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# ***ARK Holding ApS***

Margrethepladsen 4, 3., DK-8000 Aarhus C

## **Annual Report for 1 January - 31 December 2020**

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CVR No 39 63 24 62

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
10/5 2021

Tore Høffner Andersen  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ARK Holding ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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

Aarhus, 10 May 2021

## Executive Board

Cagdas Ozan Ates  
CEO

## Board of Directors

Lars Kristensen

Cagdas Ozan Ates

Simon Fisker Rathjen

# Independent Auditor's Report

To the Shareholders of ARK Holding ApS

## Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of ARK Holding ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

## Basis for opinion

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

## Management's responsibilities for the Consolidated Financial Statements and Parent Company Financial Statements

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

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

## Auditor's responsibilities for the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements

## Independent Auditor's Report

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

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

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

# Independent Auditor's Report

are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

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

Trekantområdet, 10 May 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Lasse Berg

statsautoriseret revisor

mne35811

## **Company Information**

### **The Company**

ARK Holding ApS  
Margrethepladsen 4, 3.  
DK-8000 Aarhus C

CVR No: 39 63 24 62  
Financial period: 1 January - 31 December  
Municipality of reg. office: Aarhus

### **Board of Directors**

Lars Kristensen  
Cagdas Ozan Ates  
Simon Fisker Rathjen

### **Executive Board**

Cagdas Ozan Ates

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

# Financial Highlights

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

	<b>Group</b>		
	2020 TEUR	2019 TEUR	2018 TEUR
<b>Key figures</b>			
<b>Profit/loss</b>			
Revenue	460,852	115,960	53,729
Gross profit/loss	11,690	3,874	1,711
Profit/loss before financial income and expenses (EBIT)	7,835	2,217	1,362
Net financials	-785	-257	-169
Profit before tax (EBT)	7,050	1,960	1,193
Net profit/loss for the year	5,500	1,520	912
<b>Balance sheet</b>			
Balance sheet total	32,297	10,855	6,556
Equity	9,371	3,740	2,200
Cash at hand and in bank	14,269	3,412	4,473
<b>Cash flows</b>			
Cash flows from:			
- operating activities	5,842	-2,675	1,732
- investing activities	-400	-140	-48
including investment in property, plant and equipment	-82	-62	-7
- financing activities	5,415	1,794	1,500
Change in cash and cash equivalents for the year	10,857	-1,021	3,184
Number of employees	34	22	9
<b>Ratios</b>			
Gross margin	2.5%	3.3%	3.2%
EBIT margin	1.7%	1.9%	2.5%
Equity ratio	29.0%	34.5%	33.6%
Return on equity	83.9%	51.2%	82.9%

See the description under accounting policies.



# Management's Review

## Key activities of the group

The principal activities of the group and of ARK Holding ApS are trading with energy.

## Development in the year

The income statement of the Group for 2020 shows a profit of TEUR 5,500, and at 31 December 2020 the balance sheet of the Group shows equity of TEUR 9,371.

## Attracting talent and exceptional people

The Group had 55 employees at the end of 2020, an increase of 27 compared to 2019. Every month we welcome new employees, and this has also been the case in early 2021.

Given the growth in recent years, the Group has now reached a size and organizational maturity which clearly shows agility and strength through educational background, many years of trading experience, and diversity, all of which will further improve our business performance.

87% of the Group's staff have a master's degree, and the average energy trading experience among both front office and support staffs is more than 5 years. We have 12 nationalities represented and our ambition is to grow the number of female members on our staff from currently 15% in the coming years.

More than 30% of the employees at the Group have 8+ years of trading experience and a further almost 40% have between two and eight years of trading experience. It is important to the Group that not only our front office staff have comprehensive experience from the trading industry. This should also apply to our support functions, including the risk management, finance and treasury teams.

67% of our staff is in front office and 33% is in support function, equal to a 2:1 ratio, which it is our goal to maintain.

As our people are the Group's most unique asset, human resource management is a highly prioritized activity, and in our constantly changing and demanding business environment, we are focused on maintaining our high rate of employee satisfaction with a very low staff turnover ratio.

## Uncertainty relating to recognition and measurement

Except for as described in note 10, no material uncertainty on recognition and measurement has been identified.

## Subsequent events

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

## Income Statement 1 January - 31 December

	Note	Group		Parent	
		2020 TEUR	2019 TEUR	2020 TEUR	2019 TEUR
<b>Revenue</b>		<b>460,852</b>	<b>115,960</b>	<b>0</b>	<b>0</b>
Other operating income		0	514	0	0
Cost of sales		-447,444	-111,902	0	0
Other external expenses		-1,718	-698	-3	-1
<b>Gross profit/loss</b>		<b>11,690</b>	<b>3,874</b>	<b>-3</b>	<b>-1</b>
Staff expenses	1	-3,818	-1,636	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-37	-21	0	0
<b>Profit/loss before financial income and expenses (EBIT)</b>		<b>7,835</b>	<b>2,217</b>	<b>-3</b>	<b>-1</b>
Income from investments in subsidiaries		0	0	3,135	1,052
Financial income	2	484	0	0	0
Financial expenses	3	-1,269	-257	-25	0
<b>Profit/loss before tax (EBT)</b>		<b>7,050</b>	<b>1,960</b>	<b>3,107</b>	<b>1,051</b>
Tax on profit/loss for the year	4	-1,550	-440	1	0
<b>Net profit/loss for the year</b>		<b>5,500</b>	<b>1,520</b>	<b>3,108</b>	<b>1,051</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent	
		2020 TEUR	2019 TEUR	2020 TEUR	2019 TEUR
Acquired licenses		47	73	0	0
<b>Intangible assets</b>	5	<b>47</b>	<b>73</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		81	44	0	0
Leasehold improvements		17	9	0	0
<b>Property, plant and equipment</b>	6	<b>98</b>	<b>53</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	7	0	0	5,746	2,611
Deposits	8	255	30	0	0
Other receivables	8	92	0	0	0
<b>Fixed asset investments</b>		<b>347</b>	<b>30</b>	<b>5,746</b>	<b>2,611</b>
<b>Fixed assets</b>		<b>492</b>	<b>156</b>	<b>5,746</b>	<b>2,611</b>
<b>Inventories</b>	9	<b>530</b>	<b>0</b>	<b>0</b>	<b>0</b>
Trade receivables		9,082	4,402	0	0
Receivables from group enterprises		0	0	676	0
Other receivables	10	7,443	2,754	0	0
Corporation tax receivable from group enterprises		0	0	1	0
Prepayments	11	481	131	0	0
<b>Receivables</b>		<b>17,006</b>	<b>7,287</b>	<b>677</b>	<b>0</b>
<b>Cash at bank and in hand</b>		<b>14,269</b>	<b>3,412</b>	<b>24</b>	<b>29</b>
<b>Currents assets</b>		<b>31,805</b>	<b>10,699</b>	<b>701</b>	<b>29</b>
<b>Assets</b>		<b>32,297</b>	<b>10,855</b>	<b>6,447</b>	<b>2,640</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent	
		2020 TEUR	2019 TEUR	2020 TEUR	2019 TEUR
Share capital	12	8	8	8	8
Reserve for net revaluation under the equity method		0	0	4,889	1,754
Retained earnings		5,738	2,630	849	877
<b>Equity attributable to shareholders of the Parent Company</b>		<b>5,746</b>	<b>2,638</b>	<b>5,746</b>	<b>2,639</b>
Minority interests		3,625	1,102	0	0
<b>Equity</b>		<b>9,371</b>	<b>3,740</b>	<b>5,746</b>	<b>2,639</b>
Credit institutions		6,049	803	0	0
Other payables		1,830	2,384	0	0
<b>Long-term debt</b>	15	<b>7,879</b>	<b>3,187</b>	<b>0</b>	<b>0</b>
Credit institutions	15	181	12	0	0
Trade payables		9,660	2,963	4	0
Payables to group enterprises		0	0	272	0
Corporation tax		1,550	487	0	0
Other payables	15	3,656	466	425	1
<b>Short-term debt</b>		<b>15,047</b>	<b>3,928</b>	<b>701</b>	<b>1</b>
<b>Debt</b>		<b>22,926</b>	<b>7,115</b>	<b>701</b>	<b>1</b>
<b>Liabilities and equity</b>		<b>32,297</b>	<b>10,855</b>	<b>6,447</b>	<b>2,640</b>
Distribution of profit	13				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Accounting Policies	20				

## Statement of Changes in Equity

### Group

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	8	0	2,630	2,638	1,102	3,740
Other equity movements	0	0	0	0	131	131
Net profit/loss for the year	0	0	3,108	3,108	2,392	5,500
<b>Equity at 31 December</b>	<b>8</b>	<b>0</b>	<b>5,738</b>	<b>5,746</b>	<b>3,625</b>	<b>9,371</b>

### Parent

Equity at 1 January	8	1,754	876	2,638	0	2,638
Net profit/loss for the year	0	3,135	-27	3,108	0	3,108
<b>Equity at 31 December</b>	<b>8</b>	<b>4,889</b>	<b>849</b>	<b>5,746</b>	<b>0</b>	<b>5,746</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 TEUR	2019 TEUR
Net profit/loss for the year		5,500	1,520
Adjustments	16	2,129	592
Change in working capital	17	-917	-4,150
<b>Cash flows from operating activities before financial income and expenses</b>		<b>6,712</b>	<b>-2,038</b>
Financial income		484	0
Financial expenses		-1,268	-258
<b>Cash flows from ordinary activities</b>		<b>5,928</b>	<b>-2,296</b>
Corporation tax paid		-86	-379
<b>Cash flows from operating activities</b>		<b>5,842</b>	<b>-2,675</b>
Purchase of intangible assets		0	-76
Purchase of property, plant and equipment		-82	-62
Fixed asset investments made etc		-318	-2
<b>Cash flows from investing activities</b>		<b>-400</b>	<b>-140</b>
Raising of loans from credit institutions		5,415	1,794
<b>Cash flows from financing activities</b>		<b>5,415</b>	<b>1,794</b>
<b>Change in cash and cash equivalents</b>		<b>10,857</b>	<b>-1,021</b>
Cash and cash equivalents at 1 January		3,412	4,433
<b>Cash and cash equivalents at 31 December</b>		<b>14,269</b>	<b>3,412</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		14,269	3,412
<b>Cash and cash equivalents at 31 December</b>		<b>14,269</b>	<b>3,412</b>

# Notes to the Financial Statements

	Group		Parent	
	2020 TEUR	2019 TEUR	2020 TEUR	2019 TEUR
<b>1 Staff expenses</b>				
Wages and salaries	3,615	1,545	0	0
Pensions	169	81	0	0
Other social security expenses	34	10	0	0
	<b>3,818</b>	<b>1,636</b>	<b>0</b>	<b>0</b>
<b>Including remuneration to the Executive Board</b>	<b>381</b>	<b>354</b>	<b>0</b>	<b>0</b>
<b>Average number of employees</b>	<b>34</b>	<b>22</b>	<b>16</b>	<b>10</b>

The incentive scheme offered to selected employees includes an option for new subscription, in the 12-month period following January 1, 2026, of shares of up to 1% of the present share capital at a price calculated as 609.6 per subscribed share. A total of 1,286 warrants were granted during the year, which is also the outstanding number as of December 31, 2020.

Incentive programmes are not recognised in the Financial Statements.

## 2 Financial income

Other financial income	69	0	0	0
Exchange gains	415	0	0	0
	<b>484</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 3 Financial expenses

Other financial expenses	752	257	23	0
Exchange loss	517	0	2	0
	<b>1,269</b>	<b>257</b>	<b>25</b>	<b>0</b>

## Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	TEUR	TEUR	TEUR	TEUR
<b>4 Tax on profit/loss for the year</b>				
Current tax for the year	1,550	440	-1	0
Deferred tax for the year	0	0	0	0
	<b>1,550</b>	<b>440</b>	<b>-1</b>	<b>0</b>

## 5 Intangible assets

### Group

	Acquired licenses TEUR
Cost at 1 January	77
Cost at 31 December	77
Impairment losses and amortisation at 1 January	4
Amortisation for the year	26
Impairment losses and amortisation at 31 December	30
<b>Carrying amount at 31 December</b>	<b>47</b>



# Notes to the Financial Statements

## 6 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment TEUR	Leasehold improvements TEUR
Cost at 1 January	72	10
Additions for the year	69	10
Cost at 31 December	141	20
Impairment losses and depreciation at 1 January	29	1
Depreciation for the year	31	2
Impairment losses and depreciation at 31 December	60	3
<b>Carrying amount at 31 December</b>	<b>81</b>	<b>17</b>

## 7 Investments in subsidiaries

	Parent	
	2020 TEUR	2019 TEUR
Cost at 1 January	857	857
Cost at 31 December	857	857
Value adjustments at 1 January	1,754	702
Net profit/loss for the year	3,135	1,052
Value adjustments at 31 December	4,889	1,754
<b>Carrying amount at 31 December</b>	<b>5,746</b>	<b>2,611</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
MFT Energy Holding ApS	Aarhus	DKK 70,290	69%

# Notes to the Financial Statements

## 8 Other fixed asset investments

	<b>Group</b>	
	Deposits	Other receiv- ables
	TEUR	TEUR
Cost at 1 January	30	0
Additions for the year	225	92
Cost at 31 December	255	92
<b>Carrying amount at 31 December</b>	<b>255</b>	<b>92</b>

	<b>Group</b>		<b>Parent</b>	
	2020	2019	2020	2019
	TEUR	TEUR	TEUR	TEUR
<b>9 Inventories</b>				
Finished goods and goods for resale	530	0	0	0
	<b>530</b>	<b>0</b>	<b>0</b>	<b>0</b>

The cost of goods for resale equals the cost of acquisition. Inventories comprise gas inventory. As of December 31, 2020, the net realisable value (fair value) exceeded the cost of acquisition by TEUR 122.

## Notes to the Financial Statements

	Group		Parent	
	2020 TEUR	2019 TEUR	2020 TEUR	2019 TEUR
<b>10 Other receivables</b>				
Fair value of financial transactions, asset	29,274	0	0	0
Fair value of financial transactions, liability	-29,214	0	0	0
<b>Fair value of financial transactions, net</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deposits related to trading	6,040	2,654	0	0
Other receivables	1,435	100	0	0
	<b>7,535</b>	<b>2,754</b>	<b>0</b>	<b>0</b>
	Fair value of financial transactions - assets	Fair value of financial transactions - liability	Fair value of financial transactions - assets	Fair value of financial transactions - liability
Power	4,459	-4,524	0	0
Gas	24,679	-24,501	0	0
Capacities	136	-189	0	0
<b>Total at 31 December 2020</b>	<b>29,274</b>	<b>-29,214</b>	<b>0</b>	<b>0</b>

Financial instruments measured and held at fair value in the balance sheet are as a main rule measured based on prices in an active market. For some derivatives, measurement cannot be based on prices in an active market or on observable data. Such derivatives are measured by way of internal models with a valuation technique using non-observable data. Derivatives measured using non-observable data are:

- Power capacities; Capacities are recognised at their intrinsic value given by the spread between the two borders, less option premiums and capped at the capacity cost.
- Power derivatives traded in very illiquid and/or not quoted markets; Derivatives are recognised using internal models where main inputs relate to deriving expected future commodity prices.

# Notes to the Financial Statements

## 11 Prepayments

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

## 12 Share capital

The share capital consists of 60,000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2020	2019	2018
	TEUR	TEUR	TEUR
Share capital at 1 January	8	8	0
Capital increase	0	0	8
Capital decrease	0	0	0
<b>Share capital at 31 December</b>	<b>8</b>	<b>8</b>	<b>8</b>

## 13 Distribution of profit

Reserve for net revaluation under the equity method

Minority interests' share of net

profit/loss of subsidiaries

Retained earnings

	Group		Parent	
	2020	2019	2020	2019
	TEUR	TEUR	TEUR	TEUR
Reserve for net revaluation under the equity method	0	0	3,135	1,128
Minority interests' share of net profit/loss of subsidiaries	2,392	469	0	0
Retained earnings	3,108	1,051	-27	-77
	<b>5,500</b>	<b>1,520</b>	<b>3,108</b>	<b>1,051</b>

## 14 Provision for deferred tax

Provision for deferred tax at 1 January

Amounts recognised in the income statement for the year

**Provision for deferred tax at 31**

**December**

Provision for deferred tax at 1 January	0	0	0	0
Amounts recognised in the income statement for the year	0	0	0	0
<b>Provision for deferred tax at 31 December</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

## 15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2020 TEUR	2019 TEUR	2020 TEUR	2019 TEUR
<b>Credit institutions</b>				
After 5 years	2,323	390	0	0
Between 1 and 5 years	3,726	413	0	0
Long-term part	6,049	803	0	0
Other short-term debt to credit institutions	181	12	0	0
	<b>6,230</b>	<b>815</b>	<b>0</b>	<b>0</b>
<b>Other payables</b>				
After 5 years	0	2,384	0	0
Between 1 and 5 years	1,830	0	0	0
Long-term part	1,830	2,384	0	0
Within 1 year	551	0	0	0
Other short-term payables	3,105	467	425	1
Short-term part	3,656	467	425	1
	<b>5,486</b>	<b>2,851</b>	<b>425</b>	<b>1</b>

	Group	
	2020 TEUR	2019 TEUR
<b>16 Cash flow statement - adjustments</b>		
Financial income	-484	0
Financial expenses	1,269	257
Depreciation, amortisation and impairment losses, including losses and gains on sales	37	21
Tax on profit/loss for the year	1,550	440
Other adjustments	-243	-126
	<b>2,129</b>	<b>592</b>

## Notes to the Financial Statements

	<b>Group</b>	
	2020	2019
	TEUR	TEUR
<b>17 Cash flow statement - change in working capital</b>		
Change in inventories	-530	0
Change in receivables	-9,719	-5,208
Change in trade payables, etc	9,332	1,058
	<b>-917</b>	<b>-4,150</b>

	<b>Group</b>		<b>Parent</b>	
	2020	2019	2020	2019
	TEUR	TEUR	TEUR	TEUR
<b>18 Contingent assets, liabilities and other financial obligations</b>				

### Charges and security

The following assets have been placed as security with bankers:

Security comprises simple claims	4,303	1,339	0	0
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### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	73	70	0	0
Between 1 and 5 years	39	116	0	0
	<b>112</b>	<b>186</b>	<b>0</b>	<b>0</b>

### Guarantee obligations

Provided payments guarantees	12,336	7,745	0	0
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### Other contingent liabilities

The Parent Company has provided a suretyship for MFT Energy A/S limited to TEUR 403.

# Notes to the Financial Statements

## **18 Contingent assets, liabilities and other financial obligations** (continued)

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TEUR 1,550. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## **19 Related parties**

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

# Notes to the Financial Statements

## 20 Accounting Policies

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

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

### Changes in accounting estimates

#### *Change in presentation currency*

The Company changed its presentation currency from DKK to EUR at 1 January 2020. The Financial Statements for 2020 have been presented in EUR. The comparative figures of the income statement have been translated into EUR at the average exchange rate for EUR/DKK 0.13387. The comparatives of the balance sheet have been translated into EUR at the year-end rate for EUR/DKK of 0.13387 at 31 December 2019.

#### *Reclassifications and textual update of accounting policies*

Some reclassifications have been made in the Financial Statements. In these cases comparatives are adjusted to reflect the new classifications. The reclassifications have not affected the profit for the year nor the equity as of 31 December 2019. There has been a textual update of the accounting policies. The textual update has not affected the recognition and measurement of the accounting items.

### Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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



# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### **Basis of consolidation**

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

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

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

### **Minority interests**

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

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

### **Leases**

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### **Translation policies**

Euro is used as the presentation currency. All other currencies are regarded as foreign currencies.

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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

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

### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

### Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an out-flow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

## Income Statement

### Revenue

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

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

### Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Staff expenses

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

### Amortisation, depreciation and impairment losses

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

### Other operating income and expenses

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

### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

### Financial income and expenses

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

### Tax on profit/loss for the year

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

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

## Balance Sheet

### Intangible assets

Software and Incorporeal Rights are measured at cost less accrued amortization. Software is amortized on a straight-line basis according to an assessment of the expected useful life of 3 years. Incorporeal Rights are amortized on a straight-line basis according to an assessment of the expected useful life of 15 years.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Property, plant and equipment

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

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

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

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

Other fixtures and fittings, tools and equipment	3-15 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

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

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

### Investments in subsidiaries

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

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

# Notes to the Financial Statements

## **20 Accounting Policies** (continued)

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

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

### **Other fixed asset investments**

Other fixed asset investments consist of .

### **Inventories**

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

### **Receivables**

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

### **Prepayments**

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

### **Equity**

#### ***Dividend***

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

### **Deferred tax assets and liabilities**

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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

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

### Current tax receivables and liabilities

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

### Financial debts

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

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

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

## Cash Flow Statement

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

### Cash flows from operating activities

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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Cash flows from investing activities

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

### Cash flows from financing activities

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

### Cash and cash equivalents

Cash and cash equivalents comprise

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

## Financial Highlights

### Explanation of financial ratios

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