



Marius Pedersen A/S

Ørbækvej 851
5863 Ferritslev Fyn
CVR No. 49979517

Annual report 2020

The Annual General Meeting adopted the
annual report on 26.05.2021

Søren Borregaard

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	5
Management commentary	8
Income statement for 2020	13
Balance sheet at 31.12.2020	14
Statement of changes in equity for 2020	16
Notes	17
Accounting policies	26

Entity details

Entity

Marius Pedersen A/S

Ørbækvej 851

5863 Ferritslev Fyn

CVR No.: 49979517

Registered office: Faaborg-midtfyn

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Peter Schak Larsen, Chairman

Jens Flesner Kristiansen, Deputy Chairman

Ib Thrane

Birgit Elin Munck-Kampmann

Lars Christian Lilleholt

Jørn Tolstrup Rohde

Kirsten Almosetoft Kildegaard

Allan Nygård

Michael Kenneth Andersen

Executive Board

Simon Hovgaard Clausen, CEO

Per Madsen

Jeanett Halling Vikkelsøe

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Marius Pedersen A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Ferritslev, 26.05.2021

Executive Board

Simon Hovgaard Clausen
CEO

Per Madsen

Jeanett Halling Vikkelsøe

Board of Directors

Peter Schak Larsen
Chairman

Jens Flesner Kristiansen
Deputy Chairman

Ib Thrane

Birgit Elin Munck-Kampmann

Lars Christian Lilleholt

Jørn Tolstrup Rohde

Kirsten Almosetoft Kildegaard

Allan Nygård

Michael Kenneth Andersen

Independent auditor's report

To the shareholders of Marius Pedersen A/S

Opinion

We have audited the financial statements of Marius Pedersen A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Odense, 26.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Gert Rasmussen

State Authorised Public Accountant
Identification No (MNE) mne35430

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	1,230,082	1,231,242	1,230,120	1,276,130	1,222,382
Gross profit/loss	207,208	192,999	169,080	168,136	127,764
Operating profit/loss	163,115	139,473	114,620	114,975	68,785
Net financials	(6,642)	(6,347)	(6,242)	(6,863)	(2,607)
Profit/loss for the year	327,713	253,892	217,369	206,967	201,466
Total assets	2,481,285	2,108,999	1,987,535	2,023,142	1,879,357
Investments in property, plant and equipment	260,255	167,554	164,912	174,271	126,369
Equity	1,559,665	1,430,270	1,323,535	1,249,153	1,178,295
Average number of employees	895	893	891	922	955
Ratios					
EBIT margin (%)	13.26	11.33	9.32	9.01	5.63
Return on equity (%)	21.92	18.44	16.90	17.05	17.68
Equity ratio (%)	62.86	67.82	66.59	61.74	62.70
Return on investment (%)	15.28	14.31	11.56	10.90	6.33

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

Financial highlights are not completely comparable because Marius Pedersen A/S and former Marius Pedersen Holding A/S merged in 2018, therefore the financial highlights from 2020 to 2017 includes the merged financial highlights from Marius Pedersen Holding A/S.

EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Optional ratio (%):

Return on investment (%):

Operating profit/loss * 100

Average operationally assets

Primary activities

As an important player in the Danish, Czech Republic and Slovakian waste sector, Marius Pedersen takes an active role in the circular economy. In close co-operation with our customers and purchasers we work actively to ensure recycling and efficient use of the waste.

We consider waste as a resource and our main focus is to maximize the waste for recycling and minimize the waste for incineration or landfill – thus we are working actively with the UN Sustainable Development Goals, with specific focus on goal number 12: Responsible Consumption and Production.

We collect all types of waste, solid as liquid waste, from waste producers, and constantly work being in control of as much as possible of the value adding chain of waste – from collecting waste to selling secondary resources – with respect of adding value to our customers and our owners.

Group activities include:

- Sorting, treatment and handling a series of different types of recyclable waste at our own waste management facilities.
- Trading of recyclable waste in the context of circular economy.
- Services concerning handling of waste and recyclables from the client to final recycling, utilisation or disposal – being consulting, renting of equipment, transport service, sludge service, management reporting and other types of reporting for clients within trade, industrial production, service and retail, building and construction, institutions, households and municipal recycling stations.
- In addition the Group executes contractor business and furthermore owns companies in Denmark, the Czech Republic and Slovakia, primarily handling environmental activities.

Development in activities and finances

Development in activities

The waste and recycling market for Marius Pedersen A/S in Denmark is competitive. The markets are grounded on the waste management act from EU and national legislation. New business opportunities arise from changes in waste law and change in the focus or numbers of the market players. In August 2020 Marius Pedersen A/S acquired 100% of the shares in FKSSLamson A/S, Denmark.

Despite the financial impact from COVID-19 revenue and earnings in 2020 have been the best ever. We have seen growth in all 3 markets (Denmark, Czech Republic and Slovakia), coming from dedicated focus on value adding sales activities in each business line, focus on productivity and efficiency.

The overall impact on earnings from COVID-19 has been limited for Marius Pedersen A/S. Some customers/industries have been impacted negatively, impacting our earnings, but this has been offset by higher activity with other customers/industries. The long term effect on financials is however difficult to predict. Some industries will recover fast, whereas others are expected to continue with a negative impact for a longer period of time.

Development in finances

Profit after tax for the financial year covering the period 1 January 2020 to 31 December 2020 is 327,7 MDKK which is an increase of 73,8 MDKK compared to 2019. Operating profit is 163,1 MDKK which is 23,6 MDKK higher

than 2019. Revenue is 1.230,1 MDKK in 2020, a slightly decrease of 1,2 MDKK compared to 2019. Profit for the year – being the best year ever – is considered satisfactory. See further comments to the results above under Development in activities.

In the annual report for 2019 we stated an expectation for the year to be lower than in 2019 due to the outbreak of COVID-19. As mentioned above the overall impact on earnings from COVID-19 has been limited for Marius Pedersen A/S, consequently we did not see the expected decline in our earnings.

Due to the limited financial impact from COVID-19 management decided not to apply for any of the temporary compensation schemes granted by the authorities.

Profit/loss for the year in relation to expected developments

In the annual report 2019 we stated an expectation for slightly increase in turnover and earnings. Turnover decreased slightly, mainly due to decline in the world market prices for recycling materials, whereas earnings increased.

Profit for the year – being the best year ever – is considered satisfactory.

Outlook

The outlook and guidance for 2021 is subject to uncertainties and impacted by the Corona virus (COVID-19), which has lowered visibility on what to expect in 2021. The Company has not been impacted so much so far, but it is yet too early to predict how the long-term impact will be with our customers. We however expect Revenue and Profit for the year to be around same level as for 2020, i.e. revenue of 1.200-1230 MDKK and Profit for the year to be around 300-330 MDKK.

Investments in the Company for 2020 has been on a high level and amounts to 260,3 MDKK. In 2021 we expect that re- and new investments without acquisitions will remain on a high level and be around 275-300 MDKK in 2021.

In the past we have made several acquisitions on the Danish market and we still are interested in and aware of potential acquisition opportunities in the three countries.

Particular risks

Financial risks and interest risks

The Company has a financial policy which operates with a low risk profile. This means that currency, interest and credit risk only occur based on commercial conditions. The Company's use of derivative financial instruments is regulated by a written policy approved by the board of directors and internal procedures which among others controls the derivative financial instrument that can be used.

Currency risks

The Company's result from group enterprises is dependent on changes in exchange rates (CZK, EUR), due to the fact that the foreign group enterprises' results and equity at the end of the year are being converted into Danish kroner based on the average rate and the rate of the balance sheet date.

Business risks

The Company's most significant risks are linked to the ability of being strongly positioned on the activity areas on which the Company's services are directed. The Company continuously invests in new equipment and facilities to secure optimum utilization and efficiency.

Environmental performance

The Company acts in accordance with current environmental and safety legislation which helps to create a healthy and safe environment.

The Company continuously evaluates the total activities in order to constantly reduce the environmental impact. Business relations are also encouraged to choose systems or products that secure the highest possible amount of recycling or reduction in the use of natural resources.

The Company has ISO-14001 certifications covering all environmental activities of the Company. The Company is also ISO-9001 certified.

In order to promote environmental and safety conscience in general the Company is educating and creating awareness among its employees for them to take responsibility for environment, health and safety.

Research and development activities

The Company is continuously developing products, service concepts and do research in future business opportunities. These costs are charged to the profit and loss accounts.

Statutory report on corporate social responsibility

Referring to § 99a of the Danish Financial Statements Act the Company has not published an independent statement concerning Corporate Social Responsibility. The statement is included in the Corporate Social Responsibility report of Marius Pedersen Holding A/S CVR 35846735, <https://www.mariuspedersen.dk/om-os/kvalitets-miljoeledelse/csr>.

Statutory report on the underrepresented gender

Referring to § 99b of the Danish Financial Statements Act the Company has not published an independent statement concerning gender composition in the top management body. The statement is included in the annual consolidated report of Marius Pedersen Holding A/S CVR 35846735.

Events after the balance sheet date

Marius Pedersen A/S is impacted by the corona virus (COVID-19) in all three countries, consequently the outlook and guidance for 2021 is subject to uncertainties, however we do not expect any impact that materially influence the evaluation of this report. Marius Pedersen A/S has the 19. May 2021 signed an agreement to acquire 100% of the shares in Simon Moos A/S, Denmark and the 4. May 2021 signed an agreement to acquire 100% of the shares in Preben Andersen Vognmands- og Renovationsforretning ApS samt Axel Hansen Transport A/S. Except from above no other events have occurred after the balance sheet date which influences the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK'000	2019 DKK '000
Revenue	2	1,230,082	1,231,242
Production costs		(1,022,874)	(1,038,243)
Gross profit/loss		207,208	192,999
Distribution costs		(35,388)	(34,538)
Administrative expenses	3	(22,002)	(26,439)
Other operating income	6	13,297	7,451
Operating profit/loss		163,115	139,473
Income from investments in group enterprises		206,299	152,905
Other financial income	7	325	406
Other financial expenses	8	(6,967)	(6,753)
Profit/loss before tax		362,772	286,031
Tax on profit/loss for the year	9	(35,059)	(32,139)
Profit/loss for the year	10	327,713	253,892

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Goodwill		102,224	116,622
Intangible assets	11	102,224	116,622
Land and buildings		160,195	157,152
Plant and machinery		566,626	461,748
Other fixtures and fittings, tools and equipment		3,195	4,824
Property, plant and equipment in progress		29,814	12,568
Property, plant and equipment	12	759,830	636,292
Investments in group enterprises		1,385,089	1,124,360
Other investments		278	278
Financial assets	13	1,385,367	1,124,638
Fixed assets		2,247,421	1,877,552
Raw materials and consumables		5,676	5,313
Manufactured goods and goods for resale		0	69
Inventories		5,676	5,382
Trade receivables		192,968	191,730
Contract work in progress	14	0	264
Receivables from group enterprises		27,965	27,866
Other receivables		6,570	4,776
Prepayments	15	564	362
Receivables		228,067	224,998
Cash		121	1,067
Current assets		233,864	231,447
Assets		2,481,285	2,108,999

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital	16	68,880	68,880
Translation reserve		4,462	0
Reserve for net revaluation according to the equity method		912,398	822,909
Retained earnings		423,925	368,481
Proposed dividend		150,000	170,000
Equity		1,559,665	1,430,270
Deferred tax	17	50,816	43,792
Other provisions	18	1,450	30
Provisions		52,266	43,822
Other payables	19	29,239	14,849
Non-current liabilities other than provisions	20	29,239	14,849
Bank loans		459,568	426,234
Prepayments received from customers		4,261	0
Trade payables		96,809	78,075
Payables to group enterprises		96,717	1,664
Tax payable		29,294	25,422
Other payables	21	153,466	88,663
Current liabilities other than provisions		840,115	620,058
Liabilities other than provisions		869,354	634,907
Equity and liabilities		2,481,285	2,108,999
Events after the balance sheet date	1		
Staff costs	4		
Amortisation, depreciation and impairment losses	5		
Contingent liabilities	22		
Assets charged and collateral	23		
Related parties with controlling interest	24		
Transactions with related parties	25		
Group relations	26		

Statement of changes in equity for 2020

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	68,880	0	822,909	368,481	170,000
Ordinary dividend paid	0	0	0	0	(170,000)
Exchange rate adjustments	0	5,721	(32,780)	0	0
Tax of entries on equity	0	(1,259)	0	0	0
Dividends from group enterprises	0	0	(84,030)	84,030	0
Profit/loss for the year	0	0	206,299	(28,586)	150,000
Equity end of year	68,880	4,462	912,398	423,925	150,000

	Total DKK'000
Equity beginning of year	1,430,270
Ordinary dividend paid	(170,000)
Exchange rate adjustments	(27,059)
Tax of entries on equity	(1,259)
Dividends from group enterprises	0
Profit/loss for the year	327,713
Equity end of year	1,559,665

Notes

1 Events after the balance sheet date

Marius Pedersen A/S is impacted by the corona virus (COVID-19) in all three countries, consequently the outlook and guidance for 2021 is subject to uncertainties, however we do not expect any impact that materials influence the evaluation of this report. Marius Pedersen A/S has the 19. May 2021 signed an agreement to acquire 100% of the shares in Simon Moos A/S, Denmark and the 4. May 2021 signed an agreement to acquire 100% of the shares in Preben Andersen Vognmands- og Renovationsforretning ApS samt Axel Hansen Transport A/S. Except from above no other events have occurred after the balance sheet date which influences the evaluation of this annual report.

2 Revenue

	2020	2019
	DKK'000	DKK'000
Collection, sorting, recycling and trading activities	1,151,463	1,166,781
Contracting activities etc.	78,619	64,461
Total revenue by activity	1,230,082	1,231,242

3 Fees to the auditor appointed by the Annual General Meeting

	2020	2019
	DKK'000	DKK'000
Statutory audit services	360	360
Tax services	40	40
Other services	75	75
	475	475

4 Staff costs

	2020	2019
	DKK'000	DKK'000
Wages and salaries	409,876	395,327
Pension costs	34,220	33,077
Other social security costs	16,422	15,187
	460,518	443,591
Average number of full-time employees	895	893

	Remuneration of management 2020 DKK'000	Remuneration of management 2019 DKK'000
Executive Board	6,161	7,763
Board of Directors	300	725
	6,461	8,488

5 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Amortisation of intangible assets	14,897	22,598
Depreciation of property, plant and equipment	118,724	105,021
	133,621	127,619

Depreciation, amortisation and impairment are distributed as follows:

Other production cost:	132.186	126.889
Distribution cost:	781	122
Administrative cost:	654	608

6 Other operating income

	2020 DKK'000	2019 DKK'000
Gains from disposal of tangible assets	6,939	4,010
Other operating income	6,358	3,441
	13,297	7,451

7 Other financial income

	2020 DKK'000	2019 DKK'000
Financial income from group enterprises	147	224
Other interest income	178	182
	325	406

8 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	241	163
Other interest expenses	6,726	6,590
	6,967	6,753

9 Tax on profit/loss for the year

	2020	2019
	DKK'000	DKK'000
Current tax	28,035	25,974
Change in deferred tax	7,024	5,201
Adjustment concerning previous years	0	964
	35,059	32,139

10 Proposed distribution of profit and loss

	2020	2019
	DKK'000	DKK'000
Ordinary dividend for the financial year	150,000	170,000
Retained earnings	177,713	83,892
	327,713	253,892

11 Intangible assets

	Goodwill
	DKK'000
Cost beginning of year	467,203
Addition through business combinations etc	500
Cost end of year	467,703
Amortisation and impairment losses beginning of year	(350,582)
Amortisation for the year	(14,897)
Amortisation and impairment losses end of year	(365,479)
Carrying amount end of year	102,224

Intangible assets are determined as the difference between purchase price and the fair value of acquired assets.

12 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	346,857	1,624,839	54,813	12,568
Transfers	(1,339)	4,069	0	0
Additions	13,962	214,047	2,432	29,814
Disposals	(1,287)	(81,675)	(2,933)	(12,568)
Cost end of year	358,193	1,761,280	54,312	29,814
Depreciation and impairment losses beginning of year	(189,705)	(1,163,091)	(49,989)	0
Transfers	1,339	(4,069)	0	0
Depreciation for the year	(10,919)	(105,900)	(1,905)	0
Reversal regarding disposals	1,287	78,406	777	0
Depreciation and impairment losses end of year	(197,998)	(1,194,654)	(51,117)	0
Carrying amount end of year	160,195	566,626	3,195	29,814

13 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000
Cost beginning of year	301,450	56
Addition through business combinations etc	171,240	0
Cost end of year	472,690	56
Revaluations beginning of year	822,910	222
Exchange rate adjustments	(32,780)	0
Amortisation of goodwill	(6,291)	0
Share of profit/loss for the year	212,589	0
Dividend	(84,030)	0
Revaluations end of year	912,398	222
Carrying amount end of year	1,385,088	278

Consolidated goodwill is recognised with DKK'000 113.716 at first recognition

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Odense Affaldssortering A/S	Odense	A/S	50,2
FKSSlamson A/S	Odense	A/S	100
Marius Pedersen a.s., Slovakia	Trenčín	a.s.	100
Spoločnosť Šariš, a.s.	Sabinov	a.s.	88
Bzenex BMP, s.r.o.	Bzenica	s.r.o.	70
Kopaničiarska odpadová spoločnosť, s.r.o.	Kostolné, Rakovice	s.r.o.	83
Tatranská odpadová spoločnosť, s.r.o.	Žakovce	s.r.o.	64
BORINA EKOS s.r.o.	Livinské Opatovce	s.r.o.	88
Tekovská ekologická, s.r.o.	Nový Tekov	s.r.o.	86
PETMAS spol. s.r.o.	Pezinok	s.r.o.	100
Waste transport, a.s.	Bratislava	a.s.	100
Spoločnosť Stredné Považie a.s.	Trenčín	a.s.	70
Kanal M.P.S. s.r.o.	Senec	s.r.o.	100
ICEKO-ONYX, s.r.o.	Banská Bystrica	s.r.o.	100
Spoločnosť Pohronie a.s.	Zvolen	a.s.	60
KRTKO PROFIK s.r.o.	Žirany	s.r.o.	100
Žumpár s.r.o.	Senec	s.r.o.	100
LAPAČ TUKOV s.r.o.	Senec	s.r.o.	100
KOMPLEX-odpadová spoločnosť s.r.o.	Pusté Sady	s.r.o.	60
Marius Pedersen a.s., Czech Republic	Hradec Králové	a.s.	100
Hradecké služby a.s.	Hradec Králové	a.s.	60
Ipodec Ciste Mesto a.s.	Praha	a.s.	57
Krušnohorské služby a.s.	Ústí n.Labem	a.s.	51
DESTRA Co., spol. s r.o	Brno	s.r.o.	70
EKO - Chlebičov a.s.	Chlebičov	a.s.	77,2
EKO servis Varnsdorf a.s.	Varnsdorf	a.s.	55
EKOLA České Libchavy s.r.o	České Libchavy	s.r.o.	74,1
ELIO Slezsko a.s.	Holasovice	a.s.	55
HRATES, a.s.	Uherské Hradiště	a.s.	66
Marius Pedersen Recycling a.s.	Hradec Králové	a.s.	50
Růžov a.s.	Borovany	a.s.	52
RWC s.r.o.	Chropyně	s.r.o.	70
Severočeské komunální služby s.r.o	Jablonec nad Nisou	s.r.o.	65
Skládka Tušimice a.s.	Teplíce	a.s.	98

SOMA Markvartovice a.s.	Hlučín	a.s.	58
SOP a.s.	Přelouč	a.s.	60
Společnost Horní Labe a.s.	Trutnov	a.s.	60
Technické služby Děčín a.s.	Děčín	a.s.	96,9
TRANSPORT Trutnov s.r.o.	Trutnov	s.r.o.	60
TS Valašské Meziříčí s.r.o.	Valašské Meziříčí	s.r.o.	74,9
Západočeské komunální služby a.s.	Plzeň	a.s.	98
Bohemian Waste Management a.s.	Hradec Králové	a.s.	60
Moravska skladkova spolecnost a.s.	Otrokovice	a.s.	60
MPGA s.r.o.	Hradec Králové	s.r.o.	100
Nykos a.s.	Ždánice	a.s.	85,7
Odpady-Třídění-Recyklace a.s.	Uherské Hradiště	a.s.	60
Papkov s.r.o.	Praha	s.r.o.	80

14 Contract work in progress

	2020 DKK'000	2019 DKK'000
Contract work in progress	50,136	56,789
Progress billings regarding contract work in progress	(54,397)	(56,525)
Transferred to liabilities other than provisions	4,261	0
	0	264

15 Prepayments

Prepayments consist of rent, contracts, subscriptions etc.

16 Share capital

	Number	Nominal value DKK'000
A-share capital	9	15,120
B-share capital	2	53,760
	11	68,880

There has not been any changes in share capital for 5 years

17 Deferred tax

	2020	2019
Changes during the year	DKK'000	DKK'000
Beginning of year	43,792	38,591
Recognised in the income statement	7,024	5,201
End of year	50,816	43,792

18 Other provisions

Consist of guarantee and re-establishment commitments.

19 Other payables

	2020	2019
	DKK'000	DKK'000
Holiday pay obligation	0	14,849
Other costs payable	29,239	0
	29,239	14,849

20 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK'000
Other payables	29,239
	29,239

21 Other payables

	2020	2019
	DKK'000	DKK'000
VAT and duties	8,398	6,541
Wages and salaries, personal income taxes, social security costs, etc payable	108,253	50,883
Other costs payable	36,815	31,239
	153,466	88,663

22 Contingent liabilities

	2020	2019
	DKK'000	DKK'000
Mortgage deed, not pledged as security	16.250	16.250
Carrying amount of mortgage properties	34.397	35.663
Guarantees		
The company guarantees as follows:		
Groups enterprises' outstanding accounts with banks etc.	114.777	87.990
Contigent liabilities		
Obligations according to rent and operating lease contracts	18.810	22.553
Recourse obligations concering contract guarantees etc.	106.530	75.320

Company holds properties on rented premises.

Marius Pedersen A/S and its Danish subsidiaries are jointly taxed with Marius Pedersen Holding A/S. The company thus has secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent.

23 Assets charged and collateral

Shares in Marius Pedersen, a.s. Slovak and Marius Pedersen a.s. Czech Republic have been pledged as security for bank debt amounting to thousands DKK 459.568.

Marius Pedersen A/S has provided collateral to subsidiaries' involvement with financial institutions.

24 Related parties with controlling interest

Related parties with controlling interest in Marius Pedersen A/S:

Marius Pedersen Holding A/S, Faaborg-Midtfyn, CVR 35846735.

Ultimate shareholder: Entreprenør Marius Pedersens Fond, Faaborg-Midtfyn, CVR11594174.

25 Transactions with related parties

	Parent	Subsidiaries	Management
	DKK'000	DKK'000	DKK'000
Services	1,531	29,704	0
Obligation	4,006	(24,587)	0
Outstanding amount	(40,252)	3,195	0
Management fee	300	0	0
Remuneration	0	0	6,461
Dividend	170,000	0	0

26 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
 Entreprenør Marius Pedersens Fond, Ørbækvej 851, 5863 Ferritslev Fyn, CVR 11594174.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
 Marius Pedersen Holding A/S, Ørbækvej 851, 5863 Ferritslev Fyn, CVR 35846735.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The annual report has been prepared in accordance with the same practice as last year, with the exception of a change in the presentation of turnover and production costs. Comparative figures and key figures have been adjusted accordingly.

Consolidated financial statements

Referring to section 112(1) 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 non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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

beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

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).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and costs for materials, wages, and operation of rolling fleet are included.

Other production costs comprise indirect costs including salaries and depreciation concerning the production of the year.

Production costs concerning contract work in progress are recognised as they incur.

Distribution costs

Cost of sales comprises costs for sales staff, marketing expenses and depreciation.

Administrative expenses

Administrative costs comprise costs incurred for management and administration of the company, including costs for the administrative staff and management, stationery and office supplies as well as depreciation and amortisation.

Other operating income

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

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

Other financial income comprises dividends etc received on other investments, interest income, including interest

income on receivables from group enterprises, net capital 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.

Other financial expenses

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

Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish group enterprises. 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 the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 to 20 years.

Goodwill is 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Buildings	25-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	5-8 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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

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

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity investments measured at cost. Unlisted equity investments are written down to any lower net realisable value.

Inventories

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

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

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.

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.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

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

Other provisions

Other provisions comprise loss on contract work in progress, 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.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be re-turned as well as any expenses related to the returns.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period of 1-5 years.

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.

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.

Tax receivable or payable

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

Cash flow statement

Referring to § 86 (4) of the Danish Financial Statements Act there has not been made any cash flow statement. The company's cash flow is included in the cash flow statement of the consolidated annual accounts of Marius Pedersen Holding A/S, CVR No. 35846735.