



Atlas Incinerators ApS

Masnedøvej 73 A
4760 Vordingborg
CVR No. 31083176

Annual report 01.07.2019 - 30.06.2020

The Annual General Meeting adopted the
annual report on 05.10.2020

Karsten Lindved

Chairman of the General Meeting

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Entity details

Entity

Atlas Incinerators ApS

Masnedøvej 73 A

4760 Vordingborg

CVR No.: 31083176

Registered office: Vordingborg

Financial year: 01.07.2019 - 30.06.2020

URL: www.atlasinc.dk

E-mail: atlas@atlasinc.dk

Board of Directors

Søren Klarskov Vilby, Chairman

Thomas Marstrand

Bo Kristensen

Kristian la Cour

Executive Board

Karsten Lindved

Oscar William Gunner

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P. O. Box 200

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Atlas Incinerators ApS for the financial year 01.07.2019 - 30.06.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020.

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

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

Vordingborg, 07.09.2020

Executive Board

Karsten Lindved

Oscar William Gunner

Board of Directors

Søren Klarskov Vilby
Chairman

Thomas Marstrand

Bo Kristensen

Kristian la Cour

Independent auditor's report

To the shareholders of Atlas Incinerators ApS

Opinion

We have audited the financial statements of Atlas Incinerators ApS for the financial year 01.07.2019 - 30.06.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Esbjerg, 07.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jørn Jepsen

State Authorised Public Accountant
Identification No (MNE) mne24824

Management commentary

Primary activities

The Company's main activity is production, development and sale of incinerators for the maritime sector.

The Company's contributes to environmental protection through its actions and positions.

The Company's main customer base covers marine and offshore industries land based.

Development in activities and finances

Results for the year 2019/20 amounted to a profit of DKK 9,260k compared to a profit of DKK 11,211k for the year 2018/19.

Management considers the performance for the year acceptable.

Events after the balance sheet date

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

Income statement for 2019/20

	Notes	2019/20 DKK'000	2018/19 DKK'000
Gross profit/loss		24,415	26,522
Staff costs	1	(11,016)	(10,476)
Depreciation, amortisation and impairment losses	2	(1,877)	(1,903)
Operating profit/loss		11,522	14,143
Income from investments in group enterprises		(8)	(6)
Other financial income from group enterprises		1,455	1,005
Other financial income		182	132
Financial expenses from group enterprises		(991)	(735)
Other financial expenses		(293)	(240)
Profit/loss before tax		11,867	14,299
Tax on profit/loss for the year	3	(2,607)	(3,088)
Profit/loss for the year		9,260	11,211
Proposed distribution of profit and loss			
Retained earnings		9,260	11,211
Proposed distribution of profit and loss		9,260	11,211

Balance sheet at 30.06.2020

Assets

	Notes	2019/20 DKK'000	2018/19 DKK'000
Completed development projects	5	3,909	3,071
Acquired intangible assets		1	6
Goodwill		11,176	11,874
Intangible assets	4	15,086	14,951
Land and buildings		19,550	20,230
Plant and machinery		5	11
Other fixtures and fittings, tools and equipment		23	54
Leasehold improvements		99	159
Property, plant and equipment	6	19,677	20,454
Investments in group enterprises		0	2
Other financial assets	7	0	2
Fixed assets		34,763	35,407
Raw materials and consumables		7,228	6,950
Work in progress		1,149	2,364
Manufactured goods and goods for resale		467	458
Assets held for sale		3,792	3,897
Prepayments for goods		876	1,540
Inventories		13,512	15,209

Trade receivables	3,993	5,587
Contract work in progress	812	1,280
Receivables from group enterprises	90,198	59,036
Deferred tax	3,515	7,780
Other receivables	302	1,036
Joint taxation contribution receivable	4,531	4,907
Prepayments	250	248
Receivables	103,601	79,874
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Cash	3	3
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Current assets	117,116	95,086
<hr/>		
Assets	151,879	130,493
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Equity and liabilities

	Notes	2019/20 DKK'000	2018/19 DKK'000
Contributed capital		19,797	19,797
Reserve for development expenditure		2,829	2,102
Retained earnings		61,939	53,406
Equity		84,565	75,305
Other provisions		214	0
Provisions for investments in group enterprises		6	0
Provisions		220	0
Other payables		595	0
Non-current liabilities other than provisions	8	595	0
Bank loans		463	1,602
Prepayments received from customers		948	4,243
Trade payables		4,067	5,874
Payables to group enterprises		58,823	41,986
Other payables		2,198	1,483
Current liabilities other than provisions		66,499	55,188
Liabilities other than provisions		67,094	55,188
Equity and liabilities		151,879	130,493
Contingent liabilities	9		
Assets charged and collateral	10		
Group relations	11		

Statement of changes in equity for 2019/20

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	19,797	2,102	53,406	75,305
Transfer to reserves	0	727	(727)	0
Profit/loss for the year	0	0	9,260	9,260
Equity end of year	19,797	2,829	61,939	84,565

Notes

1 Staff costs

	2019/20 DKK'000	2018/19 DKK'000
Wages and salaries	9,837	9,438
Pension costs	694	624
Other social security costs	145	160
Other staff costs	340	254
	11,016	10,476
Average number of full-time employees	16	15

2 Depreciation, amortisation and impairment losses

	2019/20 DKK'000	2018/19 DKK'000
Amortisation of intangible assets	797	828
Depreciation of property, plant and equipment	1,080	970
Impairment losses on property, plant and equipment	0	105
	1,877	1,903

3 Tax on profit/loss for the year

	2019/20 DKK'000	2018/19 DKK'000
Current tax	(1,658)	(2,869)
Change in deferred tax	4,265	5,856
Adjustment concerning previous years	0	101
	2,607	3,088

4 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000
Cost beginning of year	3,299	27	13,968
Additions	932	0	0
Cost end of year	4,231	27	13,968
Amortisation and impairment losses beginning of year	(228)	(21)	(2,094)
Amortisation for the year	(94)	(5)	(698)
Amortisation and impairment losses end of year	(322)	(26)	(2,792)
Carrying amount end of year	3,909	1	11,176

5 Development projects

The capitalised development cost relate to the development of a new incinerator that will entail lower production costs and improve its design so that Atlas' incinerators remain among the leading in the market.

We expect the development project to be completed in Q3 2020.

6 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	28,342	41	147	304
Additions	197	0	0	0
Cost end of year	28,539	41	147	304
Depreciation and impairment losses beginning of year	(8,112)	(30)	(93)	(145)
Depreciation for the year	(877)	(6)	(31)	(60)
Depreciation and impairment losses end of year	(8,989)	(36)	(124)	(205)
Carrying amount end of year	19,550	5	23	99

7 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	3,017
Cost end of year	3,017
Impairment losses beginning of year	(3,015)
Share of profit/loss for the year	(2)
Impairment losses end of year	(3,017)
Carrying amount end of year	0

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Atlas Incinerators Invest ApS	Vordingborg	ApS	100

8 Non-current liabilities other than provisions

	Due after more than 12 months 2019/20 DKK'000	Outstanding after 5 years 2019/20 DKK'000
Other payables	595	595
	595	595

9 Contingent liabilities

	2019/20 DKK'000	2018/19 DKK'000
Recourse and non-recourse guarantee commitments	82,511	117,870
Contingent liabilities	82,511	117,870
Recourse and non-recourse guarantee commitments	82,300	117,300
Contingent liabilities to group enterprises	82,300	117,300

The Entity participates in a Danish joint taxation arrangement in which G&O Investment A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10 Assets charged and collateral

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on property and plant of DKK 17,552k nominal.

The carrying amount of mortgaged properties amounts to DKK 19,550k.

Bank debt concerning own and group enterprises is secured by way of a deposited investments in group enterprises.

The Carrying amount of mortgaged shares amounts to DKK 0k.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: G&O Investment A/S, Charlottenlund, Denmark.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of raw materials and consumables and external expenses.

Revenue

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

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

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

Financial expenses from group enterprises

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

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc..

Tax on profit/loss for the year

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

The Entity is jointly taxed with the parent company and all its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a string market position and a longterm earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is amortised over 20 years

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

Intellectual property rights etc

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are 3-5 years. Completed development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-40 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	4-5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

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

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

Inventories

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

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

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

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

Assets held for sale

Assets held for sale are assets that are no longer in use and have been put up for sale. The assets are measured at the lower of carrying amount at the date of reclassification and net realisable value, and no amortisation or depreciation is made.

Receivables

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

Contract work in progress

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

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

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

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

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

Deferred tax

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

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

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

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

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Operating leases

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

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.