

RECALL A/S  
Greve Main 20  
2670 Greve

Annual report for 2017

Adopted at the annual general meeting on  
11 June 2018

  
Chairman

CVR-nr. 19 39 69 32

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Recall A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

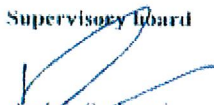
Management recommends that the annual report should be approved at the annual general meeting.

Creve, 11 June 2018

### Executive board

Peter Hiltunen  
direktør

### Supervisory board



András Szalkonyi  
chairman



Tamás Soós



Peter Hiltunen

## INDEPENDENT AUDITOR'S REPORT

*To the shareholder of Recall A/S*

### **Opinion**

We have audited the financial statements of Recall A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017 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 financial statements" section of our report. We are independent of the company 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 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 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 financial statements unless management either intends to liquidate the company 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

## **INDEPENDENT AUDITOR'S REPORT**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 company'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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 management's review**

Management is responsible for management's review.

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

## INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the 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 Financial Statements Act.

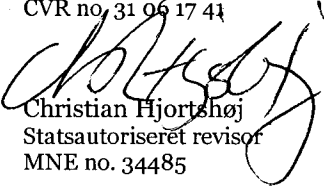
Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 11 June 2018

### **MAZARS**

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Christian Hjortshøj

Statsautoriseret revisor

MNE no. 34485

## COMPANY DETAILS

The company	Recall A/S Greve Main 20 2670 Greve
	Telephone: 70 21 77 00
	CVR no.: 19 39 69 32
	Reporting period: 1 January - 31 December 2017
	Domicile: Greve
Supervisory board	András Szakonyi, chairman Tamás Soós Peter Hiltunen
Executive board	Peter Hiltunen, direktør
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø

## **MANAGEMENT'S REVIEW**

### **Business activities**

Recall is world leader in the business areas: storage, digitalization of documents, document management, security shredding services and data media management.

### **Business review**

The Company's income statement for the year ended 31 December shows a profit of DKK 528.004, and the balance sheet at 31 December 2017 shows equity of DKK 18.275.062.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## ACCOUNTING POLICIES

The annual report of Recall A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2017 is presented in DKK

### **Basis of recognition and measurement**

Revenues are recognized as income as they are earned while costs are recognized by the amounts relating to the financial year.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

#### **Cost of sales**

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

## ACCOUNTING POLICIES

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions.

### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

### **Balance sheet**

#### **Tangible assets**

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

## ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Equipment	3 years	0 %
Other fixtures and fittings	5-10 years	0 %
Racks	20 years	0 %

### Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured based on the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be reliably determined, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

## **ACCOUNTING POLICIES**

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash pool scheme with other enterprises in the group. Consequently, a considerable portion of the company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively

### **Equity**

#### **Dividend**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Deferred income**

Deferred income comprises payments received concerning income in subsequent reporting years.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> TDKK
<b>Gross profit</b>		<b>19.096.633</b>	<b>29.276</b>
Staff costs	1	-17.259.353	-21.759
Depreciation		<u>-1.669.149</u>	<u>-2.220</u>
<b>Profit/loss before financial income and expenses</b>		<b>168.131</b>	<b>5.297</b>
Financial income		2.975	0
Financial costs		<u>0</u>	<u>-7</u>
<b>Profit/loss before tax</b>		<b>171.106</b>	<b>5.290</b>
Tax on profit/loss for the year	2	<u>356.898</u>	<u>-1.164</u>
<b>Net profit/loss for the year</b>		<b><u>528.004</u></b>	<b><u>4.126</u></b>
 <b>Proposed distribution of profit</b>			
Retained earnings		<u>528.004</u>	<u>4.126</u>
		<b><u>528.004</u></b>	<b><u>4.126</u></b>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> TDKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		14.675.452	14.914
<b>Tangible assets</b>	3	<u>14.675.452</u>	<u>14.914</u>
Deposits		2.125.000	0
<b>Fixed asset investments</b>		<u>2.125.000</u>	<u>0</u>
<b>Fixed assets total</b>		<u>16.800.452</u>	<u>14.914</u>
Raw materials and consumables		131.685	82
<b>Stocks</b>		<u>131.685</u>	<u>82</u>
Trade receivables		19.846.637	18.283
Contract work in progress		2.740.144	1.316
Receivables from group enterprises		988.420	5.710
Other receivables		1.873	14
Prepayments		876.999	679
<b>Receivables</b>		<u>24.454.073</u>	<u>26.002</u>
<b>Cash at bank and in hand</b>		<u>3.848.848</u>	<u>5.067</u>
<b>Current assets total</b>		<u>28.434.606</u>	<u>31.151</u>
<b>Assets total</b>		<u>45.235.058</u>	<u>46.065</u>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> TDKK
<b>LIABILITIES AND EQUITY</b>			
Share capital		4.334.200	4.334
Retained earnings		13.940.862	13.413
<b>Equity</b>	<b>4</b>	<b>18.275.062</b>	<b>17.747</b>
Provision for deferred tax		848.249	1.142
<b>Provisions total</b>		<b>848.249</b>	<b>1.142</b>
Corporation tax		0	1.164
<b>Long-term debt</b>		<b>0</b>	<b>1.164</b>
Trade payables		1.777.516	220
Payables to group enterprises		263.696	230
Corporation tax		1.025.716	5.904
Other payables		11.183.721	8.858
Deferred income		11.861.098	10.800
<b>Short-term debt</b>		<b>26.111.747</b>	<b>26.012</b>
<b>Debt total</b>		<b>26.111.747</b>	<b>27.176</b>
<b>Liabilities and equity total</b>		<b>45.235.058</b>	<b>46.065</b>
Contingent assets, liabilities and other financial obligations	5		

## NOTES

	2017 DKK	2016 TDKK
<b>1 STAFF COSTS</b>		
Wages and salaries	14.549.337	19.183
Pensions	1.209.842	1.755
Other social security costs	757.429	530
Other staff costs	742.745	291
	<u>17.259.353</u>	<u>21.759</u>
Average number of employees	<u>27</u>	<u>34</u>
<b>2 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	143.858	1.164
Deferred tax for the year	-293.751	0
Adjustment of tax concerning previous years	-207.005	0
	<u>-356.898</u>	<u>1.164</u>
<b>3 TANGIBLE ASSETS</b>		
		<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2017		32.953.247
Additions for the year		<u>1.238.455</u>
Cost at 31 December 2017		<u>34.191.702</u>
Impairment losses and depreciation at 1 January 2017		17.847.101
Depreciation for the year		<u>1.669.149</u>
Impairment losses and depreciation at 31 December 2017		<u>19.516.250</u>
Carrying amount at 31 December 2017		<u>14.675.452</u>



## NOTES

### 4 EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2017	4.334.200	13.412.858	17.747.058
Net profit/loss for the year	0	528.004	528.004
Equity at 31 December 2017	4.334.200	13.940.862	18.275.062

There have been no changes in the share capital during the last 5 years.

### 5 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The company is jointly taxed with Iron Mountain A/S (management company), and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes for income years 2013 onwards and withholding taxes on dividends, interest and royalties falling due for payment on or after 1 July 2012.

#### Other contingent liabilities

Recall A/S has entered into a lease of the Company's premises which is interminable and which runs until 1. May 2026. The obligations amounts to TDKK 31.733.

Recall A/S has liabilities under lease agreements of TDKK 65.800 with third parties until maturity.

The company is liable for a bankguarantee of TDKK 2.125.

The company is jointly and severally liable along with the other Group companies for unauthorised exceeding of the Groups total credit maximum with regards to the Group's cash-pool agreement. The Group's total drawing right has not been fully utilised at 31. December 2017.