMa Holding ApS and is thus the ultimate owner of WindowMaster International A/S. As a consequence, Erik Boyter cannot be considered independent from neither Executive Management nor the Company's Major Shareholder.

Description of the Board of Directors



Lars Fournais, Chairman

Profession: Professional board member

Experience: Lars Fournais is an experienced professional with a range of senior level positions in companies supplying the construction industry. Further, he served as CEO of Saint-Gobain Distribution Denmark (2010-2014), CEO of Brødrene Dahl A/S (2008-2010) and has a long career within Grundfos behind him (1999-2008).

Other key positions: Chairman of the Board of Directors at AGF Fodbold, QARS, and APROMAS. Member of the Board of Directors at Danske Invest, OK a.m.b.a., and Port of Aarhus.



Michael Gaarmann, Vice Chairman

Profession: Attorney at law

Experience: Michael Gaarmann is an experienced lawyer specialized in M&A, corporate governance and corporate law. He has worked with both national and international clients, advising and providing counseling for clients in the bank sector regarding reconstructions.

Other key positions: Chairman of the Board of Directors at AVN Gruppen A/S, Capto A/S and Les Deux ApS. Member of the Board of Directors at Ticra Fond, APC Forsikringsmæglerne A/S. Besides, Michael Gaarmann is partner and owner of Lundgrens Advokatpartnerselskab



Leif Jensen, Board member

Profession: Professional board member

Experience: Leif Jensen has his professional experience from a broad array of industries serving on the Board of Directors and in Executive positions typically with international reach. He is the former CEO of VKR Holding A/S (2001-11) and Managing Director of the VELUX Foundations (1996-2000), and prior to that he served as Economic Policy Advisor to the Prime Minister of Denmark (1990-96)

Other key positions: Chairman of the Board of Directors at Tajco Group A/S and Strømberg Holding A/S, Deputy Chairman at Hempel Foundation, and Member of the Board of Directors at Hempel A/S.



Mette Søs Lassen, Board member

Profession: Market Director and member of senior executive team at Rambøll

Experience: Mette Søs Lassen has been with the Danish consulting engineering company, Rambøll, for more than a decade. Working both nationally and internationally with business and market development. During the recent years of her career, Mette Søs Lassen has headed strategy, business planning and market development for the Rambøll's largest business unit.

Description of the Board of Directors



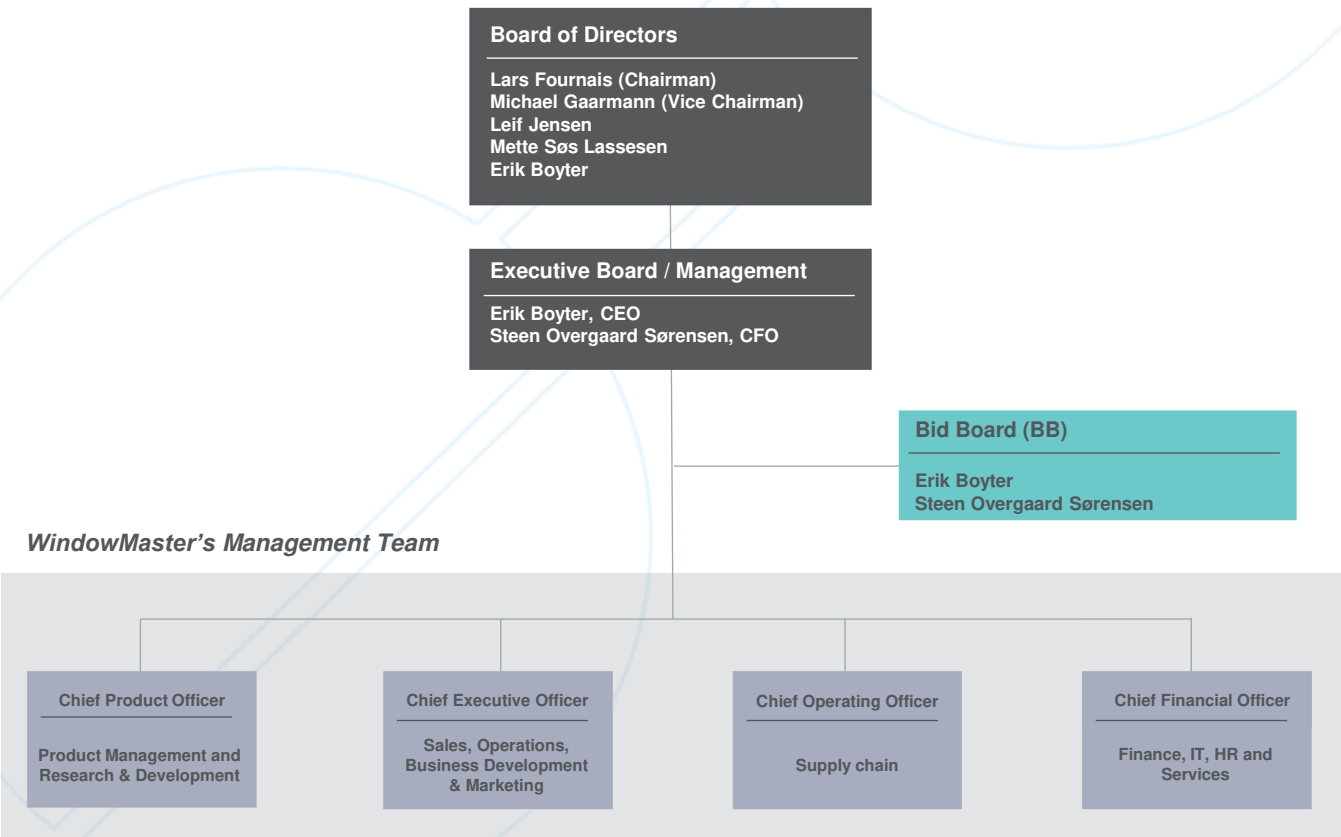
Erik Boyter, Board member

Profession: CEO of WindowMaster International A/S since 2015

Experience: Erik Boyter has more than 20 years of professional experience from executive management positions and is an experienced professional within sales and marketing. Erik has served as COO of Pressalit Holding A/S for more than 10 years (1998-2008) and also has a background in private equity. Recent positions include member of the Board of Directors at Pressalit, Johannes Fog A/S, SKANDI-BO A/S.

Other key positions: Member of the Board of Directors at DI Byg

Overview of Executive Management and the Management team at WindowMaster International A/S



Penneo dokumentnøgle: ON80E-JEJFY-5JBO2-3P6BH-4NO8-3JO4Q

Description of the Executive Management Team



Erik Boyter, CEO

Profession: CEO of WindowMaster International A/S since 2015

Experience: Erik Boyter has more than 20 years of professional experience from executive management positions and is an experienced professional within sales and marketing. Erik has served as COO of Pressalit Holding A/S for more than 10 years (1998-2008) and also has a background in private equity.

Other key positions: Member of the Board of Directors at DI Byg

Education: BSc in Business administration from Aarhus University. Executive programs in M&A (2003), and Private equity (2008) from London Business School. Global executive MBA in management from IESE Business school (2004-2005). Executive program from Singularity University (2017)



Steen Overgaard Sørensen, CFO

Profession: CFO of WindowMaster International A/S since 2016

Experience: Steen Overgaard Sørensen has a strong financial background and versatile industry knowledge. Additionally, he has experience with production from some of his former positions, these includes international companies such as Foss (1998-2000), Rockwool International (2000-2007), and most recently Steen held the position as Finance Director of the Rockwool subsidiary Rockfon (2007-2016)

Education: MSc in Economics and Business from Aarhus University. Holds an Executive Degree from IMD Business School.

10.2. EXECUTIVE MANAGEMENT TEAM

WindowMaster's Executive Management Team consists of CEO, Erik Boyter, and CFO, Steen Overgaard Sørensen. The Executive Management Team is responsible for the daily operations of WindowMaster International. Both members of the Executive Management team are shareholders in WindowMaster's Majority Shareholder WMa Holding ApS.

In addition to the position as CEO, Erik Boyter manages WindowMaster's Sales and Operations function, while also overseeing WindowMaster's product management, Business Development and Marketing and R&D functions.

The Finance, Supply Chain and Production, IT, HR and Services business units are overseen and managed by CFO, Steen Overgaard Sørensen. Steen also serves on the company's Bid Board and as part of Executive Management.

10.2.1 Bid board

WindowMaster has established an internal Bid Board, which primarily functions as an approval committee for requests from subsidiaries regarding deviations from general corporate guidelines. An example of such request could be to allow a subsidiary to deviate from the corporate pricing guidelines. CEO, Erik Boyter and CFO, Steen Overgaard Sørensen serve on WindowMaster's Bid Board.

10.3 BOARD PRACTICES AND GOVERNANCE

WindowMaster has well-established processes for corporate governance and internal control. As part of the Company's governance structure, the Board of Directors has compiled detailed management instructions for the Executive Management Team clearly stating the distribution of responsibilities between the Executive Management Team and the Board of Directors, the internal division of responsibilities in the Executive Management Team, and the obligations of both Board of Directors and the Executive Management Team respectively.

The Board of Directors hold the ultimate responsibility for the Company and the supervision of the Executive Management. The articles of association states that the Board of Directors are elected by the Company's shareholders at the annual general meeting. Board members are elected for one-year terms. The Board of Directors are responsible for employing 1 to 3 executives.

The Board of Directors can make decisions when at least half of the board members are represented. The outcome of a given subject is determined based on majority of votes.

In addition to the annual general meeting, the Board of Directors gather quarterly for board meetings to review and discuss key areas regarding the Company's operations. Every board meeting is structured by a standard agenda under four general topics; (i) Finance, (ii) Strategy and Operations, (iii) Organization and employees, and (iv) Special Topics. Among other things, the meetings result in an assessment of potential risks going forward. Furthermore, the Board of Directors continuously evaluate e.g. own work and dynamics in the Board, the interaction with the Executive Management Team, and the performance of the Chairman of the Board.

10.3.1 Statement on past records

For the previous five years, none of the members of the Board of Directors and the Executive and Management Team have been;

- convicted of fraudulent offences
- been involved in any official public incrimination and/or sanction, or
- been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company

In addition, none of the members of the Board of Directors and the Executive Management team have served as officer in a company that has entered into bankruptcy, receivership or liquidation – except for the specific situations provided in the following:

Erik Boyter

I) Berkshire Boyter Property ApS (Dissolved by voluntary solvent liquidation, Director and ultimate owner, 26 June 2020)

Michael Gaarmann

- I) KOMPLEMENTARSELSKABET ASSCHENFELDT, GROSSER PLAN, CELLE ApS (Compulsory dissolution, Owner of 10-15% of the company, 21 June 2017)
- II) N2MO A/S (dissolved by voluntary solvent liquidation, member of the board, 23 May 2018)

Leif Jensen

- i) Strømberg Capital A/S (Dissolved by voluntary solvent liquidation, Chairman, 17 September 2019)
- ii) Selskabet af 23. Juli 2019 A/S (In bankruptcy following filing of own bankruptcy petition, Chairman, 23 July 2019)
- iii) Phibe A/S (Dissolved by fusion with other company, Chairman, 8 December 2017)

10.3.2 Other positions for the Board of Directors

An overview of other current and previous positions (within the last five years) held by WindowMaster's Board members has been provided in the following:

Michael Gaarmann

Current management positions

- SCOOTER ApS (since 11 January 2017)
- ADVOKATANPARTSSELSKABET MICHAEL GAARMANN (since 12 December 2014)

Management positions in the past five years

- MCS INVEST FOND 1 HOLDING ApS (From 15 December 2014 to 24 April 2017)

Current Board seats

- AVN Gruppen A/S (Chairman since 16 September 2019)
- HK KONCEPT OG PRODUKT ApS (Board member since 3 July 2019)
- KF MILJØ ApS (Chairman since 6 May 2019)
- World fairs ApS (Board member since 5 April 2019)
- Leschly Tennis Foundation (Board member since 26 March 2019)

- ABOUT VINTAGE ApS (Board member since 16 January 2019)
- APC HoldCo ApS (Board member since 7 June 2018)
- TICRA FOND (Board member since 22 May 2018)
- OMER A CONSULTING P/S (Chairman since 9 March 2018)
- MBXP ApS (Chairman since 12 September 2017)
- Sigma Investments ApS (Chairman since 30 May 2017)
- Birch 1946 ApS (Board member since 13 January 2017)
- WindowMaster A/S (Chairman since 15 December 2016)
- APC Forsikringsmægler A/S (Chairman since 1 May 2020)
- LETO LEASING P/S (Chairman since 13 April 2016)
- PER FALHOLT GLOBAL R&D ADVISORY SERVICE A/S (Chairman since 13 April 2016)
- Berkshire Boyter Holding ApS (Chairman since 15 December 2015)
- WindowMaster International A/S (Board member since 16 June 2020, Chairman from 6 February 2015 to 16 June 2020)
- AVN HYDRAULIK A/S (Board member since 5 September 2013)
- AVN PLADETEKNIK A/S (Board member since 5 September 2013)
- AVN TEKNIK A/S (Board member since 5 September 2013)
- CAPTO A/S (Chairman since 27 February 2013)
- LES DEUX ApS (Chairman since 5 October 2013)
- NETWORKCOMMUNICATION A/S (Chairman since 13 September 2007)

Board seats in the past five years

- COBBLESTONE ASSET MANAGEMENT A/S (Chairman from 29 June 2009 to 18 December 2019)
- BB HYDRAULIK SERIVCE A/S (Board member from 6 February to 20 November 2019)
- AVN GRUPPEN A/S (Board member from 5 September 2013 to 15 September 2019)
- ABOUT VINTAGE ApS (Chairman from 1 June 2017 to 15 January 2019)
- DMA INTERNATIONAL ApS (Chairman from 2 September 2014 to 30 August 2018)
- DiningSix A/S (Chairman from 18 December 2017 to 15 June 2018)
- LAIGAARD & PARTNERS A/S (Chairman from 14 November 2003 to 1 April 2018)
- OMER A CONSULTING P/S (Chairman from 30 January 2012 to 28 February 2018)
- MØLBRO A/S (Chairman from 30 May 2017 to 15 November 2017)
- Little John ApS (Board member from 5 April 2017 to 13 June 2017)
- K/S ASSCHENFELDT, GROSSER PLAN, CELLE (Board member from 30 April 2014 to 11 May 2017)

- N2MO A/S (Board member from 27 November 2014 to 1 May 2017)
- MCS INVEST MANAGEMENT ApS (Chairman from 25 March 2014 to 24 April 2017)
- BYR GRUPPEN A/S (Board Member from 31 August 2015 to 2 December 2016)
- Earlbrook Management A/S (Board Member from 31 May 2007 to 2 June 2016)
- ag analytics A/S (Board Member from 26 January 2016 to 13 April 2016)
- Berkshire Boyter Holding ApS (Board Member from 13 November 2014 to 15 December 2015)
- EMJ-ATCON GREENLAND A/S (Chairman from 31 January 2003 to 24 April 2015)
- WindowMaster International A/S (Board member from 5 February 2015 to 6 February 2015)

Lars Fournais

Current Board seats

- Ejendomsselskabet Bellevue A/S (Board member since 2 March 2017)
- QARS Fælles Service ApS (Chairman since 6 February 2017)
- Apromas ApS (Chairman since 4 March 2016)
- QLA Group A/S (Chairman since 22 June 2015)
- WindowMaster International A/S (Chairman since 16 June 2020, Board member since 20 February 2015)
- AP INVEST KAPITALFORENING (Board member since 10 February 2015)
- Investeringsforeningen Danske Invest Index (Board Member since 7 January 2015)
- AGF A/S (Chairman since 26 October 2012)
- OK A.M.B.A. (Board member since 25 October 2012)
- INVESTERINGSFORENINGEN PROFIL INVEST (Board member since 21 April 2004)
- INVESTERINGSFORENINGEN DANSKE INVEST (Board member since 21 April 2004)
- INVESTERINGSFORENINGEN DANSKE INVEST SELECT (Board member since 21 April 2004)

Board seats in the past five years

- STIBO A/S (Board member from 24 September 2008 to 21 June 2019)
- STIBO EJENDOMME A/S (Chairman from 28 April 2017 to 5 October 2017)
- STIBO HOLDING A/S (Board member from 23 April 2014 to 5 October 2017)
- JBH Gruppen A/S (Board member from 5 May 2015 to 3 May 2017)
- STIBO EJENDOMME A/S (Board member from 12 November 2010 to 27 April 2017)

Leif Jensen

Current management positions

- Fall Invest ApS (since 15 June 2017)
- FIEL Holding ApS (since 6 June 2017)
- 2XL2016 ApS (since 21 July 2016)

Management positions in the past five years

- ASNET BOARD S.M.B.A. (from 2 January 2013 to 1 July 2015)

Current Board seats

- DEN SELVEJENDE INSTITUTION FREDENSBORGHUSENE (Board Member since 07 November 2019)
- TAJCO A/S (Chairman since 25 May 2018)
- TAJCO GROUP A/S (Chairman since 25 May 2018)
- HEMPEL FONDEN (Vice Chairman Since 7 April 2015)
- HEMPEL INVEST A/S (Vice Chairman Since 7 April 2015)
- WindowMaster International A/S (Board member since 20 February 2015)
- STRØMBERG HOLDING A/S (Chairman, 13 May 2013)
- STRØMBERG EJENDOMME A/S (Chairman since 19 April 2013)
- HEMPEL A/S (Board Member since 29 March 2011)

Board seats in the past five years

- Nordic investment Company IVS (Board member from 1 June 2017 to 1 July 2020)
- Velux Stiftung (Board member from 1 October 2012 to 18 February 2020)
- STRØMBERG CAPITAL A/S (Chairman from 19 September 2013 to 15 August 2019)
- Selskabet af 23/7 2019 A/S (Chairman from 6 February 2017 to 23 July 2019)
- TAJCO A/S (Vice Chairman from 22 June 2016 to 24 May 2018)
- TAJCO GROUP A/S (Vice Chairman from 24 May 2016 to 24 May 2018)
- PHIBE A/S (Chairman from 15 December to 2016 to 08 December 2017)
- HEMPEL INVEST A/S (Board member from 29 January 2009 to 7 April 2015)
- HEMPEL FONDEN (Board member from 08 April 2005 to 07 April 2015)

Erik Boyter

Current management positions

- WindowMaster A/S (Since 15 December 2016)
- WindowMaster International A/S (CEO since 5 February 2015)
- SELSKABET AF 4. FEBRUAR 2015 ApS (since 2 February 2015)
- SELSKABET AF 5. FEBRUAR 2015 ApS (since 26 January 2015)
- Berkshire Boyter Holding ApS (since 31 January 2013)
- SELSKABET AF 8. JULI 2011 ApS (since 6 July 2011)

Management positions in the past five years

- BERKSHIRE BOYTER PROPERTY ApS (CEO from 4 January 2016 to 26 March 2019)
- BERKSHIRE BOYTER PROPERTY ApS (from 4 April 2001 to 3 January 2016)
- BERKSHIRE BOYTER HOLDING ApS (from 24 February 2003 to 15 December 2015)

Current Board seats

- WindowMaster A/S (Board member since 15 December 2016)
- Berkshire Boyter Holding ApS (Board member since 15 December 2015)
- WindowMaster International A/S (Board member since 5 February 2015)

Board seats in the past five years

- MCS INVEST MANAGEMENT ApS (Board member from 15 December 2014 to 24 April 2017)
- JOHANNES FOG A/S (Board member from 1 February 2010 to 30 November 2016)
- SKANDI-BO A/S (Board member from 2 October 2009 to 6 January 2016)
- BERKSHIRE BOYTER HOLDING ApS (Board member from 28 May 2012 to 15 December 2015)
- JOHANNES FOG HOLDING A/S (Board member from 1 February 2010 to 22 July 2015)

Mette Søs Lassen

Current management positions

- Rambøll (since 1 August 2008)

10.3.3 Authorization to issue warrants

The Board of Directors is authorized until August 1, 2025 to at one or more times issue a total number of warrants, equivalent to 10% of the Company's share capital as of the date the Company's shares are listed for trading on Nasdaq First North Growth Market Denmark to members of the Company's or a subsidiary's executive management, as well as key employees of the Company and its subsidiaries with the right to subscribe the same number of shares in the Company.

New shares issued upon exercise of the warrants must be paid up in full and must be negotiable instruments and be recorded in the name of the holders in the register of shareholders. The new shares will not be subject to any negotiability restrictions. The pre-emption rights of the existing shareholders will not apply to the issue of new shares. If any capital changes (capital increases, capital reductions, issuance of warrants and convertible loans, dissolution, mergers or demergers) are completed for WindowMaster, the number of warrants shall not be regulated, neither shall the subscription price be changed.

Following admission to trading of the Company's shares, the Board of Directors expects to issue 725,102 warrants to members of the Company's executive management, including CEO and Board Member Erik Koch Boyter (217,531 warrants) and CFO Steen Overgaard Sørensen (181,276 warrants), and certain key employees of the Company and its subsidiaries entitling the holders to subscribe for up to nominally DKK 725,102 new shares in the Company at a price of DKK 10.42 per share of DKK 1.

10.3.4 Authorizations for capital increases

The Board of Directors is authorized to increase the share capital of the Company by up to aggregately nominally DKK 2,399,232 in connection with the listing of the Company on Nasdaq First North Growth Market Denmark. The authorization is valid to August 1, 2025. Subscription of new shares can be made at market price against payment in cash without pre-emptive rights for the existing shareholders and by payment of the full subscription amount. There are no limitations in relation to the pre-emptive rights for the new shares at future capital increases. New shares shall be registered under the name of the shareholder and be recorded in the Company's shareholders' register. The shares shall be negotiable instruments and there are no limitations on the shares' negotiability. To the extent not exercised the authorisation lapses after the listing of the company on Nasdaq First North Growth Market Denmark.

Prior to the publication to this Company Description the Board of Directors has decided to exercise the abovementioned authorization to increase the Company's share capital by offer of the New Offer Shares pursuant to this Company Description.

The Board of Directors is authorized to increase the share capital of the Company one or more times by up to aggregately nominally DKK 400,000. The authorization is valid to 1 August 2025. Subscription of new shares can be made against payment in cash, by contribution in kind or conversion of debt at market price without pre-emptive rights for the existing shareholders and by payment of the full subscription amount. There are no limitations in relation to the pre-emptive rights for the new shares at future capital increases. New shares shall be registered under the name of the shareholder and be recorded in the Company's shareholders' register. The shares shall be negotiable instruments and there are no limitations on the shares' negotiability.

The Board of Directors is authorized to increase the share capital of the Company one or more times by up to aggregately nominally DKK 200,000. The authorization is valid to August 1, 2025. Subscription of new shares can be made against payment in cash, by contribution in kind or conversion of debt and possibly below market price with or without pre-emptive rights for the existing shareholders and by payment of the full subscription amount. There are no limitations in relation to the pre-emptive rights for the new shares at future capital increases. New shares shall be registered under the name of the shareholder and be recorded in the Company's shareholders' register. The shares shall be negotiable instruments and there are no limitations on the shares' negotiability.

10.3.5 Authorization to acquire shares

The Board of Directors is authorized to acquire shares in the Company against payment on behalf of the Company. The Company may one or more times acquire up to aggregately 10% of the Company's share capital in accordance with applicable rules against payment of not less than DKK 1 and not more than the market value. The authorization is valid to August 1, 2025.

10.3.6 Financial calendar

Annual General Meeting 2021	March 4, 2021
Financial report 2020	March 4, 2021
Interim report (Jan-Jun) 2021	June 30, 2021

11. Current share capital and ownership structure

11.1 SHARE CAPITAL INFORMATION

The Company has a share capital of nominally DKK 12,000,000. The Company has one class of shares consisting of 12,000,000 shares, each share having a value of nominally DKK 1.

On September 15, 2020 Selskabet af 5. februar 2015 ApS and the employee shareholders formed WMa Holding ApS by contribution of nominally DKK 12,000,000 of Existing Shares to WMa Holding ApS. Before the Offering, WMa Holding ApS owns 100% of the Existing Shares.

The majority of WMa Holding ApS is owned by Selskabet af 5. februar 2015 ApS, where the ultimate owner is WindowMaster's CEO and Board Member Erik Koch Boyter, who as a consequence indirectly owns 82.8% of the Existing Shares, and Oscar Koch Boyter (the son of Erik Koch Boyter) who indirectly owns 9.2% of the Existing Shares. The Shares in WMa Holding ApS owned by Selskabet af 5. februar ApS hold a preferred dividend right of DKKm 90.

A number of the Company's employees hold B-shares in WMa Holding ApS, aggregately amounting to 8.0% of WMa Holding ApS's share capital and indirectly 8.0% of the Company before the Offering. The employees owning shares in WMa Holding ApS include, inter alia, the members of the Management Team. These B-shares in WMa Holding ApS hold no voting rights.

If the minimum number of Offer Shares are sold in the Offering, WMa Holding ApS will own 65.0% of the Shares in the Company. If the maximum number of Offer Shares are sold in the Offering, WMa Holding ApS will own 60.7% of the Shares in the Company.

Ownership structure WindowMaster International A/S

Shareholder	Ownership before the Offering		Ownership after the Offering			
	# of shares	Percent	Minimum		Maximum	
			# of shares	Percent	# of shares	Percent
WMa Holding ApS	12,000,000	100%	8,737,044	65.0%	8,737,044	60.7%
New shareholders		0%	4,702,495	35.0%	5,662,188	39.3%
Total	12,000,000	100%	13,439,539	100%	14,399,232	100%

Development in share capital

Date	Event	Share capital (DKK)		
		Nominal change	Nominal post change	# of shares
February 5, 2015	Selskabet af 5. Februar 2015 A/S acquires all shares in a buy-out from VKR Holding A/S*	N/A	12,000,000	12,000,000
June 13, 2018	Nominal 1,200,000 shares are converted from A to B shares*	0	12,000,000	12,000,000
September 15, 2020	All shares acquired by WMa Holding ApS in a tax-exempt exchange of shares*	0	12,000,000	12,000,000
September 16, 2020	Cancellation of share classes, i.e. the Company has one share class*	0	12,000,000	12,000,000
October 23, 2020**	Capital increase through Initial Public Offering***	1,439,539 – 2,399,232	13,439,539 – 14,399,232	13,439,539 – 14,399,232

* The nominal value per share is 1 DKK

** Expected development in share capital as a result of the completion of the Offering

*** The share price at listing amounts to 10.42 DKK

11.1.1 Subsidiaries

The Company holds 100% of the shares in WindowMaster A/S (Denmark), WindowMaster BSI AS (Norway), WindowMaster GmbH (Germany), WindowMaster Control Systems Ltd. (UK), WindowMaster Control Systems (Ireland), WindowMaster Focair AG (CH), WindowMaster Clearline, Inc. (US) owning 100% of the shares in Clearline, Inc. (US). The group's production and global supply chain function is carried out by the 100% owned subsidiary WindowMaster Industries GmbH (Germany), whereas all other entities carries out sales and operations activities.

12. Selected financial information

WindowMaster's financial performance for the financial years of 2018 and 2019 is presented below. This information is based on the Company's audited financial reports. WindowMaster's financial reports have been audited by Deloitte.

WindowMaster International A/S is the parent company of all international subsidiaries. An overview of all international subsidiaries have been provided in section 1. Key information about the company.

WindowMaster's financial reports have been prepared in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C. WindowMaster's annual reports are available on the Company's website at:

<https://www.windowmaster.dk/about-us/investor-relations/>

Consolidated profit and loss statement for WindowMaster International A/S

DKK	2019	2018
Revenue	201,583,129	196,739,388
Cost of sales	- 81,757,181	- 81,659,708
Gross profit	119,825,948	115,079,680
Staff cost	- 68,806,413	- 65,817,491
Other external costs	- 36,477,551	- 35,234,594
Earnings before interest, tax, depreciation and amortization (EBITDA)	14,541,984	14,027,595
Depreciation, amortization and impairment losses	- 9,554,549	- 9,184,649
Operation profit/loss (EBIT)	4,987,435	4,842,946
Other financial income	- 263,605	193,001
Other financial expenses	- 3,086,073	- 2,657,816
Profit/loss before tax	2,164,967	2,378,131
Tax on profit/loss for the year	- 1,757,162	- 942,340
Profit/loss for the year	407,805	1,435,791

Consolidated balance sheet for WindowMaster International A/S

DKK	2019	2018
<i>Assets</i>		
Acquired intangible assets	4,857,514	4,651,590
Research and development projects	6,745,073	6,498,727
Goodwill	9,009,223	5,969,218
Intangible assets	20,611,810	17,119,535
Other fixtures and fitting, tool and equipment	3,971,304	4,353,952
Leasehold improvements	1,251,742	933,791
Property, plant and equipment	5,223,046	5,287,743
Other investments	0	110,784
Deposits	720,127	678,765
Fixed assets investments	720,127	789,549
Fixed assets	26,554,983	23,196,827
Goods under production	23,586,958	21,350,843
Manufactured goods and goods for resale	7,317,613	5,513,572
Inventories	30,904,571	26,864,415
Trade receivables	18,981,868	27,776,255
Contract work in progress	3,355,734	2,543,991
Receivables from group enterprises	0	32,475
Deferred tax	2,479,308	3,069,048
Joint taxation contribution receivable	2,379,000	0
Other receivables	1,627,188	685,142
Prepayments	2,672,140	2,220,435
Receivables	31,495,238	36,327,346
Cash	12,811,783	22,049,378
Current assets	75,211,529	85,241,139
Total assets	101,766,575	108,437,966

Consolidated balance sheet for WindowMaster International A/S

DKK	2019	2018
<i>Liabilities</i>		
Contributed capital	12,000,000	12,000,000
Retained earnings	-332,462	-957,012
Equity	11,667,538	11,042,988
Deferred tax	2,596,445	1,942,795
Other provisions	932,629	989,620
Provisions	3,529,074	2,932,415
Subordinate loan capital	11,410,000	13,000,000
Other Payables	1,482,684	0
Non-current liabilities other than provisions	12,892,684	13,000,000
Current portion of long-term liabilities other than provisions	1,262,036	1,814,951
Bank loans	42,208,504	47,653,891
Contract work in progress	3,158,862	3,502,565
Trade payables	11,401,564	16,563,006
Payables from group enterprises	299,232	0
Income tax payables	2,013,209	700,201
Other payables	13,333,872	11,227,949
Current liabilities other than provisions	73,677,279	81,462,563
Liabilities other than provisions	86,569,963	94,462,563
Equity and liabilities	101,766,575	108,437,966

Consolidated cash flow statement for WindowMaster International A/S

DKK	2019	2018
Operating profit/loss	4,987,435	4,842,946
Amortization, depreciation and impairment losses	9,554,549	9,184,649
Other provisions	0	164,981
Working capital changes	-145,164	- 8,143,142
Cash flow from ordinary operating activities	14,396,820	6,049,434
Financial Income received	263,605	193,001
Financial expenses paid	- 3,086,073	- 2,657,816
Income taxes refunded/(paid)	- 1,812,893	61,746
Cash flow from operating activities	9,761,459	3,646,365
Acquisition etc. of intangible assets	- 11,271,480	- 5,308,750
Acquisition etc. of property, plant and equipment	- 1,621,956	- 3,620,806
Sale of property, plant and equipment	0	0
Cash flows from investing activities	- 12,893,436	- 8,929,556
Repayments of loans etc.	929,769	- 3,206,525
Contribution/repayment of subordinate loan capital	- 1,590,000	13,000,000
Cash flows from financing activities	- 660,231	9,793,475
Increase/decrease in cash and cash equivalents	- 3,792,208	4,510,284
Cash and cash equivalents beginning of year	- 25,604,513	- 30,114,797
Cash and cash equivalents end of year	- 29,396,721	- 25,604,513
Cash and cash equivalents at year-end are composed of:		
Cash	12,811,783	22,049,378
Short-term debt to banks	- 42,208,504	- 47,653,891
Cash and cash equivalents end of year	- 29,396,721	- 25,604,513



13. Comments on selected financial information

The following section describes the development in the major financial items between FY2018 and FY2019 in order to provide an overview of the company's financial position and general financial trend.

Please note that only selected financial items have been commented in this section. For a full overview of WindowMaster's financial statements, please see section 12 of this Company Description. For details on capitalization and indebtedness, please see section 14.

13.1 PROFIT AND LOSS STATEMENT

13.1.1 Gross profit

WindowMaster's revenue increased by 2.5% from 2018 to 2019 corresponding to a total revenue for 2019 of DKKm 201.5. As a result of an increasing revenue share from products produced at the Company's German assembly facility, WindowMaster managed to achieve an increase in gross profit of 4.1%, as products produced in the German assembly facility are generally more profitable for the Company.

The strong development in gross profit comes in spite of an abnormal increase in cost of sales of DKKm 1.5, which was due to an unhedged currency exposure. To avoid future losses on currencies, the Company has established a policy aiming at hedging 80% of the exposure in foreign currencies. More details on the Company's currency risks can be found in section 4.3.1.

13.1.2 Staff costs

Staff costs increased from DKKm 65.8 to DKKm 68.8, which is primarily due to the addition of the staff costs related to Clearline, Inc., which was acquired by the Company in 2019.

13.1.3 EBITDA

EBITDA amounted to DKKm 14.5 in 2019, which marks an increase of 3.7% compared to 2018. The growth in EBITDA was limited by the unhedged currency loss of DKKm 1.5 described in section 13.1.1. Considering the hedging initiatives established by the Company, this must be considered an abnormal loss that should be normalized when assessing the true development in the Company's operational profitability. Thus, a normalized 2019 EBITDA would constitute DKKm 16.

13.1.4 Depreciation, amortization and impairment losses

Depreciation, amortization and impairment are primarily constituted by depreciation on tangible and intangible assets of DKKm 6.9 and amortizations on goodwill of DKKm 2.8 related to the Company's strategic acquisitions.

13.1.5 Operating profit (EBIT)

Operating profit (EBIT) for WindowMaster amounted to DKKm 5.0 in 2019, which is at level with 2018.

13.1.6 Other financial expenses

Other financial expenses includes an interest payment on a shareholder loan of DKKm 0.6, which should be considered a non-recurring item as this shareholder loan will be repaid by additional financing from Danske Bank. The shareholder loan is between the Company and Selskabet af 5. februar 2015 ApS – ultimately owned by Erik Boyter (cf. section 11.1)

13.1.7 Tax on profit for the year

Due to an incorrect recognition of goodwill related to WindowMaster's strategic acquisition in Norway in 2016, the Company has to make a negative adjustment to a tax asset corresponding to approx. DKK 500,000 and pay a fine of DKK 200,000. However, as the Company acted under the advice of a Big four audit firm when implementing this approach, WindowMaster expects to be able to pass on the fine of DKK 200,000 to this adviser.

13.2 BALANCE SHEET - ASSETS

13.2.1 Goodwill

The increase in goodwill from DKKm 6.0 to DKKm 9.0 is attributable to WindowMaster's acquisition in the US, Clearline, Inc.

13.2.2 Inventories

The increase in inventories from DKKm 26.9 to DKKm 30.9 is primarily due to the Company's ambitious product development during 2019, which has resulted in an abnormally high build-up of components for new products and finished items.

13.2.3 Trade receivables

The substantial decrease in trade receivables from DKKm 27.8 to DKKm 19.0 is due to an active initiative to reduce trade receivables initiated by WindowMaster in the second half of FY2019.

13.3 BALANCE SHEET - LIABILITIES

13.3.1 Subordinate loan capital

Subordinate loan capital represents a shareholder loan from Selskabet af 5. februar 2015 ApS. The loan is to be repaid by WindowMaster as a result of Danske Bank granting an increase of the Company's credit facility in the bank.

13.3.2 Bank loans

Bank loans represents an overdraft facility in Danske Bank. Danske bank has confirmed that the bank will continue the financing after the IPO.

13.3.3 Current portion of long-term liabilities other than provisions

Represents an expected earn-out liability in relation to the acquisition of Clearline, Inc. As this acquisition was completed in during 2019, it only appears in FY2019.

13.4 CASH FLOW STATEMENT

13.4.1 Working capital changes

The difference in working capital changes from DKKm - 8.1 in 2018 to DKKm - 0.1 in 2019, is primarily driven by the improvements in trade receivables described in section 13.2.3.

13.4.2 Acquisition etc. of intangible assets

The increase in acquisitions etc. of intangible assets from DKKm - 5.3 to DKKm - 11.3 is primarily due to the strategic acquisition of Clearline, Inc.

14. Capitalization, indebtedness, and working capital

14.1 CAPITALIZATION (AS OF AUGUST 31, 2020)

As of August 31, 2020, total shareholder's equity in WindowMaster International A/S amounted to DKK 8,933,472 and interest-bearing debt amounted to DKK 67,521,674.

14.2 NET INDEBTEDNESS (AS OF AUGUST 31, 2020)

As of August 31, 2020, the Company's cash and cash equivalents amounted to DKK 24,402,171, whereas company debt amounted to DKK 67,521,674. This corresponds to a net interest-bearing debt level of DKK 40,740,503.

14.3 WORKING CAPITAL STATEMENT

It is the assessment of the Board of Directors, that the Company has sufficient funds to support working capital and continue its activities and implementation of the strategy through earnings from current operation and equity.

The Board of Directors further assesses that the cash flows from ongoing operations will provide sufficient working capital for the Company's continuing operations for at least twelve months following the first day of trading.

Shareholder's Equity and interest-bearing debt	August 31, 2020
DKK	
<i>Equity</i>	
Contributed capital	12,000,000
Retained earnings	-3,210,977
Currency contracts	144,449
Shareholder's Equity	8,933,472
<i>Interest-bearing debt</i>	
Bank loans	53,627,543
Subordinate loan capital	11,410,000
Income tax payables	2,484,131
Total interest-bearing debt	67,521,674
Cash and cash equivalents	24,402,171
Income tax receivables	2,379,000
Net interest-bearing debt	40,740,503

15. Legal considerations and supplementary information

15.1 MATERIAL AGREEMENTS

Customers

Generally, orders placed by customers are based on the product price list, with rebates granted on larger projects.

The Group is not materially exposed to one or more customers, and thus no single customer is considered especially material to the Group. The Group's largest customer based on revenue is the Velux group owned by VKR Holding A/S, which sold the Company to Selskabet af 5. februar 2015 ApS in 2015.

Suppliers

The Company's and, WindowMaster Industries GmbH's agreement with its supplier of electronics manufacturing services is important to the Group's production. The supplier purchases materials inter alia based on framework orders and forecasts placed by WindowMaster. WindowMaster is liable for the value of such materials if orders are not placed by WindowMaster in which the materials can be used. The agreement may be terminated by either party with six months' notice. The Group does not consider itself dependent on the agreement as other sources of supply are available to the Group without causing material adverse effect to the business.

15.2 FINANCING

The Group's external financing is provided by Danske Bank through a credit facility. Danske Bank has confirmed that the bank will continue the financing after the IPO. As security for the Group's obligations under the credit facility, the Company and WindowMaster A/S have each granted a floating charge to Danske Bank in the total amount of DKK 30,000,000.

15.3 INTELLECTUAL PROPERTY RIGHTS ("IPR")

WindowMaster is the proprietor of material IPR, including but not limited to patents, trademarks and copyrights, exploited by the Group.

WindowMaster's material IPR relates to, inter alia, software solutions, technology and know-how which is implemented in WindowMaster's current product portfolio and product pipeline. WindowMaster is the proprietor to all IPR, including copyrights, pertaining to its material software (including source codes), technology and related know-how. WindowMaster owns all IPR pertaining to the NV Embedded® app.

WindowMaster generally employs a proactive approach in its IPR enforcement strategy. With a view to identify possible infringements of WindowMaster's IPR, WindowMaster closely monitors the market and has a policy of always defending potential infringements of its IPR.

WindowMaster is the holder of a number of registered and pending patent applications. WindowMaster does not consider any patents to be business critical. However, European Patent no. 1481203B1 and U.S. Patent no. US7187987B1 pertaining to the MotorLink® technology are considered the most significant in WindowMaster's patent portfolio.

Additionally, WindowMaster is currently evaluating the filing of additional patent applications, however, WindowMaster's primary patent strategy is to focus on maintaining issued patents instead of pursue new registrations.

WindowMaster GmbH is involved in a court proceeding (case on the merits) in Germany initiated by the competitor Schüco International AG claiming infringement of two patents (EP 2103766 and EP 2573306) in Germany. A third patent (EP 1733111) is claimed infringed, and Schüco International AG's counsel has informed that a court case will be initiated. In the pending proceedings, only the technology comprised by one patent (EP'766), which is utilized in WindowMaster's product WAB 813T (fitting set), is considered important to WindowMaster. However, if Schüco's action is successful, WindowMaster will to some extent be able to work around the patent and continue to exploit the WMX 813 motor without the WAB 813T fitting set. Thus, the end result of the proceedings will not be business critical and will not have a negative impact on WindowMaster's existing investments in development of its product portfolio. If Schüco's actions are successful, the impact on WindowMaster's business case is estimated to be < 2% (on the global market) and < 5% (on the German market isolated) of WindowMaster's expected turnover on average during a 5-year period. WindowMaster and Schüco are currently exploring possible settlement opportunities.

As part of a defense strategy, opposition proceedings before the European Patent Office (EPO) has been initiated by WindowMaster GmbH relative to Schüco's patent comprising the technology utilized in WindowMaster's product WAB 813T (fitting set). The Company's German legal and patent counsel, Bardehle Pagenberg Partnerschaft mbB, has assessed the likelihood of success of invalidating the patent to be medium. If successful, this will secure WindowMaster GmbH's freedom-to-operate on the German market relative to continued exploitation of the technology utilized in WindowMaster's product WAB 813T (fitting set) as such. Likelihood of success in the infringement proceedings is assessed to be medium to low, which may entail that WindowMaster GmbH may be ordered to stop selling the product WAB 813T (fitting set) on the German market (until the EPO – if WindowMaster GmbH is successful in its claim – invalidates the patent). WindowMaster GmbH will, as noted above, be able to some extent to work around the patent by offering a different solution.

Also, as part of a defense strategy, WindowMaster GmbH has filed nullity proceedings in Germany in September 2020 relative to EP 2573306 to invalidate the patent. WindowMaster GmbH also considers filing nullity proceedings in Germany relative to EP 1733111 once infringement proceedings have been initiated. It is Bardehle Pagenberg Partnerschaft mbB's assessment that WindowMaster GmbH has fair (>50%) chances of success in invalidating the EP 2573306 patent and medium chances in invalidating the EP 1733111 (chances may improve once a prior art search has been conducted). Bardehle Pagenberg Partnerschaft mbB has informed that it expects a decision in the infringement action in Q2 2021. A decision in the EPO opposition proceeding is expected in Q2/Q3 2021. A decision in nullity actions relative to EP 2573306 and EP 1733111 is expected in Q3/Q4 2022. All decisions are subject to appeal.

WindowMaster has engaged Danish patent agency Patrade A/S to monitor all new patents with relevance to WindowMaster's operations and industry for potential infringement of WindowMaster's existing IPR. In WindowMaster's own product development, WindowMaster uses the "stage-gate" model to ensure that no products under development are to infringe any existing third party IPR.

WindowMaster has adopted a strategy in order to secure exclusive rights to key brands on relevant markets. According to this strategy, WindowMaster's legal counsel, Lundgrens, files applications for trademark registration of key brands for relevant products in i) key markets, ii) markets with considerable activity and iii) emerging markets.

15.4 GENERAL DATA PROTECTION REGULATION (GDPR)

The WindowMaster group is subject to various regulations including general data protection regulation (GDPR). While the WindowMaster group has certain policies and procedures in place relating to compliance with such regulations, there can be no assurance that its internal policies or procedures are fully compliant with regulations. A failure to comply with applicable regulations could result in substantial fines.

15.5 TRANSACTIONS WITH RELATED PARTIES

Except in the ordinary course of business the Companies are not party to transactions with related parties.

The Companies

As part of the ordinary business of the Group, manufacturing of all products sold by the Group is carried out by WindowMaster Industries GmbH and invoiced to the selling Group entity.

The Subsidiaries exploit the intellectual property rights held by the Company pursuant to intra-group license agreements.

CEO and Board Member, Erik Koch Boyter

Chief Executive Officer and Board Member, Erik Koch Boyter, also being the ultimate owner of the Company (indirectly) owning 82.8% of the Existing Shares through WMa Holding ApS just before the Offering, is employed by the Company on terms considered within market standard.

Board Member, Michael Gaarmann

Michael Gaarmann is a partner at, and co-owner of Lundgrens Advokatpartnerselskab, which on a continuous basis is engaged by the Company and its Danish subsidiary to provide legal advice within a wide range of legal matters. Lundgrens Advokatpartnerselskab has acted as legal advisor to the Company in connection with the preparation of this Company Description. Services are provided by Lundgrens Advokatpartnerselskab on market terms.

Others

None of the Company's or any of its Subsidiaries' employees are employed on the basis of any agreement or understanding with the Company's shareholder or the Companies' customers, suppliers or others.

15.6 POSSIBLE CONFLICT OF INTEREST

No member of the Executive Management, Board of Directors or any key employee of the Companies are under a conflict of interest with respect to his or her duties towards the Companies or are employed in other companies whose continued business relationship with the Companies may potentially create a conflict of interest.

As set out in the Danish Companies Act, a member of the Executive Management and the Board of Directors of the Company may not participate in the transaction of business that involves any agreement between the Company and that member, or legal proceedings against that member, or the transaction of business that involves any agreement between the company and a third party, or legal proceedings against a third party, if the member has a material interest in such business and that material interest could conflict with the interests of the Company.

The same principle is applied in the Subsidiaries irrespective of the country of incorporation.

15.7 INTEREST OF NATURAL OR LEGAL PERSONS INVOLVED IN THE OFFERING

Part of the Shares comprised by the Offering are offered for sale by WMa Holding ApS. Pursuant to a shareholders' agreement between the shareholders of WMa Holding ApS, the profit from the sale of the Existing shares in the Offering will be distributed to Selskabet af 5. februar 2015 ApS ultimately owned by Erik Koch Boyter, CEO and Board Member of the Company, and his son Oscar Koch Boyter. Accordingly, Erik Koch Boyter has a material financial interest in the Offering.

16. Information concerning the Offer Shares

16.1 TYPE AND CLASS OF THE SHARES

The Company only has one class of Shares.

An application has been submitted for the Offer Shares together with the Existing Shares to be admitted to trading on Nasdaq First North Growth Market under the ISIN DK0061278355.

16.2 GOVERNING LAW AND JURISDICTION

The Offer Shares are issued in accordance with Danish law. This Company Description has been prepared in compliance with the rules issued by Nasdaq First North Growth Market.

Any disputes that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

16.3 REGISTRATION OF SHARES

The Shares are dematerialized and registered in book-entry form electronically with VP Securities, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark. All Shares are registered on account with account-holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own banks Danish correspondent bank as their account-holding bank.

All Shares are registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities.

16.4 CURRENCY

The Shares are denominated in DKK (Danish Kroner).

16.5 RIGHTS ATTACHED TO THE SHARES

16.5.1 Dividend rights

Each Share entitles its holder to receive distributed dividends.

The New Offer Shares will have the same rights and rank *pari passu* with the Existing Shares, including in respect of eligibility to receive dividends and participate in share buybacks. Upon registration of the Offer Shares with the Danish Business Authority, the Offer Shares will – along with the Existing Shares – be entitled to dividends declared and paid by the Company. The Company's dividends, if declared, are paid in Danish Kroner to the shareholder's account set up through VP Securities. No restrictions on dividends or special procedure apply to holders of Shares who are not residents of Denmark.

The Company's dividend policy is described in section 4.4.4.

16.5.2 Voting rights

The Shares are issued with a nominal value of DKK 1. Each share gives the holder the right to one vote at General Meetings. No Major Shareholders have different voting rights.

16.5.3 Pre-emption rights

Under Danish law, all shareholders have pre-emptive subscription rights in connection with capital increases effected as cash contributions. An increase in the share capital can be resolved by the shareholders at a General Meeting or by the Board of Directors pursuant to an authorization given by the shareholders. In connection with an increase of the share capital, the shareholders may, by resolution at a General Meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-third majority of the votes and the share capital represented at a General Meeting. Furthermore, it is a prerequisite that the capital increase is subscribed for at market price, and if less than market price such resolution must be adopted by the affirmative vote of minimum 90 percent of the votes cast and the share capital represented at a General Meeting and in some cases by all shareholders.

16.5.4 Dissolution and liquidation

In the event of a dissolution and liquidation of the Company, the shareholders will be entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

16.5.5 Redemption and conversion provision

Except as provided for in the Danish Companies Act, no shareholders are under an obligation to have his or her Shares redeemed in part or in whole by the Company or any third party, and none of the Shares carry any redemption or conversion rights or any other special rights.

16.6 NEGOTIABILITY OF THE SHARES

The Shares are negotiable instruments and no restriction under Danish law applies to the transferability of the Shares.

The Company's articles of association do not contain any transfer restrictions.

16.7 RESOLUTIONS, AUTHORIZATIONS AND APPROVALS OF THE OFFERING

The decision to apply for the Offer Shares to be traded on Nasdaq First North Growth Market and approval of this Company Description has been made by the Board of Directors at a board meeting held on September 22, 2020. First day of trading is expected to be October 27, 2020 under the condition that the distribution and free float requirements for the Company's Shares are met by the first day of trading, at the latest. The Shares will be traded under the ticker WMA and with the ISIN DK0061278355.

17. Taxation

The following is a summary of certain Danish income tax considerations related to the Offering and the Shares. The summary is for general information only and does not constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to the Offering and the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Company Description. Danish tax laws may be subject to change, possibly with retroactive effect. The summary does not cover investors to whom special tax rules apply, and, therefore, may not be relevant.

The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. The summary only sets out the tax position of the direct owners of the Shares and further assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon. Sales are assumed to be sales to a third party.

Potential shareholders are advised to consult their tax advisors regarding the applicable tax consequences regarding the Offering, acquiring, holding and disposing of the Shares based on their particular circumstances. Shareholders who may be affected by the tax laws of jurisdictions other than Denmark should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described in this section.

17.1 TAXATION OF DANISH TAX RESIDENT SHAREHOLDERS

17.1.1 Individual shareholders

Sale of shares

In 2020, gains from the sale of shares are taxed as share income at a rate of 27 percent on the first DKK 55,300 (for cohabiting spouses, a total of DKK 110,600) and at a rate of 42 percent on share income exceeding DKK 55,300 (for cohabiting spouses over DKK 110,600). Such amounts are subject to annual adjustments and include all share income (i.e., all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method, which means that each share is considered acquired for a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses on the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market, (i.e., received dividends and capital gains on the sale of shares admitted to trading on a regulated market).

Unused losses will automatically be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market and additional losses can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market may only be set off against gains and dividends on other shares admitted to trading on a regulated market, as outlined above, if the Danish tax authorities have received certain information relating to the acquisition of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish tax authorities by the securities dealer.

Dividends

Dividends paid to individuals who are tax residents of Denmark are taxed as share income, as described above. All share income must be included when calculating whether the amounts mentioned above are exceeded. Dividends paid to individuals are generally subject to 27 percent withholding tax.

17.1.2 Company shareholders

Ownership and sale of shares

For the purpose of taxation on sale of shares made by shareholders, a distinction is made between Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares and Taxable Portfolio Shares, as outlined below.

Subsidiary Shares – are generally defined as shares owned by a corporate shareholder holding at least 10 percent of the nominal share capital of the issuing company.

Group Shares – are generally defined as shares in a company in which the shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

Tax-Exempt Portfolio Shares – are generally defined as shares not admitted to trading on a regulated market owned by a corporate shareholder holding less than 10 percent of the nominal share capital of the issuing company.

Taxable Portfolio Shares – are defined as shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Shares.

Gains and losses on disposal of Subsidiary Shares, Group Shares and Tax-Exempt Shares are not included in the taxable income of the shareholder. Capital gains from the Taxable Portfolio Shares admitted to trading on a regulated market are taxable at a rate of 22 percent irrespective of ownership period. Losses on these shares are deductible.

Gains and losses on Taxable Portfolio Shares admitted to trading on a regulated market are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the realization sum. If the Taxable Portfolio Shares are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Dividends

Dividends paid on Subsidiary Shares and Group Shares are tax-exempt irrespective of ownership period.

Dividends paid on Taxable Portfolio Shares are subject to the standard corporation tax rate of 22 percent irrespective of ownership period.

The withholding tax rate is 22 percent. If the distributing company withholds a higher amount, the shareholder can claim a refund of the excess tax. A claim for repayment must be filed within two months. Otherwise, the excess tax will be credited in the corporate income tax for the year.

17.2 TAXATION OF SHAREHOLDERS RESIDING OUTSIDE OF DENMARK

17.2.1 Sale of shares – company and individual shareholders

Shareholders not residing in Denmark are normally not subject to Danish taxation on any gains realized on the sale of shares, irrespective of the ownership period.

17.2.2 Dividends – individual shareholders

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27 percent. If the withholding tax rate applied is higher than the applicable final tax rate for the shareholder, a request for refund of Danish tax in excess hereof can be made by the shareholder in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty and the shareholder is entitled to the benefits of such treaty, the shareholder may, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15 percent.

Credit under Danish tax law

If the shareholder holds less than 10 percent of the nominal share capital of the company, and the shareholder is tax resident in a state which has a double tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters with Denmark, according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are subject to tax at a rate of 15 percent. If the shareholder is tax resident outside the EU, it is an additional requirement for eligibility for the 15 percent tax rate that the shareholder together with related shareholders hold less than 10 percent of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate, why the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

A request for refund must be attached certain documentation. Information about the required documentation is available on the online platform when filing a claim. When claiming a refund the shareholder must document the following; that Danish dividend has been received by the shareholder and the amount of this dividend, that Danish dividend tax has been withheld and the actual amount withheld, that the shareholder was the beneficial owner of the shares when the dividend was approved, that the shareholder is liable to pay tax in a country that is not Denmark and that the withheld dividend tax exceeds that of the final tax payable according to the double taxation treaty or the final tax payable according to current Danish law.

Generally, a refund of tax withheld in excess of the applicable treaty rate shall be paid within six months following the Danish tax authorities' receipt of the refund claim, including the necessary documentation. If the refund is paid later than six months after the receipt of the claim, interest will be calculated on the amount of refund. The six-month deadline can be suspended, if the Danish tax authorities are unable to determine whether the taxpayer is entitled to a refund based on the taxpayer's affairs. If the deadline is suspended accordingly, computation of interest is also suspended.

17.2.3 Dividends – company shareholders

Dividends received on Subsidiary Shares are exempt from Danish tax (including withholding tax) provided the taxation of the dividends is to be waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EU) or in accordance with a tax treaty with the jurisdiction in which the company shareholder is resident. Further, dividends received on Group Shares – not being Subsidiary Shares – are exempt from Danish tax (including withholding tax) provided the company shareholder is a resident of the EU or the EEA and provided the taxation of dividends should have been waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EU), or in accordance with a tax treaty with the country in which the company shareholder is resident had the shares been Subsidiary Shares.

Dividend payments on Taxable Portfolio Shares (and Subsidiary Shares and Group Shares, if not tax-exempt) will be subject to tax at the rate of 22 percent. However, the applicable withholding rate on such dividends is 27 percent, meaning that any foreign corporate shareholder can request a refund of at least 5 percent. Furthermore, the foreign corporate shareholder can make a request for a refund of Danish tax in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty and the shareholder is entitled to the benefits under such treaty, the shareholder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15 percent. Denmark has a large network of tax treaties.

Credit under Danish tax law

If the shareholder holds less than 10 percent of the nominal share capital in the company and the shareholder is resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are generally subject to a tax rate of 15 percent. If the shareholder is tax resident outside the EU, it is an additional requirement for eligibility for the 15 percent tax rate that the shareholder together with related shareholders hold less than 10 percent of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate, why the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

With respect to payment of refunds and documentation, reference is made to the description in section above, which applies equally to corporate shareholders residing outside Denmark.

17.3 SHARE TRANSFER TAX AND STAMP DUTY

No Danish share transfer tax or stamp duties are payable of the shares.

17.4 WITHHOLDING TAX OBLIGATIONS

An issuer of shares is when distributing dividends subject to Danish withholding tax obligations in accordance with the applicable Danish laws.

18. Terms and conditions of the Offering

18.1 EXPECTED TIMETABLE OF THE OFFERING

Timetable of the Offering

Date	Event
October 6, 2020 9:00 (CET)	The Offer Period begins
October 19, 2020 23:59 (CET)	The Offer Period ends
October 21, 2020 12:00 (CET)	Result of the Offering is announced
October 23, 2020	The Offering is complete, and the Offer Shares has been settled. Registration of the Shares with the Danish Business Authority and VP Securities has been finalized
October 27, 2020	The Shares have first day of trading on First North under permanent ISIN conditional on final completion

Pre-subscribers

Investor	No. of Shares*	Subscription amount DKK
Aula Invest A/S	479,846	5,000,000
Christian Sagild	239,923	2,500,000
Gerhard Dal	191,938	2,000,000
Sparup Holding ApS	191,938	2,000,000
Bertelsen & Plum ApS	95,969	1,000,000
Råsunda Förvaltning AB	95,969	1,000,000
Per Vasilis	95,969	1,000,000
Jean Marcel Dühring	95,969	1,000,000
Lars Fournais	47,984	500,000
Leif Jensen	47,984	500,000
Mette Søs Lassesen	23,992	250,000
Michael Gaarmann	19,193	200,000
Others	327,246	3,410,000
Total	1,953,920	20,360,000

* No. of Shares has been rounded down to nearest no. of Shares based on the subscription amount made by the respective investor

The timetable is subject to change. Any changes will be announced via Nasdaq First North Growth Market.

18.2 TERMS OF THE OFFERING

The Company is offering a minimum of 4,702,495 and a maximum of 5,662,188 Offer Shares, corresponding to subscription amounts between DKK 48,999,998 and DKK 58,999,999.

18.3 SUBSCRIPTION UNDERTAKINGS

The Company has received irrevocable subscription undertakings from Pre-subscribers to subscribe Offer Shares at the Offer Price for a total of DKK 20.36 million in share value, corresponding to 34.5% percent of the maximum Offering, and 41.6% percent of the minimum Offering.

18.4 OFFER PERIOD

The Offer Period begins on October 6, 2020 at 9:00 Central European Time and ends at October 19, 2020 at 23:59 Central European Time. Early closure of the Offering will not be admitted.

18.5 SUBMISSION OF APPLICATIONS TO SUBSCRIBE

Applications to subscribe for Offer Shares in the Offering should be made by submitting the application form enclosed in this Company Description to the investor's own account-holding bank during the Offer Period. Applications are binding and cannot be altered or cancelled. Applications should be made for the number of Offer Shares or for an aggregate amount rounded to the nearest Danish Kroner amount. Only one application will be accepted from each account in VP Securities. For orders to be binding, the application form must be submitted to the investor's own account-holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Danske Bank, Corporate Actions no later than 23:59 Central European Time on October 19, 2020. Subscription applications of DKK 249,996.6 or above must include name and address of the subscriber. Danske Bank, Corporate Actions will forward the subscription application to the Certified Adviser who together with the Company will make an individual allocation of the subscribed Offer Shares.

Subscription application can only be validly submitted in accordance with the Offer Price. If the Offer Price is amended during the Offer Period, the Company will make an announcement via First North and publish an amendment to this Company Description with an updated timetable for completion of the Offering. Following publication of such an amendment, investors with submitted subscription applications for the Offer Shares have two trading days to withdraw their application. Should the investor not withdraw the application within two trading days after publication of the amendment, the submitted subscription application for the specified number of Offer Shares is binding with the new offer price, given such an offer price has been specified. If the submitted subscription application instead specifies an order amount, the order is binding at the specified amount with a new number of Offer Shares adjusted for the new offer price, rounded down to the nearest number of Offer Shares.

18.5.1 Subscription using Nordnet

Persons who are account customers at Nordnet AB may apply for the acquisition of shares through Nordnet's Online Service. Application with Nordnet can be made up until 23:59 CET on October 19, 2020. Please note that applications through Nordnet can be amended or withdrawn until the end of the Offer Period. In order not to lose the right to allotment, account customers at Nordnet are to have enough cash equivalents available at the account during the period from 23:59 CET on October 19, 2020 until the settlement day, which is estimated to be on October 23, 2020. More information regarding the application process is available at www.nordnet.se. Customers who have applied for the acquisition of shares through Nordnet's Online Service will receive the

decision on the allotment of shares by the delivery of the allotted shares to the account designated by the customer. Payment for the allotted shares will be charged simultaneously from the account designated by the customer. This is estimated to occur on October 23, 2020. Allotted shares will be delivered to the account designated by the customer against payment for the allotted shares, which will be charged from the account designated by the customer.

18.6 ALLOCATION PLAN, REDUCTION OF PURCHASES AND PRE-ALLOTMENT INFORMATION

18.6.1 Sale and purchase by Major Shareholders, Board of Directors

Members of the Board of Directors have agreed to subscribe to Offer Shares. Chairman of the Company's Board of Directors, Lars Fournais, has signed an irrevocable subscription undertaking for 47,984 shares. Vice Chairman of the Company's Board of Directors, Michael Gaarmann, has signed an irrevocable subscription undertaking for 19,193 shares. Member of the Company's Board of Directors, Leif Jensen, has signed an irrevocable subscription undertaking for 47,984 shares. Member of the Company's Board of Directors, Mette Søs Lassen, has signed an irrevocable subscription undertaking for 23,992 shares.

WMA Holding ApS, which is partly owned by CEO, Erik Koch Boyter, sells 3,262,956 shares in the Offering.

No other Pre-subscribers have any close relations to the Company.

18.6.2 Pre-allotment information

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, reduction will be made as follows:

- with respect to applications for amounts below DKK 249,996.6, reductions will be made mathematically; and
- with respect to applications for amounts of DKK 249,996.6 or above, individual allocations will be made.

Grant Thornton will allocate the Offer Shares after agreement upon such allocations with the Board of Directors.

- 1,953,920 Offer Shares will be allocated to the Pre-subscribers from who the Company has received irrevocable subscription undertakings for a total of DKK 20.36 million.

Following the expiration of the Offer Period, investors will normally receive a statement indicating the number of Offer Shares allocated, if any, and the equivalent value at the Offer Price, unless otherwise agreed between the investor and the relevant account holding bank.

Orders may not result in an allocation of Offer Shares.

If the total application in the Offering exceed the number of Offer Shares, a reduction will be made. In such event, Grant Thornton reserves the right to require documentation to verify that each application relate to a single account in VP Securities. Further, Grant Thornton reserve the right to require documentation to verify the authenticity of all orders, to demand the name of each subscriber, to pass on such information to the Company, and to make individual allocations if there are several orders that are determined to have originated from the same purchaser. To the extent several orders are determined to have originated from the same purchaser, only the largest order in Danish Kroner will be taken into consideration and all other others will be rejected. Upon completion of the Offering, assuming that the maximum Offering is fully subscribed, the Company's share capital will be DKK 14,399,232 divided into 14,399,232 Shares with a nominal value of DKK 1 each.

18.7 MINIMUM AND/OR MAXIMUM SUBSCRIPTION AMOUNTS

The minimum subscription amount is 365 Offer Shares of nominally DKK 1, equivalent to a subscription order of DKK 3,803.3. No maximum purchase amount applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering.

18.8 WITHDRAWAL OF THE OFFERING

Completion of the Offering is conditional upon the Offering not being withdrawn. The Offering may be withdrawn by the Company at any time before the announcement of the result of the Offering take place. The Offering may also be withdrawn if First North is not satisfied that there will be a sufficiently broad distribution of the Offer Shares to investors or if conditions for free float are not satisfied. Any withdrawal of the Offering will be announced immediately through First North. The Offering may be withdrawn if there are insufficient subscribers for the minimum of 4,702,495 Offer Shares.

18.9 INVESTORS' WITHDRAWAL RIGHTS

In the event that the Company is required to publish an amendment to this Company Description, between the date of publication of this Company Description and the close of the Offer Period at 23:59, Central European Time on October 19, 2020, investors who have submitted orders to subscribe Offer Shares in the Offering shall have two trading days following the publication of the relevant amendment within which the investors can withdraw their offer to subscribe Offer Shares in the Offering in its entirety. The right to withdraw an application to subscribe Offer Shares in the Offering in these circumstances will be available to all investors in the Offering provided the obligation

to publish an amendment to this Company Description was triggered before completion of the Offering and provided no Offer Shares have been delivered.

18.10 PAYMENT OF REGISTRATION OF THE OFFER SHARES

The Shares are dematerialized and will be registered in book entry form electronically with VP Securities, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark. All Shares are registered on account with account holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own banks Danish correspondent bank as their account holding bank.

Payment for and settlement of the Offer Shares are expected to take place on October 23, 2020 (i.e. the Closing Date), against payment in immediately available funds in Danish Kroner in book-entry form to investors' accounts with VP Securities. The Offer Shares will be issued to investors following registration of the capital increase with the Danish Business Authority on the Closing Date.

The Major Shareholder and the Company have entered into a share loan agreement pursuant to which the Major Shareholder loans the Company up to 2,399,232 Existing Shares to enable the Company to deliver the New Offer Shares and the Existing Offer Shares in the same ISIN code. On the settlement day, Existing Shares will be delivered to Investors against payment.

After the Company's receipt of payment for the New Offer Shares, the New Offer Shares will be registered with the Danish Business Authority and the New Offer Shares will be issued. The New Offer Shares will be delivered to the Major Shareholder as repayment of the Existing Shares borrowed by the Company.

The account holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Offer Shares purchased or subscribed for by the investor unless otherwise agreed between the investor and the relevant account holding bank. This statement also constitutes evidence of the investor's holding.

All Shares are registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities.

All dealings in the Offer Shares prior to settlement of the Offering will be for the account of and at the sole risk of the parties involved.

18.11 PUBLICATION OF THE RESULT OF THE OFFERING

The result of the Offering will be announced through First North on October 21, 2020 at 12:00 (CET)

18.12 PRICING

The Board of Directors has specified the Company's valuation based on a comprehensive relative valuation methodology with consideration of the current market sentiment, the Company's risk profile, the Company's future cash flow generation, and the Board of Directors' and the Executive Management's expectations for future growth opportunities.

The Offer Price for the Offer Shares is fixed at DKK 10.42 per share and is determined by the abovementioned valuation.

18.13 UNDERWRITING AND SETTLEMENT

The Offering is not subject to any underwriting agreements.

The Company has chosen Danske Bank to be the settlement agent for the Offering. The settlement agreement between Danske Bank and the Company has certain conditions for which the Company deems to be standard practice. In the event that one or more of these conditions are not fulfilled up until the publication of the Offering, the Company may choose to withdraw from the Offering.

18.14 ADMISSION TO TRADING

The Shares are expected to be admitted to trading on First North. The admission as well as the continued admission to trading on First North are subject to the free float requirements and sufficient number of shareholders for the Company's Shares are met before the first day of trading.

First North is a multilateral trading platform owned by Nasdaq and does not have the same legal status as a regulated market. Companies trading on First North are regulated by a different regulatory framework that do not have the same legal requirements for trading as the regulated market. However, on both the regulated market and First North, the Market Abuse Regulation applies. Investing in a company listed on First North includes more risk than investing in a public listed company on a regulated market, and investors risk losing part or all of the investment.

18.15 LOCK-UP AGREEMENTS

In connection with the Offering, the Major Shareholder holding 100% percent of the Existing Shares before the Offering has agreed to enter into lock-up agreement on the shares not sold in the Offering, obligating the Major Shareholder to not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the Existing Shares in the Company or to announce the intention to make any such act without the prior written consent of Grant Thornton acting as Certified Adviser in the Offering (the "**Lock-Up Obligation**").

Such consent may be granted if deemed reasonable and necessary due to specific matters, e.g. for tax reasons and is not to be unreasonably withheld or delayed by the Certified Adviser. The Lock-Up Obligation shall apply from the first day of trading and for a period until after the publication of the company's H1 2021 financial report (the "**Initial Lock-up Obligation**").

After expiry of the Initial Lock-Up Obligation, the Existing Shares are released from the Lock-Up Obligation in three installments of equal size. The first installment is released after the publication of the company's H1 2021 financial report, the second installment will be released after the publication of the H2 2021 financial report, and the third installment after publication of the company's H1 2022 financial report.

Prior to the Offering, the Major Shareholder has agreed to enter into lock-up agreement on the shares not sold in the Offering:

Shareholder	Number of Shares under Lock-up
WMa Holding ApS	8,737,044

18.16 DILUTION

The Existing Shares will be diluted by the issue of up to 2,399,232 of New Offer Shares in the Offering corresponding to a total nominal value of DKK 2,399,232. Following the completion of the Offering, the Existing Shares will make up 89.3% of the Company's total share capital in the minimum offering and 83.3% in the maximum offering.

18.17 COSTS RELATED TO THE OFFERING

The total costs associated with the admission to trading on First North and the Offering are expected to amount to DKK 3.5 – 3.6 million. Such costs primarily relate to costs for auditors, financial and legal advisors, Nasdaq Copenhagen A/S operating First North, and design, printing and distribution of this Company Description as well as costs related to Management presentations and handling fees of 0.125% of the value of allocated Offer Shares, paid to account holding banks.

The gross proceeds from the issuance of Offer Shares is expected to amount to a minimum of DKK 49.0 million to a maximum of DKK 59.0 million before expenses connected with the Offering. Of the gross proceeds from the Offering, DKK 15.0 million – 25.0 million will be assigned to the Company. The remaining DKK 34.0 million will be assigned to WMa Holding ApS. The distribution of the costs related to the Offering results in the Company receiving net proceeds in the range of DKKm 13.8 – 23.4, and WMa Holding ApS in the range of DKKm 31.7 – 32.0, dependent on whether the minimum or maximum number of Offer Shares are sold in the Offering.

Glossary

<u>Abbreviation/Term</u>	<u>Explanation</u>
AC	Alternating current
BMS	Building Management System
CAGR	An abbreviation of "compound annual growth rate"
CE	Conformité Européene, meaning European Conformity
CEN	European Committee for Standardization
Certified Adviser	Grant Thornton (see below)
Company Description	This company description
Company Description Date	October 6, 2020
CVR	The registration number of a Danish business
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen
DKKm	Million Danish Kroner
EBITDA	An abbreviation of "earnings before interest, tax, depreciation and amortisation"
EBPD	Energy Performance of Buildings Directive
EN Test	European Standard test.
EURm	Million Euro
Executive Management	Erik Boyter (CEO), Steen Overgaard Sørensen (CFO)
GDPR	General Data Protection Regulation
Grant Thornton	Grant Thornton Statsautoriseret Revisionspartnerselskab, CVR no. 34209936
HVAC	Heating, Ventilation and Air Conditioning
IOT	Internet-of-Things
kWh	Kilo Watt hour
LEED	Leadership in Energy & Environmental Design
Major shareholders	The entities that directly have 5% or more of the total shareholdings in the Company
Management Team	Consists of CEO, CFO, CPO and COO
MMV	Mixed mode ventilation
MV	Mechanical ventilation
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, CVR no. 19042677. Operator of Nasdaq First North Growth Market Denmark
NV	Natural ventilation
OEM	Original equipment manufacturer
SBS	Sick-building-syndrome
USDbn	Billion US dollars
V	Volt
VP Securities	VP SECURITIES A/S, CVR no. 21599336
WindowMaster	WindowMaster International A/S, CVR no. 13827532

Subscription form – WindowMaster International A/S
Subscription of Offer Shares in WindowMaster International A/S, CVR no. 13 82 75 32

Offering of between 4,702,495 and 5,662,188 Offer Shares of nominally DKK 1 each

Settlement agent:	Danske Bank A/S, Holmens Kanal 2-12, 1092 Copenhagen K
Offer Period:	October 6, 2020 9:00 CET to October 19, 2020 23:59 CET
Offer Price:	DKK 10.42 per Offer Share
Settlement:	Delivery of shares in permanent ISIN against payment
Payment:	Expected to take place October 23, 2020
ISIN:	Permanent ISIN for the Shares: DK0061278355

For the subscription to be accepted, it must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own accounting holding bank to process and forward the subscription to ensure that it is in the possession of Danske Bank no later than 23:59 CET on October 19, 2020.

The Company Description is dated October 6, 2020. The Company Description is published on the Company's and Nasdaq First North Growth Market Denmark's website after Nasdaq First North Growth Market Denmark's approval of admission to trading of the Company's Shares. Admission as well as continued admission to trading on Nasdaq First North Growth Market Denmark is subject to all admission requirements for the Company's shares set forth by Nasdaq First North Growth Market Denmark are met before the first day of trading.

A subscription shall as a minimum be for 365 Offer Shares equivalent to DKK 3,803.3.

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, allocation of shares will be reduced in accordance with section 18.6.2 "Pre-allotment information" in the Company Description. Submission of a subscription form during the Offer Period does not guarantee the allocation of Offer Shares in full or in part. Pre-subscribed order will be allocated in full.

Settlement of the Offering will be effectuated providing payment in Danish kroner. Payment is expected to take place October 23, 2020. Any trading with the Offer Shares prior to the settlement is solely at the involved parties' own expense and risk.

On the terms and conditions stated in the Company Description dated October 6, 2020, I/we hereby submit a subscription to purchase Offer Shares in the Company and simultaneously confirm to have received a copy of the Company Description and that I/we have based the investment decision solely on the contents of the Company Description. Only one subscription form for each custody account with VP Securities A/S (VP) will be accepted.

I/we accept that Danske Bank A/S may demand information about my/our name, address, and order, and are entitled to pass on such information to the Company, its Certified Adviser and the investor's custody bank. I/we hereby undertake to pay the equivalent of the Offer Shares allocated at the fixed Offer Price.

Subscription form – WindowMaster International A/S

The undersigned hereby applies for subscription of the following number of shares OR order amount in DKK in WindowMaster International A/S:

Number of Offer Shares (minimum 365)	OR	Order amount in DKK (minimum 3,803.30)
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Fill out where the allotted and paid for shares are to be delivered (fill out only one alternative):

VP custody account number	Bank
Settlement account number	Bank

Subscriber information:

Last name/Company	First Name	CPR no./CVR.no.
Street address (or equivalent)		Telephone/mobile phone
Postal code	City	Country
Place and date		E-mail
		Signature (authorized company signature, if applicable)

Fields below is only to be filled out when opening a new VP custody account:

Civil registration (CPR) number / Company registration (CVR) number
Name
Address
Postal code and city
Phone number
Position
Existing account number for settlement (if any)

Articles of association

WindowMaster International A/S CVR-nr.

CVR-nr. / CVR no.: 13827532

VEDTÆGTER

1. NAVN

1.1 Selskabets navn er WindowMaster International A/S.

2. FORMÅL

2.1 Selskabets formål er at eje kapitalandele i erhvervsvirksomheder, drive fabrikation, handel, investering og administration samt anden dermed i forbindelse stående virksomhed, alt efter bestyrelsens nærmere bestemmelse.

3. SELSKABETS KAPITAL

3.1 Selskabets kapital udgør nominelt DKK 12.000.000 fordelt på 12.000.000 kapitalandele à DKK 1 pr. stk.

3.2 Selskabskapitalen er fuldt indbetalt.

3.3 Kapitalandele er omsætningspapirer og kapitalandelene skal lyde på navn og noteres i selskabets ejerbog. Der gælder ingen indskrænkninger i kapitalandelenes omsættelighed.

3.4 Selskabets ejerbog føres af VP Securities A/S, CVR nr. 21599336.

ARTICLES OF ASSOCIATION

1. NAME

1.1 The name of the company is WindowMaster International A/S

2. OBJECTS

2.1 The objects of the company are to own shares in business enterprises, carry on manufacturing, trade, investment and administration and any associated business, all as determined by the board of directors.

3. THE COMPANY'S SHARE CAPITAL

3.1 The share capital of the company amounts to DKK 12,000,000 divided into 12,000,000 shares of DKK 1 each.

3.2 The share capital is fully paid up.

3.3 The shares shall be negotiable securities and the shares shall be registered in the name of the shareholder in the company's share register. There are no limitations on the shares' negotiability.

3.4 The company's share register is kept by VP Securities A/S, CVR no. 21599336.

3.5 Selskabets kapitalandele udstedes i dematerialiseret form (papirløst) gennem VP Securities A/S, CVR nr. 21599336. Udbytte udbetales gennem VP Securities A/S og indsættes på udbyttekonti registreret i VP Securities A/S. Rettigheder vedrørende kapitalandelene skal anmeldes til VP Securities A/S efter reglerne herom.

4. BEMYNDIGELSE TIL UDSTEDELSE AF WARRANTS

4.1 Bestyrelsen er i perioden indtil den 1. august 2025 bemyndiget til ad en eller flere omgange at udstede et samlet antal tegningsretter (warrants), der svarer til 10% af selskabets selskabskapital opgjort på datoen for noteringen af selskabets kapitalandele på Nasdaq First North Growth Market Denmark til medlemmer af selskabets eller et datterselskabs direktion samt ledende medarbejdere i selskabet og dets datterselskaber med ret til at tegne et tilsvarende antal kapitalandele i selskabet.

4.2 Bestyrelsen er derudover bemyndiget til at foretage den til tegningsoptionerne knyttede kapitalforhøjelse ad en eller flere omgange. For tegningsoptionerne og kapitalforhøjelser knyttet til tegningsoptionerne skal gælde følgende:

at tegningsoptionerne - og de på grundlag deraf tegnede kapitalandele i selskabet – udstedes/tegnes uden fortegningsret for selskabets kapitalejere,

at tegningsoptionerne giver ret til tegning af op til et antal nye kapitalandele i selskabet, der svarer til 10% af selskabets kapitalandele opgjort på datoen for noteringen af selskabets kapitalandele på Nasdaq First North Growth Market Denmark,

at de kapitalandele, der tegnes på grundlag af tegningsoptionerne, skal være omsætningspapirer og skal lyde på navn og skal noteres i selskabets ejerbog,

at der ikke skal gælde indskrænkninger i omsætteligheden af de kapitalandele, der tegnes på grundlag af tegningsoptionerne,

at tegningsbeløbet skal indbetales fuldt ud,

såfremt der gennemføres kapitalændringer i selskabet inden, tegningsoptionerne er udnyttet og disse ændringer efter bestyrelsens vurdering medfører en reduktion eller stigning i værdien af warrants, foretages der ikke en regulering af antallet af tegningsoptioner og/eller kursen for udnyttelse af tegningsoptionerne, og

3.5 The company's shares are issued in a dematerialized form (electronically) through VP Securities A/S, CVR no. 21599336. Dividends are paid through VP Securities A/S and deposited on dividend accounts registered in VP Securities A/S. Rights relating to the shares must be reported to VP Securities A/S in accordance with the rules thereon.

4. AUTHORISATION TO ISSUE WARRANTS

4.1 The board of directors is authorized until 1 August 2025 to at one or more times issue a total number of warrants equivalent to 10% of the company's share capital as of the date the company's shares are listed for trading on Nasdaq First North Growth Market Denmark to members of the company's or a subsidiary's executive management as well as key employees of the company and its subsidiaries with the right to subscribe the same number of shares in the company.

4.2 The board of directors are furthermore authorized to carry out the capital increase related to the warrants at one or more times. For the warrants and capital increases related to the warrants the following shall apply:

that the warrants – and the shares subscribed for in relation hereto – are issued/subscribed for without preemptive rights for the company's shareholders,

that the warrants give right to subscription for up to in the aggregate a number of new shares in the company equivalent to 10% of the company's share capital as of the date the company's shares are listed for trading on Nasdaq First North Growth Market Denmark,

that the shares subscribed for in relation to exercise of warrants are negotiable instruments and shall be registered in the name of the holder and be recorded in the company's shareholder's register,

that there are no limitations on the negotiability of the shares which are subscribed for in relation to exercise of the warrants,

that subscription amount shall be fully paid up,

if capital changes are completed for the company before the warrants have been exercised and such changes in the opinion of the board of directors have resulted in a reduction or increase in the value of the warrants, the number of warrants and/or the subscription price shall not be regulated, and

selskabet kan tilbagekøbe og/eller genanvende ikke udnyttede tegningsoptioner.

5. BEMYNDIGELSER TIL BESTYRELSEN TIL AT FORHØJE SELSKABSKAPITALEN

5.1 Bestyrelsen er bemyndiget til at forhøje selskabskapitalen med op til i alt nominelt DKK 2,399,232 i forbindelse med selskabets notering på Nasdaq First North Growth Market Denmark. Bemyndigelsen gælder til 1. august 2025 på følgende vilkår:

Tegning af nye kapitalandele i henhold til denne bemyndigelse kan ske til kontant til markedskurs uden fortegningsret for de eksisterende kapitalejere og ved fuld indbetaling af tegningsbeløbet.

Der gælder ingen indskrænkning i forhold til fortegningsretten for de nye kapitalandele ved fremtidige kapitalforhøjelser.

Nye kapitalandele, tegnet i henhold til udnyttelse af denne bemyndigelse, skal lyde på navn og noteres i selskabets ejerbog. Kapitalandelene skal være omsætningspapirer, og der skal ikke gælde nogen indskrænkninger i de nye kapitalandeles omsættelighed.

I det omfang, bemyndigelsen ikke er udnyttet, bortfalder den efter notering af selskabet på Nasdaq First North Growth Market Denmark.

5.2 Bestyrelsen er bemyndiget til at forhøje selskabskapitalen ad én eller flere gange med op til i alt nominelt DKK 400.000. Bemyndigelsen gælder til 1. august 2025 på følgende vilkår:

Tegning af nye kapitalandele i henhold til denne bemyndigelse kan ske til kontant, ved apportindskud, eller gældskonvertering til markedskurs med eller uden fortegningsret for de eksisterende kapitalejere og ved fuld indbetaling af tegningsbeløbet.

Der gælder ingen indskrænkning i forhold til fortegningsretten for de nye kapitalandele ved fremtidige kapitalforhøjelser.

Nye kapitalandele, tegnet i henhold til udnyttelse af denne bemyndigelse, skal lyde på navn og noteres i selskabets ejerbog. Kapitalandelene skal være omsætningspapirer, og der skal ikke gælde nogen indskrænkninger i de nye kapitalandeles omsættelighed.

the company may buy back and/or reuse non-exercised warrants.

5. AUTHORISATIONS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL

5.1 The board of directors is authorized to increase the share capital of the company by up to aggregately nominally DKK 2,399,232 in connection with the listing of the company on Nasdaq First North Growth Market Denmark. The authorisation is valid to 1 August 2025 on the following terms:

Subscription of new shares in accordance with this authorisation can be made at market price against payment in cash without pre-emptive rights for the existing shareholders and by payment of the full subscription amount.

There are no limitations in relation to the pre-emptive rights for the new shares at future capital increases.

New shares subscribed for under this authorization shall be registered under the name of the shareholder and be recorded in the company's shareholders' register. The shares shall be negotiable instruments and there are no limitations on the shares' negotiability.

To the extent not exercised the authorization lapses after the listing of the company on Nasdaq First North Growth Market Denmark.

5.2 The board of directors is authorized to increase the share capital of the company one or more times by up to aggregately nominally DKK 400,000. The authorisation is valid to 1 August 2025 on the following terms:

Subscription of new shares in accordance with this authorisation can be made against payment in cash, by contribution in kind or conversion of debt at market price without pre-emptive rights for the existing shareholders and by payment of the full subscription amount.

There are no limitations in relation to the pre-emptive rights for the new shares at future capital increases.

New shares subscribed for under this authorization shall be registered under the name of the shareholder and be recorded in the company's shareholders' register. The shares shall be negotiable instruments and there are no limitations on the shares' negotiability.

5.3 Bestyrelsen er af alle kapital ejere bemyndiget til at forhøje selskabskapitalen ad én eller flere gange med op til i alt nominelt DKK 200.000. Bemyndigelsen gælder til 1. august 2025 på følgende vilkår:

Tegning af nye kapitalandele i henhold til denne bemyndigelse kan ske kontant, ved apportindskud eller gældskonvertering og eventuelt til favørkurs med eller uden fortegningsret for de eksisterende kapital ejere og ved fuld indbetaling af tegningsbeløbet.

Der gælder ingen indskrænkning i forhold til fortegningsretten for de nye kapitalandele ved fremtidige kapitalforhøjelser.

Nye kapitalandele, tegnet i henhold til udnyttelse af denne bemyndigelse, skal lyde på navn og noteres i selskabets ejerbog. Kapitalandelene skal være omsætningspapirer, og der skal ikke gælde nogen indskrænkninger i de nye kapitalandele's omsættelighed.

6. ERHVERVELSE AF EGNE KAPITALANDELE

6.1 Bestyrelsen er bemyndiget til på selskabets vegne at erhverve egne kapitalandele mod vederlag. Selskabet kan ad én eller flere gange i overensstemmelse med gældende regler herom erhverve op til 10% af selskabskapitalen mod et vederlag, der ikke er lavere end DKK 1 og ikke overstiger markedsværdien. Bemyndigelsen gælder til 1. august 2025.

7. GENERALFORSAMLINGEN, KOMPETENCE, STED OG INDKALDELSE

7.1 Generalforsamlingen har den højeste myndighed i alle selskabets anliggender inden for de i lovgivningen og nærværende vedtægter fastsatte grænser.

7.2 Selskabets generalforsamling skal afholdes på selskabets hjemsted eller i Region Hovedstaden.

7.3 Den ordinære generalforsamling skal afholdes hvert år i så god tid, at den godkendte årsrapport kan indsendes til Erhvervsstyrelsen, så den er modtaget i styrelsen inden 4 måneder efter regnskabsårets udløb.

7.4 Generalforsamlinger indkaldes af bestyrelsen med mindst 3 ugers og højst 5 ugers varsel på selskabets hjemmeside, www.windowmaster.dk.

5.3 All shareholders have authorized the board of directors to increase the share capital of the company one or more times by up to aggregately nominally DKK 200,000. The authorisation is valid to 1 August 2025 on the following terms:

Subscription of new shares in accordance with this authorisation can be made against payment in cash, by contribution in kind or conversion of debt and possibly below market price with or without pre-emptive rights for the existing shareholders and by payment of the full subscription amount.

There are no limitations in relation to the pre-emptive rights for the new shares at future capital increases.

New shares subscribed for under this authorization shall be registered under the name of the shareholder and be recorded in the company's shareholders' register. The shares shall be negotiable instruments and there are no limitations on the shares' negotiability.

6. ACQUISITION OF OWN SHARES

6.1 The board of directors is authorized to acquire shares in the company against payment on behalf of the company. The company may one or more times acquire up to aggregately 10% of the company's share capital in accordance with applicable rules against payment of not less than DKK 1 and not more than the market value. The authorisation is valid to 1 August 2025.

7. GENERAL MEETING, AUTHORITY, VENUE AND NOTICE OF MEETINGS

7.1 Within the limits of statutory provisions and these articles of association the general meeting shall be the supreme authority in all company matters.

7.2 The general meeting of the company shall be held at the registered address of the company or in the Capital Region of Denmark.

7.3 The annual general meeting shall be held in time for the adopted annual report to be filed and received by the Danish Business Authority before the expiry of the statutory time limit which is 4 months after the end of the accounting year.

7.4 General Meetings shall be convened by the board of directors with not less than 3 weeks' notice and not more than 5 weeks' notice at the company's website, www.windowmaster.dk.

7.5 Selskabet udsender i øvrigt selskabsmeddelelser i overensstemmelse med gældende regler.

7.6 I en periode på 3 uger før generalforsamlingen og frem til og med dagen for generalforsamlingen vil der på selskabets hjemmeside være fremlagt kopi af indkaldelsen med dagsorden, de fuldstændige forslag, de dokumenter, der fremlægges på generalforsamlingen, oplysninger om stemme- og kapitalforhold på tidspunktet for indkaldelsen samt formularer til afgivelse af fuldmagt og brevstemmer.

7.7 Ekstraordinær generalforsamling afholdes efter en generalforsamlings- eller bestyrelsesbeslutning, eller når det begæres af revisor eller af kapitalejere, der tilsammen repræsenterer mindst fem procent af selskabskapitalen. Sådant begæring skal ske skriftligt til bestyrelsen og være ledsaget af bestemt angivne forslag. Generalforsamlingen skal da indkaldes senest 2 uger efter, at det er forlangt.

7.8 Generalforsamlingen kan afholdes på engelsk uden simultantolkning til og fra dansk. Alle dokumenter udarbejdet til generalforsamlingens brug i forbindelse med eller efter generalforsamlingen, herunder årsrapporten, kan foreligge på dansk eller engelsk.

8. GENERALFORSAMLINGEN, DAGSORDEN

8.1 På den ordinære generalforsamling skal dagsordenen være følgende:

1. Bestyrelsens beretning om selskabets virksomhed i det forløbne år.
2. Fremlæggelse af årsrapport og eventuelt koncernregnskab til godkendelse.
3. Godkendelse af bestyrelses vederlag for indeværende regnskabsår.
4. Beslutning om anvendelse af overskud eller dækning af tab i henhold til den godkendte årsrapport.
5. Valg af bestyrelsesmedlemmer.
6. Valg af revisor.
7. Eventuelle forslag fra bestyrelsen og/eller kapital-ejerne.
8. Eventuelt

7.5 Additionally, the company will publish company announcements in accordance with applicable rules.

7.6 For a period of 3 weeks before the general meeting and up to and including the day of the general meeting, a copy of the notice with the agenda, the complete proposals, the documents presented at the general meeting, information on voting and capital matters, the date of the notice of convening the meeting, as well as forms for proxy and letter votes will be available at the company's website.

7.7 Extraordinary general meeting shall be held when decided by the ordinary general meeting or the board of directors or when requested by the auditor or shareholders, who represents more than five percent of the share capital in total. Such request must be made in writing to the board of directors and shall be accompanied by certain specified proposals. The general meeting must then be convened no later than 2 weeks after it has been requested.

7.8 General meetings may be held in English without simultaneous interpreting to and from Danish. All documents prepared for the use of the general meeting in connection with or after the general meeting, including the annual report can be in Danish or English.

8. GENERAL MEETING, AGENDA

8.1 At the Annual General Meeting the following business shall be transacted:

1. Report of the Supervisory Board on the Company's activities during the past year.
2. Presentation of the Annual Report and consolidated accounts, if any, for adoption.
3. Approval if the board of director's salary in the current accounting year.
4. Adoption as to the appropriation of the profit or the covering of loss according to the adopted annual report.
5. Appointment of members of the board of directors.
6. Appointment of auditor(s).
7. Proposals from the board of directors and/or the shareholders, if any.
8. Any other business

9. GENERALFORSAMLINGEN, DIRIGENT, STEMMERET OG BESLUTNINGER

9.1 Hver kapitalandel på DKK 1 giver én stemme.

9.2 Bestyrelsen udpeger en dirigent, der leder forhandlingerne og afgør alle spørgsmål vedrørende sagernes behandling og stemmeafgivning.

9.3 Over forhandlingerne på generalforsamlingen føres en protokol, der underskrives af dirigenten.

9.4 På generalforsamlingen træffes alle beslutninger ved simpelt flertal bortset fra de tilfælde, hvor selskabsloven kræver kvalificeret flertal.

10. MØDERET OG STEMMERET PÅ GENERALFORSAMLINGEN

10.1 En kapitalejers ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de kapitalandele, kapitlejeren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen. De kapitalandele, den enkelte kapitalejer besidder på registreringsdatoen, opgøres på baggrund af notering af kapitalejerens kapitalejerforhold i ejerbogen samt meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførelse i ejerbogen, men som endnu ikke er indført i ejerbogen.

10.2 En kapitalejer, der er berettiget til at deltage i generalforsamlingen, og som ønsker at deltage i generalforsamlingen, skal senest 5 hverdage før dens afholdelse anmode om adgangskort.

10.3 Stemmeret kan udøves ved fuldmægtig på betingelse af, at denne godtgør sin ret til at deltage i generalforsamlingen ved fremsendelse af en skriftlig, dateret fuldmagt til selskabet forud for afholdelsen af generalforsamlingen, som nærmere angivet i indkaldelsen til generalforsamlingen. Fuldmægtigen skal medbringe kapitalejerens adgangskort til generalforsamlingen. Kapitlejere, der er berettiget til at deltage i en generalforsamling kan endvidere afgive stemmer ved brevstemme som også nærmere angivet i indkaldelsen til generalforsamlingen. Derudover kan kapitalejere eller fuldmægtige møde på generalforsamlingen sammen med en rådgiver.

11. ELEKTRONISK GENERALFORSAMLING

11.1 Bestyrelsen kan beslutte, at generalforsamlinger afholdes fuldstændig eller delvist elektronisk.

9. GENERAL MEETING, CHAIRMAN, VOTING RIGHT AND RESOLUTIONS

9.1 Each share of DKK 1 entitles the holder to one vote.

9.2 The board of directors shall appoint a chairman to direct the discussions and to decide all matters relating to the procedure of the general meeting and the voting.

9.3 A protocol is prepared for the negotiations at the general meeting, which is signed by the chairman.

9.4 All resolutions passed at the general meeting shall be passed by simple majority of votes unless a more qualified majority is prescribed by the Danish Companies Act.

10. MEETING RIGHTS AND VOTING RIGHTS AT THE GENERAL MEETING

10.1 A shareholders' right to participate in a general meeting and to vote shall be determined on the basis of the shares owned by the shareholder on the date of registration. The date of registration shall be one week before the date of the general meeting. The shares, which the individual shareholder possess on the date of registration are determined on the basis of registration of the shareholders' shares in the shareholders' register as well as notices of ownership received by the company for entry into the shareholders' register, but which is not yet registered.

10.2 A shareholder who is eligible to attend the general meeting and who wishes to attend the general meeting must request access card no later than 5 business days before the meeting is held.

10.3 The right to vote may be exercised by proxy on condition that the concerned proves his right to attend the general meeting by submission of a written, dated proxy to the company prior to the general meeting, as specified in the notice of the general meeting. The proxy must bring the shareholder's access card to the general meeting. Shareholders who are eligible to attend a general meeting may also submit votes by postal vote as specified in the notice of the general meeting. In addition, capital owners or proxies can meet at the general meeting with an advisor.

11. ELECTRONICAL GENERAL MEETING

11.1 The board of directors may decide that general meetings are held in whole or in part electronically.

11.2 Bestyrelsen skal sørge for, at elektroniske generalforsamlinger afvikles på betryggende vis og skal sikre, at det anvendte system er indrettet, så lovgivningens krav til afholdelse af generalforsamling opfyldes, herunder især kapitalejernes adgang til at deltage i, ytre sig samt stemme på generalforsamlingen. Systemet skal gøre det muligt at fastslå, hvilke kapitalejere der deltager, hvilken selskabskapital og stemmeret, de repræsenterer samt resultatet af afstemninger.

11.3 Via egen opkobling tilslutter kapitalejerne sig et virtuelt forum, hvor generalforsamlingen afholdes. Bestyrelsen fastsætter de nærmere krav til de elektroniske systemer, som anvendes ved elektronisk generalforsamling. Kapitalejerne afholder selv egne omkostninger ved deltagelse i elektronisk generalforsamling.

11.4 Indkaldelsen til den elektroniske generalforsamling angiver de nærmere krav til det elektroniske udstyr, som skal anvendes ved deltagelse i generalforsamlingen. Ligeledes angives, hvorledes tilmelding sker, samt hvor kapitalejerne kan finde oplysninger om fremgangsmåden i forbindelse med generalforsamlingen.

12. LEDELSE

12.1 Selskabet ledes af en bestyrelse på 3-7 medlemmer, valgt af generalforsamlingen for tiden indtil næste ordinære generalforsamling.

12.2 Bestyrelsesformanden udpeges af generalforsamlingen blandt de valgte medlemmer. Bestyrelsen kan blandt sine medlemmer vælge en næstformand.

12.3 Bestyrelsen er beslutningsdygtig, når over halvdelen af samtlige bestyrelsesmedlemmer er til stede eller repræsenteret. De i bestyrelsen behandlede emner afgøres ved simpelt stemmeflertal. Formandens stemme, eller ved formandens forfald næstformandens, er udslagsgivende ved stemmelighed.

12.4 Bestyrelsen ansætter en direktion på 1-3 medlemmer til at varetage den daglige ledelse af selskabet.

13. SPROG

13.1 Selskabets koncernsprog er engelsk.

11.2 The board of directors shall ensure that electronic general meetings are convened in a satisfactory manner, and shall ensure that the system used is arranged so that the requirements of legislation for holding a general meeting are fulfilled, including, in particular, the right of shareholders to attend, comment and vote at the general meeting. The system should enable the determination of which shareholders participate, the share capital and voting rights they represent as well as the result of voting.

11.3 Via their own connection, the shareholders join a virtual forum where the general meeting is held. The board of directors determines the detailed requirements for the electronic systems used at electronic general meetings. The shareholders themselves bear their own costs in connection with their participation in the electronic general meeting.

11.4 The notice convening the electronic general meeting must set out the specific requirements for the electronic equipment to be used when attending the general meeting. It must also be stated how participation is registered and where the shareholders can find information about the procedure in connection with the general meeting.

12. MANAGEMENT

12.1 The business of the company shall be managed by a board of directors consisting of 3-7 members elected at the general meeting. The term of office shall expire at the following annual general meeting.

12.2 The chairman of the board of directors is appointed by the general meeting among the elected members. The board of directors can elect one of its members as deputy chairman.

12.3 The board of directors forms a quorum when more than half of the directors are present or represented. All business transacted by the board of directors shall be decided by a simple majority of votes. In case of equality of votes, the chairman – or in case of the absence of the chairman - the deputy chairman has the casting vote.

12.4 The board of directors shall appoint an executive board consisting of 1-3 members to be in charge of the day-to-day running of the company.

13. LANGUAGE

13.1 The company's corporate group language shall be English.

13.2 Selskabsmeddelelser kan tillige udarbejdes på dansk, såfremt bestyrelsen måtte beslutte det.

14. ELEKTRONISK KOMMUNIKATION

14.1 Al kommunikation fra selskabet til Kapitalejerne, herunder indkaldelse til generalforsamlinger, kan ske elektronisk via offentliggørelse på selskabets hjemmeside eller via e-mail. Generelle meddelelser gøres tilgængelige på selskabets hjemmeside i henhold til gældende lov.

14.2 Kommunikation fra kapitalejere til selskabet kan ske ved e-mail.

14.3 Det er den enkelte kapitalvejers ansvar at sikre, at selskabet har kapitalvejers korrekte e-mail-adresse. Selskabet har ingen pligt til at søge e-mail-adresser berigtiget eller til at fremsende meddelelser på anden måde.

14.4 Oplysninger om kravene til anvendte systemer samt om fremgangsmåden ved elektronisk kommunikation findes på selskabets hjemmeside www.windowmaster.dk.

15. TEGNINGSREGEL

15.1 Selskabet tegnes af to direktører i forening, af en direktør i forening med bestyrelsesformanden, af tre bestyrelsesmedlemmer i forening eller af den samlede bestyrelse.

16. REVISION

16.1 Selskabets årsrapporter revideres af en statsautoriseret revisor, der vælges af den ordinære generalforsamling for et år ad gangen. Genvalg kan finde sted.

17. REGNSKABSÅR

17.1 Selskabets regnskabsår løber fra 1. januar til 31. december.

Således ændret på ekstraordinær generalforsamling afholdt den 16. September 2020.

13.2 Company announcements can also be prepared in Danish if the board of directors should decide so.

14. ELECTRONIC COMMUNICATION

14.1 All communication from the company to the shareholders, including notices of general meetings may be made electronically through publication on the company's website or via e-mail. General announcements are made available through the company's website in accordance with applicable law.

14.2 Communication from the shareholders to the company can be done by email.

14.3 It is each individual shareholder's responsibility to ensure that the company has the shareholders' correct e-mail address. The company has no obligation to search for e-mail addresses corrected or to transmit messages in any other way.

14.4 Information on the requirements for systems used and on the procedure for electronic communication can be found on the company's website www.windowmaster.dk.

15. AUTHORITY TO BIND THE COMPANY

15.1 The company shall be bound by the signature of two executive directors, of an executive director and the chairman of the board of directors, of three members of the board of directors or of all members of the board of directors.

16. AUDIT

16.1 The company's annual reports shall be audited by one state authorised public accountant appointed at the annual general meeting for a term of one year. The auditor shall be eligible for reappointment.

17. ACCOUNTING YEAR

17.1 The company's financial year starts 1 January and ends 31 December.

Changed on 16 September 2020 on an extraordinary general meeting.

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Erik Koch Boyter

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