ANNUAL REPORT

RECONOR A/S

1.10. 2021 - 30.9. 2022

The Annual Report was presented and adopted at the Annual General Meeting of the Company on: 30 January 2023
Henrik Axel Juul Nordenlund, Chairman of the General Meeting

RECONOR Group

RECONOR A/S,
HØRMARKEN 2, 1.,
3520 FARUM
CVR NO 36 71 91 76

ANNUAL REPORT

RECONOR A/S

1.10.2021 - 30.9.2022

Henrik Axel Juul Nordenlund
Chairman of the General Meeting

CONTENTS

COMPANY INFORMATION

Company
Reconor A/S
Hørmarken 2,1
3520 Farum

Central Business Registration
No 36 71 91 76
Registered in Farum

Financial period: 1 October 2021 - 30 September 2022
Financial year: 8th financial year

Executive Board
Henrik Axel Juul Nordenlund
Katrine Kjems Hyldgaard Christensen

Board of Directors
Niels Meidahl, chairman
Kevin Kristoffer Ehnhuus Iermiin
Ivar Green-Paulsen

Auditors
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Cvr no. 33 77 12 31

KEY FIGURES

Financial highlights	2021/22 TDKK	2020/21 TDKK	2019/20 TDKK	2018/19 TDKK
Profit and loss accounts				
Revenue	1.167.685	987.874	825.071	820.985
Gross profit/loss	638.839	590.642	509.889	511.411
EBITDA	205.867	192.697	172.384	183.406
EBITDA before non-recurring items	222.271	212.148	192.595	201.096
Operating profit/loss	99.017	104.310	99.503	122.405
Net financials	(102.350)	(105.283)	(96.851)	(93.011)
Profit/loss for the period	(18.482)	(21.759)	(11.368)	10.070
Balance sheet				
Investments in tangible fixed assets	30.811	27.188	22.640	14.198
Total assets	1.744.289	1.683.360	1.541.785	1.475.419
Total equity	180.848	199.330	221.089	232.457
Net interest-bearing debt	1.239.068	1.066.701	979.114	995.858
Cash flows				
Cash flows from ordinary activities	75.460	108.552	166.655	98.350
Operating activities	64.600	94.723	153.121	72.698
Investing activities	20.420	(62.030)	(631)	1.745
Financing activities	(129.568)	(33.385)	(73.122)	(75.432)
Net cash flow for the year	(44.548)	(692)	79.368	(989)
Employees				
Average number of employees	567	539	465	450
Key Ratios				
Revenue growth	18%	20%	0%	15%
Gross margin	55%	60%	62%	62%
EBITDA margin	18%	20%	21%	22%
EBITDA before non-recurring items margin	19%	21%	23%	25%
Return on assets (%)	6%	6%	6%	8%
Solvency ratio (%)	10%	12%	14%	16%

Explanation of key ratios	
Revenue growth	Revenue actual year - Revenue previous year / Revenue actual year
Gross margin	Gross profit / Revenue
EBITDA margin	EBITDA margin / Revenue
EBITDA before non-recurring items margin	EBITDA before non-recurring items margin / revenue
Return on assets	Profit before financials x 100 / Total assets
Solvency ratio	Equity at year end x 100 /Total assets at year end

As this is the fourth consolidated financial statements for the group, the comparative figures for 2017/18 are omitted in accordance with the Danish Financial Statements Act, section 128.

MANAGEMENT'S REVIEW

PRIMARY ACTIVITIES

Reconor A/S is a company with a primary activity of owning shares in the Reconor Group.

Reconor is a Danish environmental services company that, through its two business units City Container and Norrecco, provides a broad range of sustainable waste solutions such as collection, transport, handling and upcycling of construction and demolition and commercial and industrial waste as well as soil handling and operation of recovery projects. Reconor handles more than 2.6 million tonnes of resources at its own nationwide facilities. With a turnover over 1bn DKK and more than 550 employees, Reconor Group performs tasks daily for thousands of customers, and is integral to the circular economy.

Reconor assists Danish industrial and construction companies to meet high standards of responsible and environmentally safe recycling. Reconor operates as a one-stop shop by leveraging its strong cross-value-chain positioning to offer customers complete value-added services. Furthermore, Reconor has developed a strong downstream position with environmental services, incl. strategic co-operation with buyers around circular opportunities. Thus, providing customers with safe and environmentally enhanced disposal opportunities.

Reconor is covering both upstream logistics and waste treatment with its two business units, City Container and Norrecco, and can thereby offer a one-stop shop solution to customers. The Norrecco business mainly consists of soil handling and operation of soil recovery projects as well as upcycling of construction waste and other related activities.

Henrik Axel Juul Nordenlund

Katrine Kjems Hyldgaard Christensen

The City Container Business mainly handles collection, transportation and downstream disposal of construction and demolition (C&D) waste, commercial and industrial (C&I) waste), and municipal solid waste (MSW), as well as other related activities.

ACQUISITION OF JH CONTAINER A/S

During the year Reconor has entered into an agreement with Jesper Henriksen to acquire certain assets of JH Container A/S. With the acquisition comes approximately 600 containers, 11 trucks and 20 employees.

The strategic acquisition of JH Container enables City Container to offer its customers a complete portfolio of waste and logistics solutions as well strengthens its position to be the leader in waste handling and logistics in North Zealand and Copenhagen.

DEVELOPMENT THIS YEAR

Reconor's revenue amounted to DKK 1.168 mio. DKK for the year ending 30 September 2022. This represents a 18% increase in revenue compared to 2020/21 driven by high organic growth (16.5%) and 1.5% though the acquisition of JH Container A/S . Over the past four years Reconor have achieved strong financial performance with a Revenue 4Y-CAGR of 13% and high profitability.

The organic growth delivered throughout Covid and now in inflationary and challenging trading environments clearly demonstrates the resilience of the business.


Nikolaj Meyland-Smith


Karsten Ludvigsen


Lars Stoltze Kristensen

The business in 2021/22 was influenced by energy crises resulting in increasing price on fuel, transportation and general cost inflation. Furthermore Norrecco's sites on K-vej and parts of H-vej on Prøvestenen have been expropriated by By & Havn I/S. The Expropriation Committee has proposed a compensation amount that has been approved by both parties. K-vej and H-vej sites have been re-established and Norrecco has relocated the business and is now operating from B-vej.

The 2021/22 EBITDA, adjusted for non-recurring costs, was TDKK 222,584 against TDKK 212,148 in 2020/21 (margin of 19%).

Reconor's 2021/22 income before tax came in at TDKK -3,333.

As of 30 September, 2022, equity amounts to TDKK 180,848, compared to an equity of TDKK 199,330.

FOLLOW-UP ON DEVELOPMENT EXPECTATIONS FROM LAST YEAR

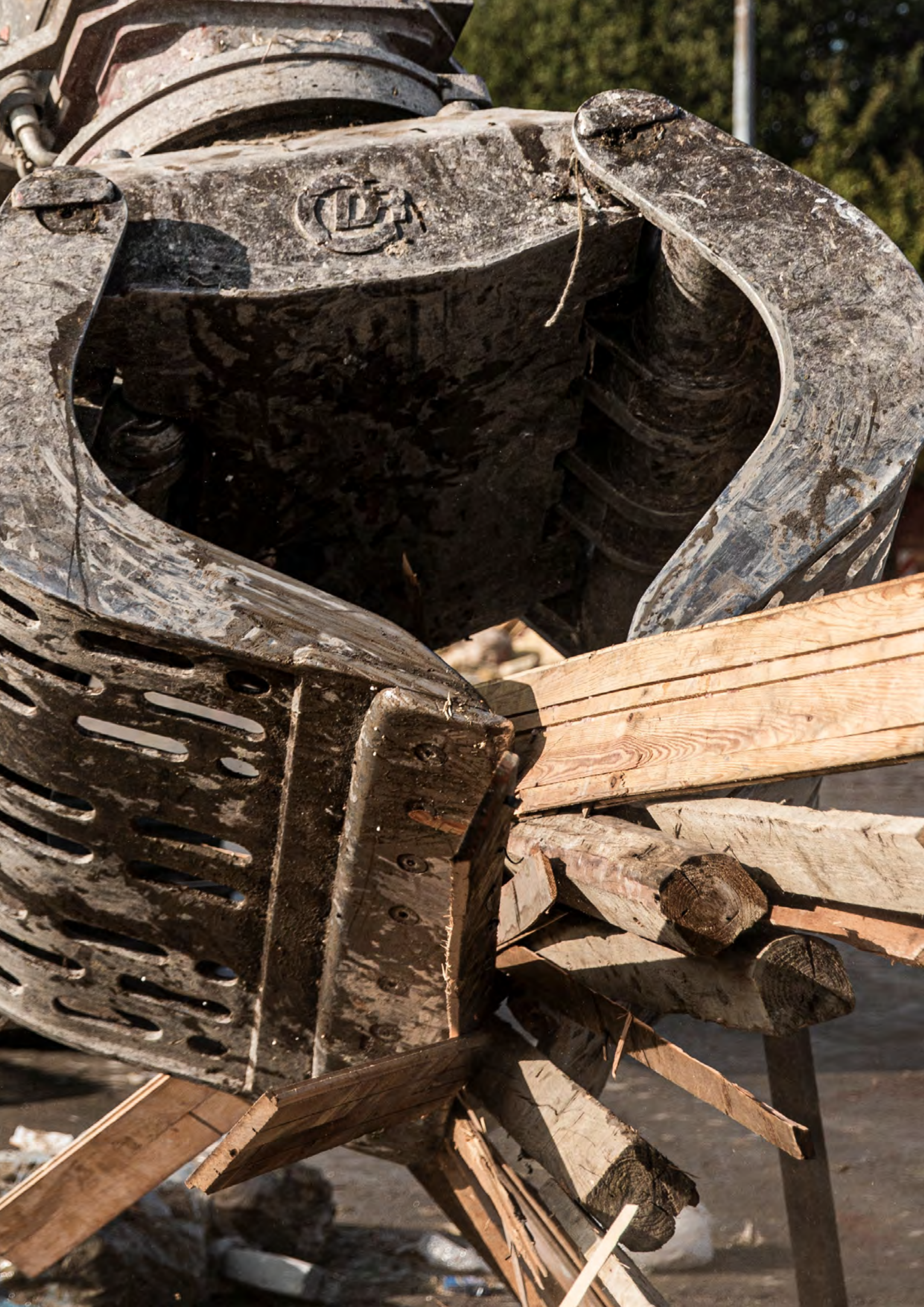
From the beginning of the year, the Management expected an increase in revenue and EBITDA of 5-15%. Despite the energy crisis, revenue increased month on month compared to 2020/21 and the final result was better than expected. All areas performed well with MSW and Soil in particular exceeding original expectations. A revenue increase of 18,2 % was only mirrored by a small increase in EBITDA before non-recurring items of 4,9 % caused by the increased input prices, which are yet to be fully absorbed by the market.

OUTLOOK FOR THE COMING YEAR

Reconor operates in a business environment with a high share of contracted revenue and a diversified customer base, which make the business financially robust.

The company is experiencing a continued general focus on environmental-friendly solutions, especially within recycling.

With Reconor's strategic site locations, focused Commercial Management Team, high customer satisfaction (NPS 60 and 55 for Norrecco and City Container respectively) and quality agenda, Reconor expects to be able to take advantage of an expected increase in demand for its services due to infrastructure projects and increased waste management requirements and as such, both revenues and EBITDA before non-recurring items are expected to continue to grow with 1-5 % in 2022/23.



RISK

RISK MANAGEMENT

The Reconor Group is exposed to various commercial and financial risks through business operations.

The Reconor Group uses the operational risk framework and is in the process of rolling-out a risk-based approach in the operations. The framework ensures that risks are managed and initiatives are implemented to alleviate mitigate and predict the consequences. This provides a common risk culture across the organisation.

Some risks cannot be eliminated but risks can be identified, controlled and managed. The purpose of having this Group approach to operational risk management is to enable identification, assessment and monitorisation of risks and opportunities across all operations to consistently improve processes and deliver on objectives. These Risks are described below:

Commercial and operational risks
The Group is exposed to various commercial risks, such as competition, governmental regulation and pricing.

It´s a strategic ambition to become a more digitalized company. Reconor is in the process of upgrading to an online management system. During the implementation, processes will be reviewed and updated to secure that the quality management operating model is integrated into the business.

The operating model provides and supports a culture of trust, responsibility and dedication. It secures that all processes are maintained and managed in one single platform that provides easy access to information required to deliver high quality services to the customers.

Parts of the operations are certified according the ISO 9001:2015 Quality management, ISO 14001:2015 Environmental and ISO 45001:2015 for managing Occupational health & Safety. The standards are the foundation for the upgraded management systems and provide greater visibility into operations and enable data driven decisions. Traceability and transparency of quality parameters enables continuous improvements through KPIs and finally supports the ambition of a group certifications framework.

Reconor strives to be at the forefront of developments in the industry, it remains at risk of a limited supply of qualified and competent employees in the market place. Significant effort is invested to create a link between the business strategy, policies and monitoring of the operations through targets and KPIs. These then become the inputs to secure continuous improvement and legal compliance. Governance is built across the organisation and this is managed through annual wheel of priorities to deliver on objectives.

Legal and regulation obligations are monitored regularly, with necessary adaptations to the work environment being made to accommodate any changes.

Financial risks
The financial risks are described in note 22 in the Group's financial statement.

Research and development activities risks
Reconor operates in a commercially competitive environment and to ensure it retains its position as leader for recycling services in Denmark, the Group spends considerable resources on continuous product improvement and development of activities. For accounting purposes and with the exception of IT projects, these costs are not capitalized.

Resource scarcity and the availability of local raw materials are a future major focus area. The Group's Resource (Noreccco) core business is the treatment of soil and construction waste so it can be converted into recycled resources. With this as a starting point, Reconor has achieved getting recycled concrete certified as a product that can be used as aggregate in new concrete. Now that this product certification is completed, other products will follow.

Many projects are being worked on in the Resources section of the Group, where parts of these projects are implemented with funds from the Ministry of the Environment and Food in Denmark, such as MUDP projects (Environmental Technology Development and Demonstration Program). In the financial year 2020/21, the Reconor Group submitted two applications concerning environmental technical development projects. In addition, the "The Circular Construction Site" project has been awarded with grants. The decision regarding the two other applications is expected to be announced in the upcoming financial year 2022/23.

STATUTORY STATEMENT REGARDING SUSTAINABILITY AND SOCIAL RESPONSIBILITY IN ACCORDANCE WITH SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT

Reconor's core offerings are provided through its Resources Business (Norrecco) and Logistics Business (City Container):

Resources Business:
i) soil handling at own sites and operation of soil recovery projects
ii) upcycling of construction and demolition waste at own sites
iii) import/eksport
iv) other related services

Logistics Business
i) collection, transportation and downstream disposal services for construction and industrial waste
ii) collection, transportation and disposal of municipal solid waste
iii) other related services

The Resources and Logistics businesses are coordinated which enables Reconor to offer its customers a one-stop shop environmental solution.

In addition to its core offerings, Reconor's other related services comprise of stones and gravel sales and container rentals.

Reconor's nationwide network is among the largest in Denmark consisting of several sites that are strategically placed close to the major cities, projects and key customers across the country.

Reconor Group is focused on developing and providing best-in-class sustainable solutions and being preferred partner to customers and other stakeholders, supported by uncompromising high-quality service level and expertise.

The activities of Reconor Group's Resource and Logistic Business is certified by DS / EN ISO 14001 (Environment Management). The MSW part of the Group's Logistic Business, is furthermore certified by DS / EN ISO 9001 (Quality Management) and 45001 (Occupational Health and Safety Management).

SOCIAL

SOCIAL RESPONSIBILITY

As Reconor continues to grow, so does its social responsibility. During 2021/2022, dedicated ESG department has been established in the Group and reports to the CEO. The purpose of the department ensuring full compliance to local and national and international governance.

An example of the Group's social responsibility is the Logistic Business, who employs individuals from marginalized groups of society, in collaboration with numerous municipalities in the greater Copenhagen and their associated organisations, to support individuals back to the job market through an inclusive and supportive working environment.

The occupational health and safety policy states that everyone shares responsibility for safety and health at work. To deliver this the Group trains and motivates employees to protect and enhance the working environment.

IMPACT ON THE EXTERNAL ENVIRONMENT

Reconor is, through the Resource and Logistic Business offerings, a fundamental and valued partner enabling its municipal and private sector customers to reach their sustainable development goals.

The Logistic Business continues to strive for optimizing their services towards the Municipal and private sector customers in line with regulatory requirements. Whilst the Resource Business continues to improve its handling and reusing of soil in downstream solutions as well as upcycling of waste materials, for example the certification of crushed concreate. These goals are undertaken in corporation with customers and industrial collaboration partners as well as authorities and universities in Denmark and abroad.

Reconor's efforts and results are recognised in the environmental sector through several assigned development projects funded by the Environmental Technology Development and Demonstration Program (MUDP - Miljøteknisk Udviklings- og Demonstrationsprogram). The Resource and Logistic Businesses provide positive contribution to their costumer's endeavors for reducing their environmental impact, through a focus on the environmental impact of its own operations and traceability – i.e. emissions to air, soil and water as well as resource consumption in terms of water, power and fuel.

Reconor actively delivers on the following sustainable development goals:

SDG 6: Through sustainable water management across all its operations, from washing of vehicles to reuse of water at its vast treatment facilities, and treatment of effluents prior to discharge to the municipal water treatment systems – to contribute to clean water and sanitation for all.

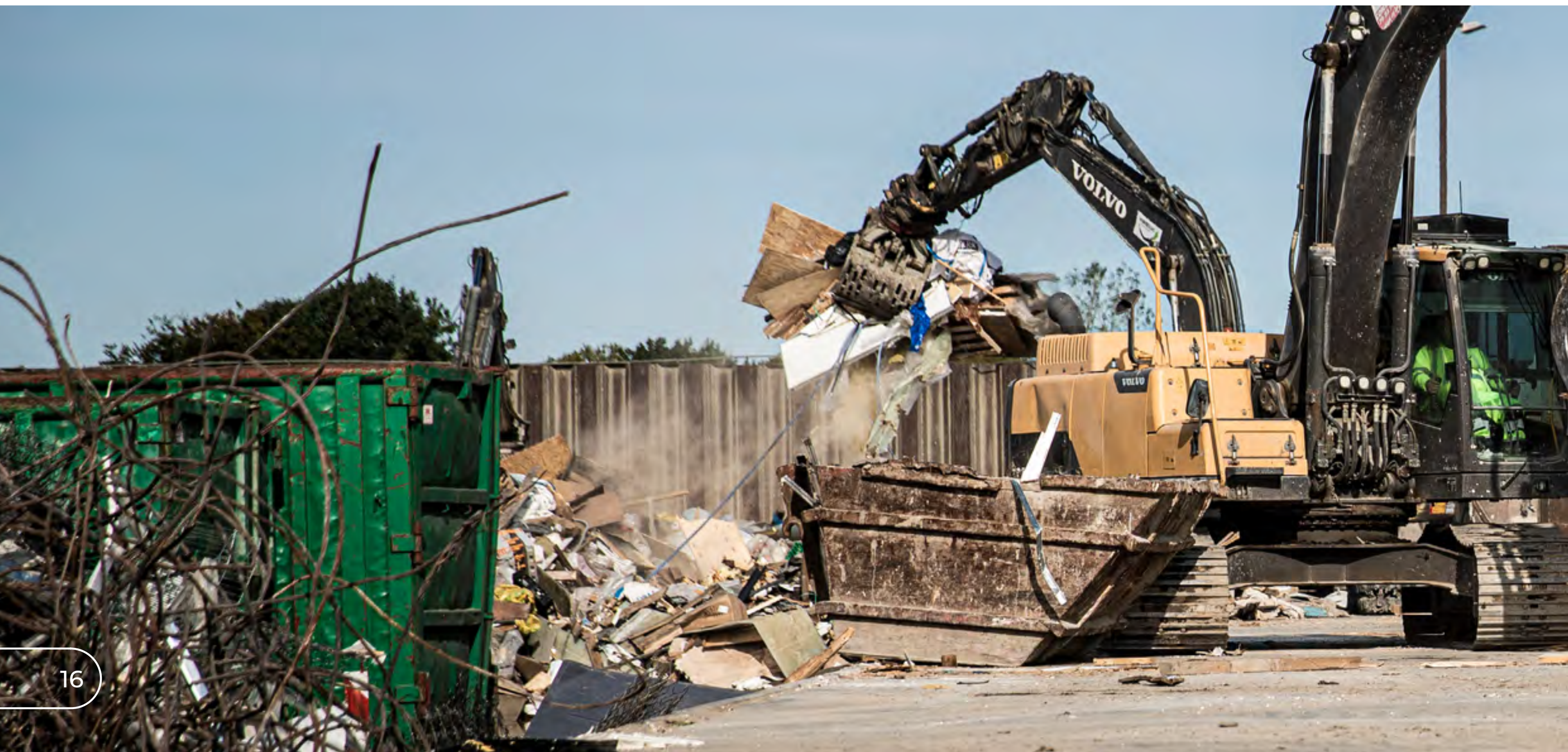
SDG 9: Through its combines offering of sustainable Logistic and Resource solutions – to contribute to the upgrade of all industries and infrastructures for sustainability

SDG 11: Through providing sustainable transport systems for waste collection – to contribute to sustainable urbanization

SDG 12: Through recycling and upcycling of various waste stream from private citizens and industries – to contribute to substantial reduction of resource consumption and waste generation

A focus area for the ESG department in 2022/23, is to collect and validate data on the Group Operation's environmental impact, in order to establish a baseline for the Group's future ESG reports, to underpin the development of continuous improvement programs.

A Group policy on climate and environment will be developed during FY 2022/23. The principles of circular economy, with focus on preserving resource quality in waste treatment processes and high yields of secondary resources, will be applied and climate impact evaluation will be based on the greenhouse gas protocol. A baseline for Scope 1 and 2 emissions will be established for the FY 2020/21 and 2021/22, and the goal is to also estimate Scope 3 emissions FY 2022/23. Targets related to recycling of waste materials as secondary resources will be formulated as well as climate reduction targets.



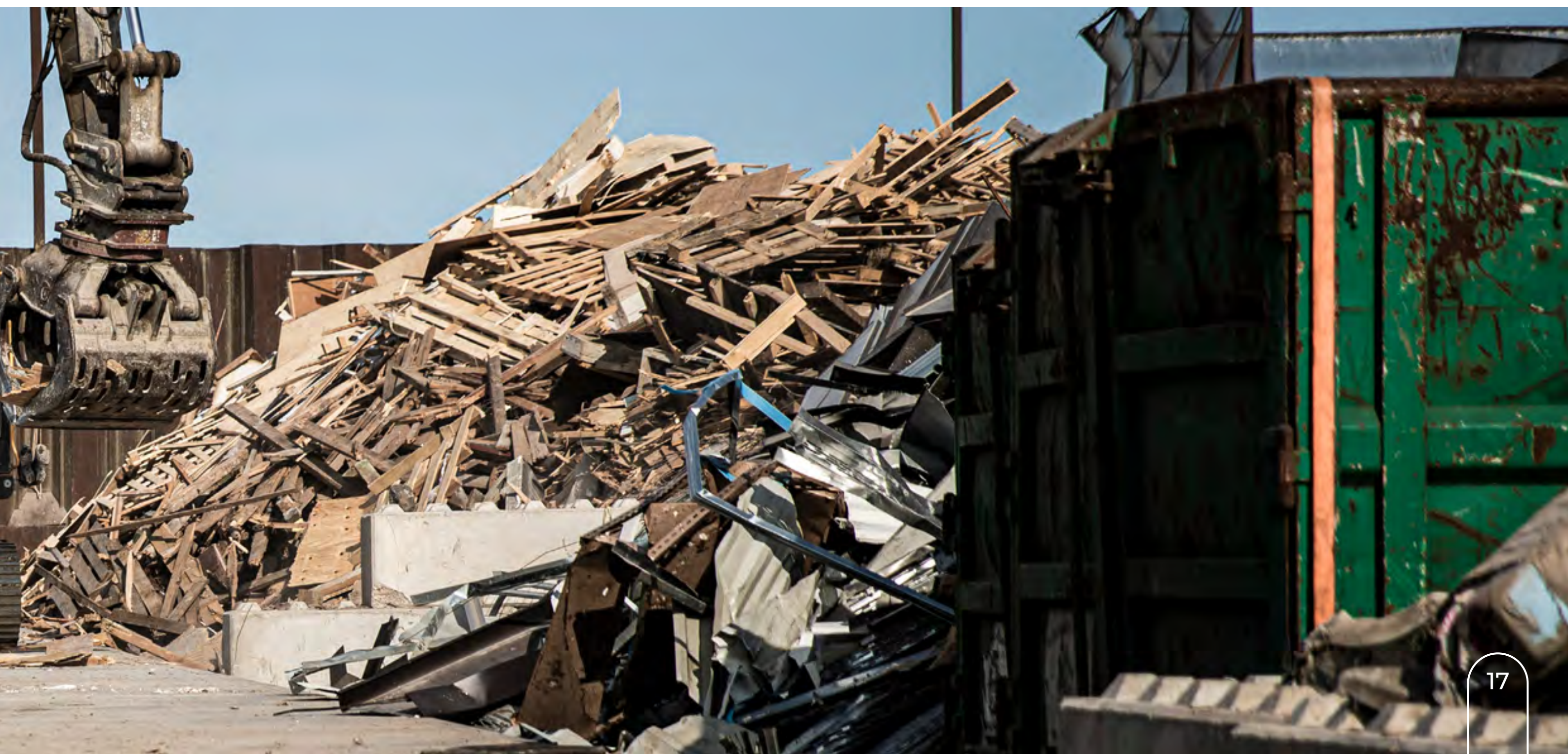
The Group policy will be implemented in policies in City Container and Norrecco and followed up by specific actions and targets to be further defined in order to support the Group targets.

The most significant climate impacts related to Reconor's activities are identified in a legally required energy audit carried out in Q3, 2022 by a certified energy audit consultant. The report covered Reconors energy consumption in the years 2019 to 2021, and the results of the report highlights the Groups already implemented initiatives to reduce energy consumption that has shown a positive trend. In addition, eight actions have been identified and the potential for CO2 emission reductions has been estimated. The actions have, among other things, focus on further reducing the use of fossil fuel through continuous monitoring of machines and vehicles' fuel consumption, as well as the transition to electrically powered machines, vehicles and company cars. There is also a focus on reducing energy for heating and inexplicable standby electricity consumption.

Fuel saving initiatives, based on advanced technology, have already been implemented across the Resource and Logistic Businesses and further initiatives are planned for testing.

In FY 2021/22, City Container has obtained promising results on fuel consumption reductions as speed limitation in trucks seems to result in increased driving distance per liter fuel (up to 10%) and preliminary results for idling reduction are also promising and will fulfill the target (50% reduction). The data is obtained from the vehicle system, Microlise. These initiatives and results will be tracked and further documented.

Norrecco has in FY 2021/22 installed a system for surveillance of the performance, incl. fuel consumption, in all machinery at the sites (Clevertrack). In FY 2022/23 monthly reports on performance will be distributed to all sites for operation management purposes and in order to reduce fuel consumption.



Accidental burning in stored waste is another source of impact on the climate and environment. Norrecco has therefore in FY 2021/222 established thermal cameras on the site in Odense. It will be evaluated in FY 2022/23 whether all sites must have thermal cameras installed in order to be able to respond quickly to a possible fire.

Waste handling and treatment activities in Norrecco may pose a risk for spreading of environmental hazardous substances to groundwater and surface water. The risk is controlled by treatment of run-off water from the sites before release to the recipient. Water treatment plants have been installed at sites in Aarhus, Odense, Prøvestenen (B-vej), Nordhavn and Agerskov; where relevant, water treatment plants will also be installed at other Norrecco sites. Treated water is preferable recycled and used for dust control on site.

Continuous control of pavements on the sites and fuel tank systems are necessary in order to prevent pollution of soil and groundwater as a result from undetected cracks. In FY 2021/22 new pavement has been applied at sites in Agerskov and Kolding. In FY 2022/23 it will be prioritized to maintain the operational systems in order to be compliant.

Unintended spreading of environmental hazardous substances may also occur if incoming contaminated or hazardous waste are mixed with uncontaminated waste. To reduce the risk it is decided to change the registration and reception procedures for incoming waste at Norreccos sites. Software supporting registration and control has been developed in FY 2021/22 and the hardware in the weight systems is being updated where needed. The new procedures for registration and control of incoming waste have been implemented in Odense, Kolding and Agerskov. The procedures at the remaining Norrecco sites will be implemented during FY 2022/23. When waste materials have been treated and secondary resources for recycling have been produced the environmental and technical quality is monitored in order to ensure that the secondary materials are fit for recycling purposes and do not carry on undesired contaminations to new products or environments.

Finally, dust emissions related to activities in Reconor have also been identified as a significant point of attention – especially in relation to the working environment.

SOCIAL RELATIONS, PERSONNEL MATTERS AND HUMAN RIGHTS

As Reconor is a first mover and continues to be at the forefront of developments in the industry, it remains at risk of a limited supply of qualified and competent employees in the market place.

The Group's continuous efforts and results, in terms of being open, inclusive and actively supporting diversity is a mitigating factor; Reconor is able to attract and retain highly skilled personnel with different competences and backgrounds for the full spectrum of roles from waste collection and sorting, to back office functions. This broad set of candidates are developing the Reconor Group's value proposition for tomorrow.

The Reconor Group's operations are part of an industry known for being a very male-dominated. The Group's operations are furthermore spread over multiple locations and, for the Logistic Business, along the network of roads to connect its customers to the Resource Business sites or the Municipally owned wate-to-energy plants. This results in a decentralized organizational structure, with a high percentage of blue-collar workers, which calls for extraordinary efforts in terms of ensuring social governance.

The Group's ambition is, nevertheless, to ensure an open and inclusive working environment, where diversity is appreciated and the individual employee is recognized for its contribution, regardless of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.
It is the Reconor Group's Staff Handbook, which is defining and communicating the groups personnel policies and actions in terms of Social Relations, Personnel Matters and Human Rights. To ensure that the Handbook is understood by all employees, it has been decided to re-write the Handbook - not only with focus on securing the quality of the information in the book, but also to make sure that these important policies and pieces of information are described receiver-oriented. The work has started and will be finished in Q2 2023.

A central policy is in this regard, the policy focusing on Abusive Acts.

The Policy on Abusive Acts is addressing and defining the various abusive acts to be aware of, hereunder bullying and sexual harassment. The policy on Abusive Acts is encouraging the individual employee to contact the nearest manager or the relevant representative in the Groups Occupational Health and Safety Organisation, in case of violations, both witnessed or experienced. The Policy on Abusive Acts is at the same time emphasising the representatives' duty to take action. The Group continually assess the impact of the psychological work environment in closes collaboration with HR, operation management and the Health and safety organisation. By leading through trust it is possible able to discuss topics and issues that affect the workforce and establish common understanding of the challenges and take preventive measures. Yearly appraisal conversations have been conducted in 2022 among the "white collars" (in Danish "funktionærer"). In 2023, this will be followed up with yearly development conversations in all parts of the business. This is to ensure the continually work with trust and retention. To further strengthen employee retention, exit-interviews have been introduced to get feedback on the reasons why employees are leaving. These learnings will – together with an increased focus on leadership skills – form a starting point for leadership training in 2023.

The Group's Occupational Health and Safety Organisation (OH&S), include members representing all work locations and work activities. It ensures statutory compliance, playing a vital role in ensuring that the Group's ambitions in terms of an safe, open and inclusive working environment are fulfilled and that all incidents are reported and addressed. Health and Safety is a top priority at Reconor and some tailored initiatives have been implemented throughout the year to secure the best possible work conditions for all employees. The management team is determent to foster a safety culture where the safety of employees is always a top priority when planning the operations. The operational management work closely with the Health and Safety organisation to identify and manage health and safety risks. The management system provides a registration- and reporting tool, to secure any corrective actions are based upon root cause analysis and valid data. The workflow is continuously improved to contribute to the safety culture where employees are trained and equipped to prevent harm in unsafe situations. Reconor provides opportunities for all Health and safety representatives to learn and apply knowledge and share best practice.

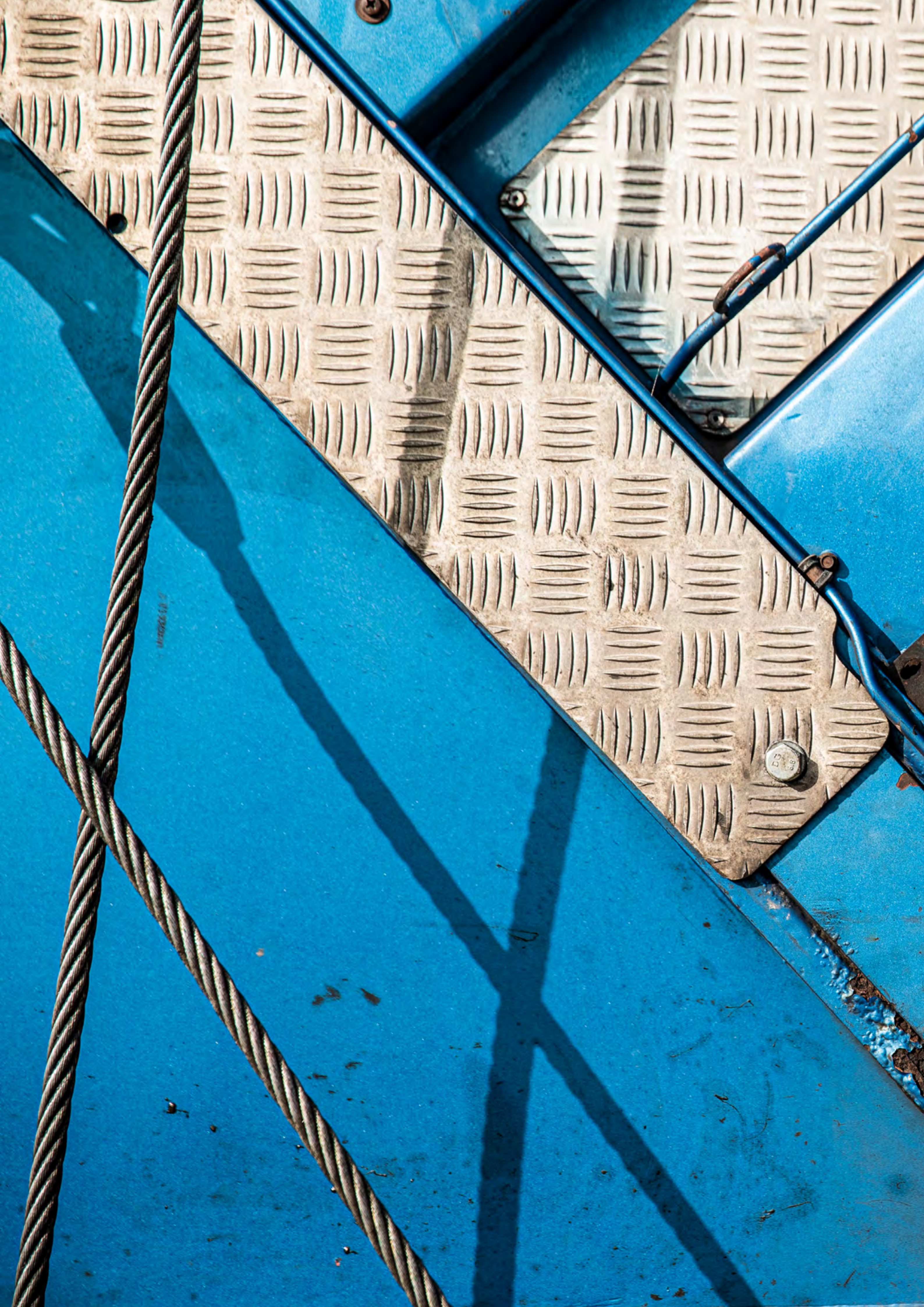
Reconor Group has corporate social responsibility (CSR), incl. human rights high on the agenda which is embedded in the Groups way of doing business. However, there are risks that some of the Group's customers and suppliers do not have similar standards, which could negatively affect the Group's reputation. Therefore, a formalized CSR code of conduct has been prepared. This will support the Groups effort of being CSR compliant as well as making customers and suppliers aware of the Groups high CSR standards, and that they actively contribute to maintain a high standard.

The Group has attention to and requires that customers and suppliers follow rules and regulations under the CSR policies in Denmark and respective countries, including being compliant with the ILO conventions. In addition, the customers and suppliers must ensure compliance with the UN Human Rights as well as the EU Human Rights Convention. In case of non-compliance, the customers and suppliers are required to fulfill their contract with the Group by ensuring that a compliant solution is provided with no adverse effect to the Group. During FY 2021/22, the Group has internally increased the awareness of the CSR policy to be shared with customers and suppliers. Going forward, the Group will continue focusing on maintaining and further implementing the high CSR standard.

ANTICORRUPTION

The Reconor Group's activities are conducted by numerous vehicles and on a vast network of treatment sites, partly engaged in servicing private citizens on behalf of a municipality and partly catering to entrepreneurial customer segments. The latter segment is often searching for the lowest cost of disposing off waste products and contaminated soil and often has a widespread education and background.

Several employees are interacting with these business communities, and to support the employees in this interaction, a Code of Conduct is included in the staff handbooks. The Code of Conduct contains a general section addressing the legal framework of the business as well as a more specific educational section, defining corruption by examples



and further addressing what to do in case an employee experiences corruption or an attempt to corruption. It is in the Code of Conduct, the Reconor Group's policy of what to do in case of employees are exposed to bribery. In addition, the external on-line whistle-blower programme is highlighted.

Employees are required to inform management if they are confronted with a situation that might be related to bribery or alternatively use the whistle-blower programme. The Reconor Group values transparency in all aspects of its operation, as a key to eliminate the risk of fraud and corruption.

Both the Code of Conduct and other group-wide policies are published on the intranet and available to all employees. All employees of the Group are expected to have read and familiarised themselves with the Code of Conduct, which together with a continuous focus on improving and securing compliance with business ethics in all aspects will ensure that anticorruption is embedded in the Groups current daily and future operations.

STATUTORY STATEMENT REGARDING THE UNDERREPRESENTED GENDER IN ACCORDANCE WITH SECTION 99B OF THE DANISH FINANCIAL STATEMENTS ACT

Target for the supreme management body
The supreme management body of Reconor A/S is the Executive Board and the Board of Directors. The Executive Board consist of one male member and one female member, and equal gender representation has been obtained. The Board of Directors consist of three male members. Female board members who have previously been up for election have not been elected. The company expects to include a female member in the Board no later than by the end of 2023.

POLICY TO INCREASE GENDER DIVERSITY ON OTHER MANAGEMENT LEVELS

Reconor A/S has less than 50 employees and can thereby apply the exemption and revert from reporting on gender diversity on other management levels.

UNCERTAINTY RELATING TO RECOGNITION AND MEASUREMENT

The Group does not have any special uncertainties relating to recognition and measurement. The critical accounting estimates are described in note 2 in the group financial statement.

KNOWLEDGE RESOURCES

To some extent, the Group is dependent on attracting and retaining employees who are able to continue the development of the Group's operations.

Knowledge resources that may be particularly important for the group's future operations relate to being at the forefront of a wide range of recycling and circular economy services as well as maintaining a good image as an effective, dependable, flexible, socially and environmentally responsible company with a good working environment.

DATA ETHICS

The board has not adopted a policy for data ethics but has taken appropriate measures to ensure ethical data processing and has implemented protective measures to ensure the storage of data. Furthermore, the company receive audit statements according to ISAE 3402 Type II and ISAE 3000 Type II. This documents that the company meets and complies with the requirements for data protection, information security and good IT practice.

Likewise, it is management's assessment that the organization's maturity in relation to the handling of personal data in accordance with the GDPR and the work with IT at a more generally is at an appropriate level, which is why there has been no need for a formalized policy for data ethics until now. As a result of the increased focus on working with and handling both personal data and data in general, the management has decided to implement a formal policy for data ethics in 2023.

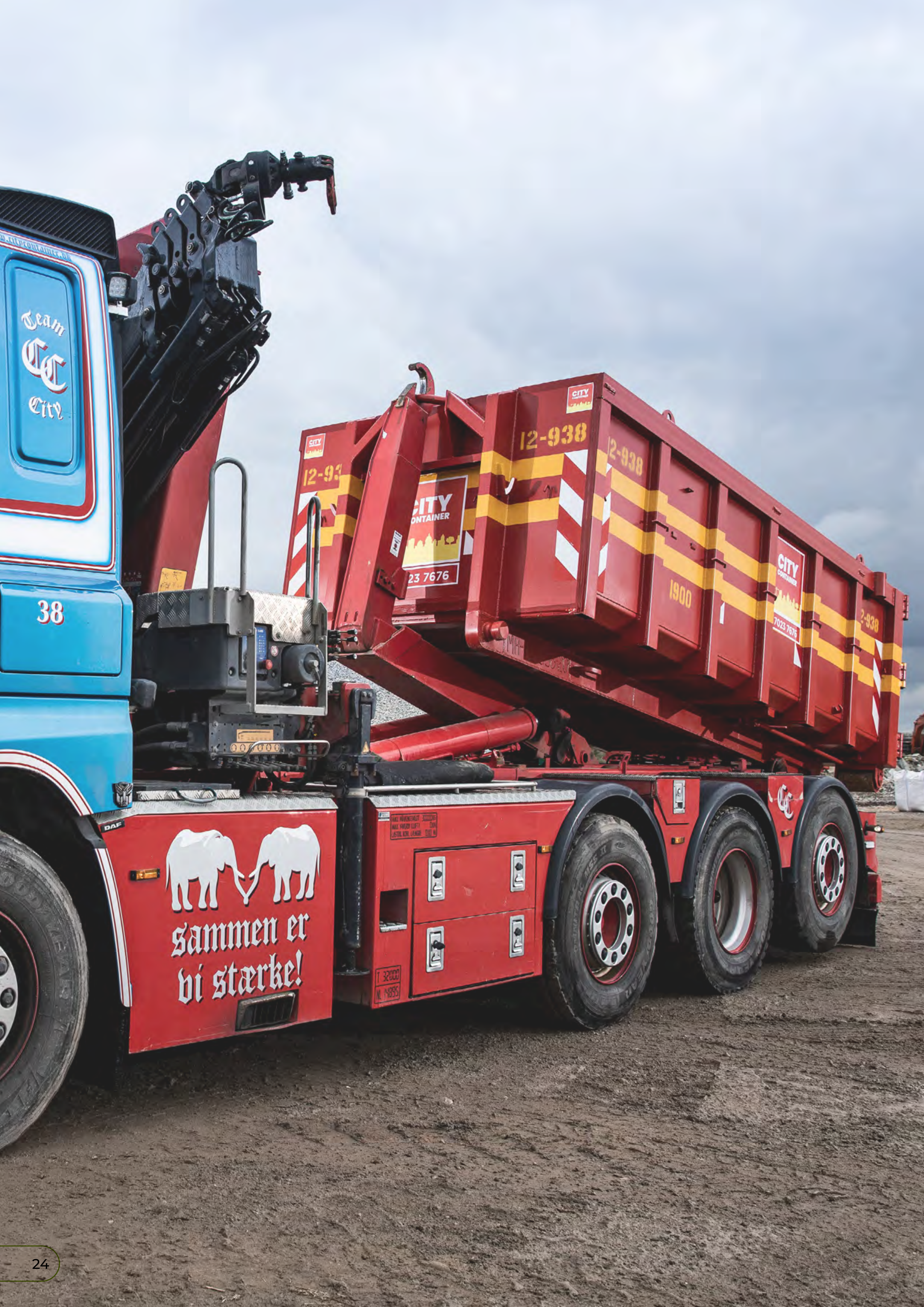
CAPITAL LOSS, PARENT COMPANY

The Company has continued lost more than 50% of the share capital and is therefore covered by the capital loss provisions of the Danish Companies Act. At the forthcoming general meeting, the management will report on the financial situation and present the share capital is expected to be re-established in the event of future positive earnings.

The historical losses have occurred primarily due to required amortization of goodwill in subsidiaries in accordance with the Danish Financial Statements Act, and have therefore nor had a liquidity significance. The financing is secured in the coming years and there is sufficient liquidity in the company and in the group, this matter do not affect the company´s ability to continue operations.

SUBSEQUENT EVENTS

No significant events have occurred after the reporting period.


Team
CC
City
38
CITY CONTAINER
12-938
7023 7676
1900
sammen er
vi stærke!

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Reconor A/S for the financial year 1 October 2021 - 30 September 2022.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been 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 at 30 September 2022 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 October 2021 - 30 September 2022.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company.

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

Farum, 30 January 2023

EXECUTIVE BOARD

Henrik Axel Juul Nordenlund   Katrine Kjems Hyldgaard Christensen

BOARD OF DIRECTORS

Niels Meidahl   Kevin Kristoffer Ehnhuus Iermiin   Ivar Green-Paulsen
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RECONOR A/S

OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 September 2022 and of the results of the Group's operations and cash flows for the financial year 1 October 2021 to 30 September 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 September 2022 and of the results of the Parent Company's operations for the financial year 1 October 2021 to 30 September 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Reconor A/S for the financial year 1 October 2021 - 30 September 2022, 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 statement of comprehensive income and cash flow statement for the Group ("financial statements").

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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 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 Statement Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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 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 Group's and the Parent 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 Group or the Parent 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.

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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

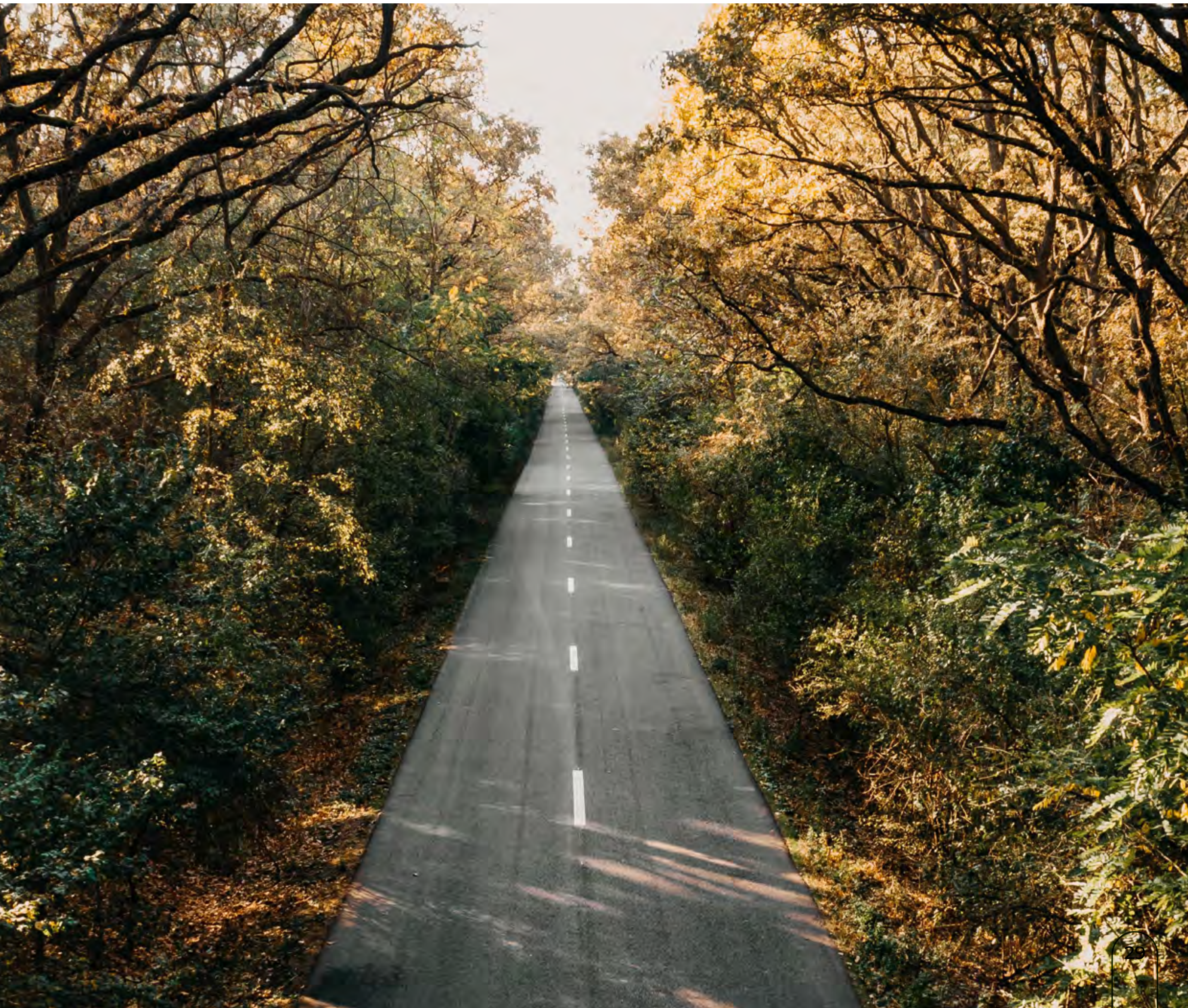
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely 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.

Hellerup, 30 January 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Baunkjær Andersen
State Authorised Public Accountant
mne35483

Kenneth Østergaard
State Authorised Public Accountant
mne47262



GROUP

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
1 OCTOBER - 30 SEPTEMBER

	Notes	2021/22 TDKK	2020/21 TDKK
Revenue	3	1.167.685	987.874
Raw materials and consumables		(528.846)	(397.232)
Gross profit/loss		**638.839**	**590.642**
Other external expenses		(118.480)	(98.062)
Staff expenses	4	(334.202)	(301.193)
Depreciation and amortisation of intangible and fixed assets	5	(106.850)	(88.386)
Other income	6	33.098	1.310
Other expenses	7	(13.388)	0
Operating profit/loss		**99.017**	**104.310**
Finance income	8	762	1.308
Finance costs	9	(103.112)	(106.591)
Profit/loss before tax		**(3.333)**	**(973)**
Income tax	10	(15.149)	(20.787)
Profit/loss for the period		**(18.482)**	**(21.759)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
1 OCTOBER - 30 SEPTEMBER

	Notes	2021/22 TDKK	2020/21 TDKK
Profit for the period		(18.482)	(21.759)
Other comprehensive income for the period, net of tax		0	0
Total comprehensive income for the period		**(18.482)**	**(21.759)**

CONSOLIDATED BALANCE SHEET
30 SEPTEMBER

	Notes	2021/22 TDKK	2020/21 TDKK
Intangible assets	12	896.052	894.042
Property, plant and equipment	13,14	597.534	509.377
Non current receivables		2.908	1.722
Total non-current assets		**1.496.494**	**1.405.141**
Inventories	16	7.772	4.169
Trade receivables	17	86.868	78.233
Receivables from group companies		29.118	28.547
Other receivables		20.679	19.364
Cash and cash equivalents		103.358	147.906
Total current assets		**247.795**	**278.219**
Total assets		**1.744.289**	**1.683.360**

	Notes	2021/22 TDKK	2020/21 TDKK
Share capital	18	12.537	12.537
Retained earnings		168.311	186.793
Total equity		**180.848**	**199.330**
Subordinated loan from group companies	22	196.100	174.962
Borrowings	22	843.383	814.997
Deferred tax liabilities	15	16.126	13.472
Current income tax liabilities	22	12.415	13.173
Lease obligations	22	209.779	128.475
Other payables	22	2.353	4.540
Total non-current liabilities		**1.280.156**	**1.149.619**
Borrowings	22	9.131	8.183
Provisions	19, 22	42.522	38.197
Trade payables	22	81.641	93.089
Current income tax liabilities	22	13.173	10.780
Lease obligations	22	84.033	87.990
Other payables	22	52.785	96.172
Total current liabilities		**283.285**	**334.411**
Total liabilities		**1.563.441**	**1.484.030**
Total equity and liabilities		**1.744.289**	**1.683.360**

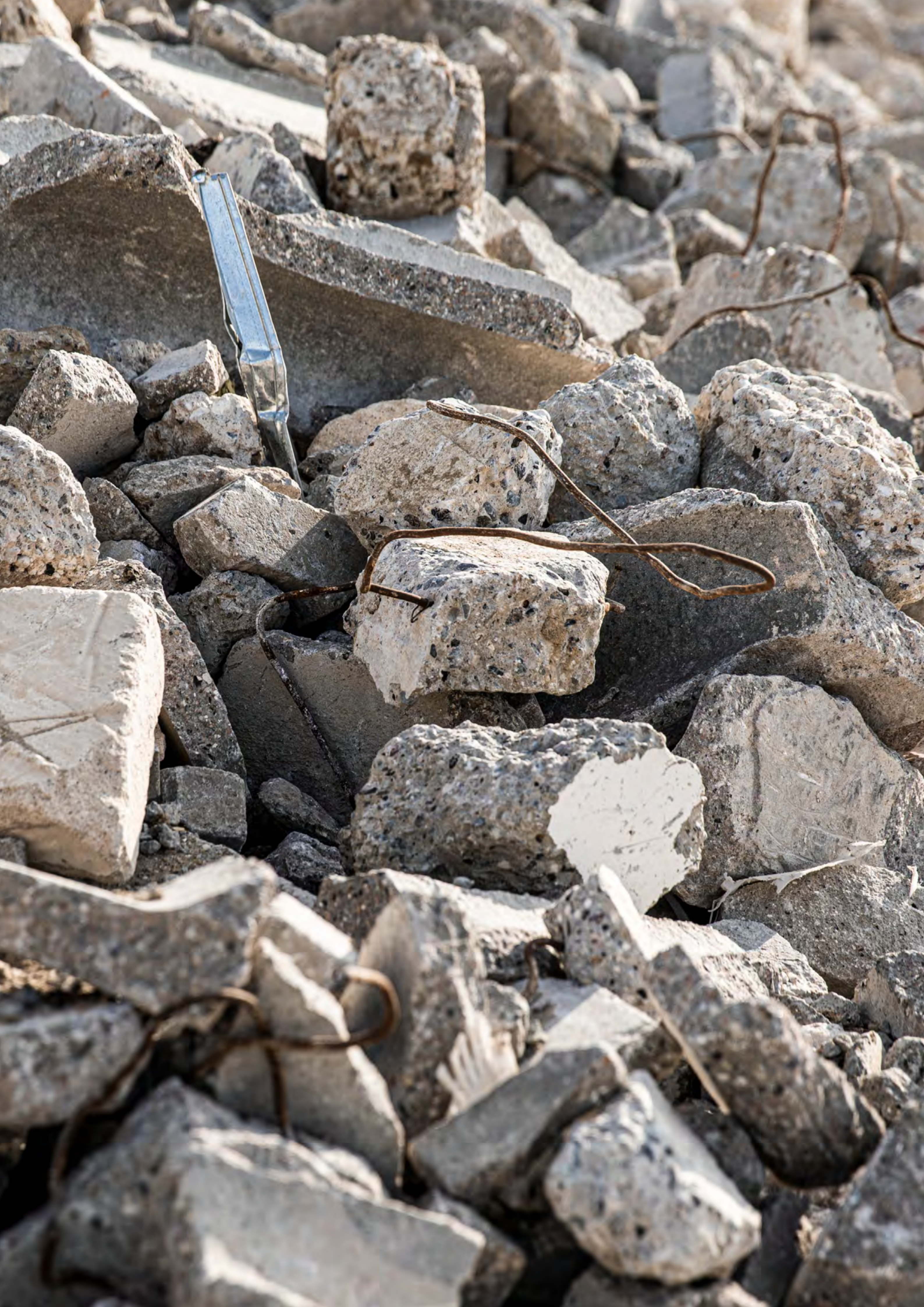
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 01.10.2020	**12.537**	**208.552**	**221.089**
Profit for the period	0	(21.759)	(21.759)
Other comprehensive income	0	0	0
Total comprehensive income for the period	**0**	**(21.759)**	**(21.759)**
Equity at 30.09.2021	**12.537**	**186.793**	**199.330**
Profit for the period	0	(18.482)	(18.482)
Other comprehensive income	0	0	0
Total comprehensive income for the period	**0**	**(18.482)**	**(18.482)**
Equity at 30.09.2022	**12.537**	**168.311**	**180.848**

CONSOLIDATED CASH FLOW STATEMENT
1 OCTOBER - 30 SEPTEMBER

	Notes	2021/22 TDKK	2020/21 TDKK
Profit/loss for the period		(18.482)	(21.759)
Adjustments	23	205.650	213.146
Changes in net working capital	24	(67.436)	(4.021)
Cash flows from ordinary activities before financial income and expenses		**119.732**	**187.366**
Interests received		191	92
Interests paid		(44.463)	(78.906)
Cash flows from ordinary activities		**75.460**	**108.552**
Income taxes paid		(10.860)	(13.829)
Net cash flow from operating activities		**64.600**	**94.723**
Purchase of intangible assets		(8.581)	(1.766)
Purchase of property, plant and equipment		(30.811)	(27.188)
Proceeds from sale of property, plant and equipment		59.812	10.391
Acquisition of subsidiaries		0	(44.712)
Acquired cash (acquisition of subsidiaries)		0	1.245
Net cash flow from investing activities		**20.420**	**(62.030)**
Proceeds from borrowings		0	802.223
Repayment of borrowings		(8.177)	(744.459)
Repayment of lease obligations		(121.391)	(91.149)
Cash flow from financing activities		**(129.568)**	**(33.385)**
Net cash flow for the year		(44.548)	(692)
Cash and cash equivalents, beginning of the year		147.906	148.598
Cash and cash equivalents at end of the year	25	**103.358**	**147.906**

NOTES



1. ACCOUNTING POLICIES

The Financial Statements for Reconor A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

The financial statements are presented in Danish Kroner (DKK). The financial statements have been rounded to the nearest thousand.

With regards to the true and fair view of the financial statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly. The changes has no effect on equity and result. The accounting policies applied remain unchanged from last year. The Financial Statements for 2021/22 are presented in DKK.

NEW STANDARDS NOT YET EFFECTIVE

There are no IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

PRESENTATION OF SPECIAL ITEMS:

The Group has decided not to present special items separately, but included these in raw materials and consumables, other external expenses and other expenses. Comparative figures have been adjusted accordingly.

BASIS OF CONSOLIDATION

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

On consolidation, elimination is made of intra-group income and costs, shareholdings, intra-group balances and dividend and realized and unrealized profits or losses on transactions between the consolidated companies.

FOREIGN CURRENCY TRANSLATION

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

REVENUE

Revenue is recognized when or as the performance obligations in the contract are satisfied by transferring control of the promised product or service.

Revenue recognized at a point in time comprise Gate fees, construction and demolition waste, soil, stone and gravel and sale of products, where the performance obligations are satisfied when the product or goods are sold.

Revenue recognized over time comprise rental of equipment, transport services and services relating to Municipal Solid Waste. Services are recognized over time at the rate of completion of the service to which the contract relates by using a time-based method to measure progress as the performance obligation is satisfied evenly over a period of time or the entity has a stand-ready obligation to perform over a period of time.

The payment terms follow the industry and fall due 20 days after month end.

No contracts have a financing element and no contracts comprise variable consideration elements. The group has no obligations for returns, refunds and no warranties have been given.

Revenue is measured as the fair value of the consideration received or receivable. Revenue is measured exclusive of VAT, taxes etc. charged on behalf of third parties and less any commissions and discounts, rebates granted and returns in connection with sales.

Contract assets and liabilities
Performance obligations are fulfilled at one point in time or over a very short period of time, so no contract assets are recognised. The group does not receive prepayments and deposits, hense no contract liabilities are recognised.

RAW MATERIALS AND CONSUMABLES

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials and consumables.

OTHER EXTERNAL EXPENSES

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

OTHER INCOME AND EXPENSES

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

STAFF EXPENSES

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

DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation, amortisation and impairment losses relating to intangible assets and property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses include interests, financial gains and expenses, debt, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as additional payments and repayment under the tax prepayment scheme.

INCOME TAX AND DEFERRED TAX

The company is jointly taxed with Danish Group enterprises. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish Tax Payment Scheme. Additions, deductions and allowances are recognised under financial income or financial costs.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the group
- Fair value of any asset or liability resulting from a contingent consideration arrangement, and
- Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the (1) consideration transferred, (2) amount of any non-controlling interest in the acquired entity and (3) acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

GOODWILL

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently, if events or changes in material circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relation to the entity sold.

On initial recognition, goodwill is measured and recognised as the excess of the cost of the acquired company over the fair value of the acquired assets, liabilities and contingent liabilities, as described under Business Combinations.

On recognition of goodwill, the goodwill amount is allocated to those of the Group's activities that generate separate cash flows (cash-generating units). The determination of cash-generating units is based on the Group's management structure and internal financial management and reporting. Goodwill is not amortised, but is tested for impairment at least once a year.

CUSTOMER CONTRACTS, SOFTWARE AND DEVELOPMENT PROJECTS

Costs of development projects and software comprise salaries, amortisation and other expenses directly attributable to the Company's development activities. Borrowing costs that are attributable to the development projects etc. are added to the costs of the assets during the period that is required to complete and prepare the asset for its intended use.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 7 years.

Software is measured at cost less accumulated depreciation. Software is depreciated on a straightline basis over the useful life.

Customer relations are related to prior years Business Combinations, where existing customer relations at the date of acquisition has been valued at fair vaule, consisting of expected earnings from the actual relations. Customer relations is depreciated on a straightline basis over the useful life.

Amortisation of intangible assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values over their estimated useful lives, as follows:

Customer relations	3-7 years
Development projects (IT)	5 years
Software	3-5 years

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the time when the asset is available for use. Borrowing costs that are attributable to the construction of property, plant and equipment are added to the costs of the assets during the period that is required to complete and prepare the asset for its intended use.

Expenditures for repairs and maintenance of property, plant and equipment is charged to the profit and loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values over their estimated useful lives, as follows:

Production buildings	20-30 years
Other fixtures and fittings, tools and equipment	3-15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

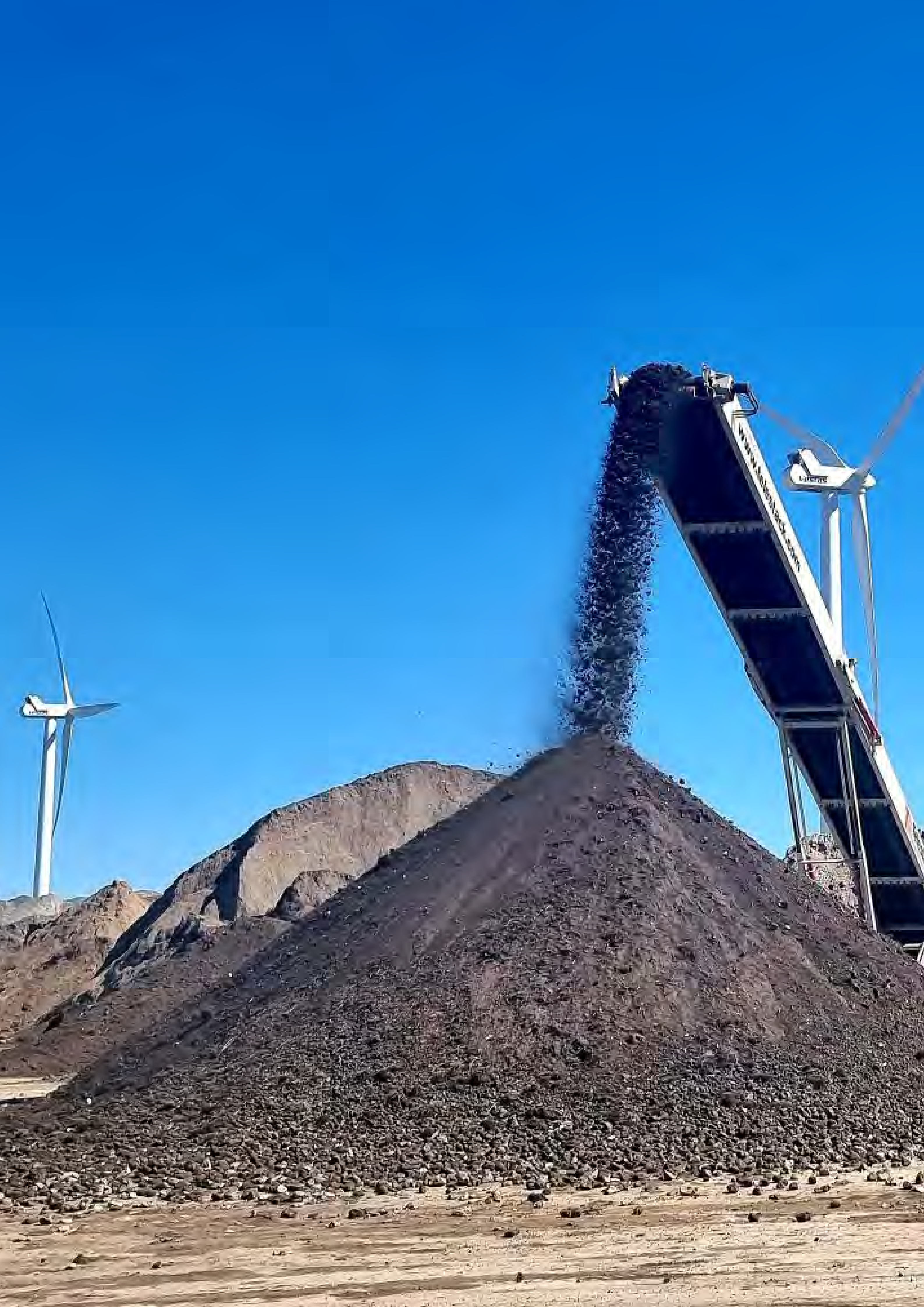
Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from disposal of property, plant and equipment are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale.

Gains and losses are recognised in the profit and loss as other income or other expenses.

LEASES AND LEASE OBLIGATIONS

The group primarily leases land and buildings, offices, equipment and vehicles. The contracts are typically made for periods of 36 months to 6 years.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of land and buildings and vehicles, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.



Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate. If that rate cannot be readily determined, which is generally the case for leases in the group, the incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease obligation
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs,
- and restoration costs.

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in the Income Statement. Low-value assets comprise IT equipment and small items of office furniture.

All short-term leases of equipment and vehicles are recognised in the balance sheet as right-of-use assets.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amounts of intangible assets and property, plant and equipment are written down immediately to the recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level at which cash flows are separately identifiable (cash-generating units).

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 in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales prices. The cost of goods for resale, raw materials and consumables equals landed cost.

RECEIVABLES

Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, as the receivables are assets held for collection of cash flows, where the cash flows represents solely payments of principal and interest. Amortised cost usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

For trade receivables the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PREPAYMENTS

Prepayments comprise prepaid expenses relating to rent, insurance premiums, subscriptions and interests.

EQUITY

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

Dividend distribution
Proposed dividends are disclosed as a separate item under equity.

BORROWINGS AND BORROWING COSTS

Borrowings are recognised on the raising of a loan at cost, equalling fair value of the proceeds received, and net of transaction costs incurred. Subsequently, borrowings are measured at amortised cost. Included in borrowings are subordinated loans, which are subordinated all other creditors.

General and specific borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

PROVISIONS

Provisions comprise legal claims, warranties, costs necessary to clean, sort and dispose received soil and waste and obligations to re-establish land and buildings. Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

OTHER FINANCIAL LIABILITIES

Other financial liabilities, including bank and financial loans, trade and other payables, are on initial recognition measured at fair value. The liabilities are subsequently measured at amortised cost.

CASH FLOW STATEMENT

The cash flow statement shows the Company'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 Company's cash and cash equivalents at the beginning and end of the year.

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.

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 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 cash at bank and in hand. The cash flow statement cannot be immediately derived from the balance sheet.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates as many financial statement items cannot be reliably measured, but must be estimated as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual item is described below.

WASTE PROVISION

The Groups activities includes receiving and disposal of soil and waste from the industrial sector. The provision represent the cost, that is necessary to bear, to cleanse, sort and dispose received soil and waste at the balance sheet date. The estimated cost consists of external expenses to disposal as well as internal cost to transport and handling. The estimation uncertainty is related to the estimation of these costs.

Management estimates the related provision for future costs based on historical price information, as well as recent trends that might suggest that past cost information may differ from future claims.

At 30 September 2022, the carrying amount for this provision is DKK 42.5 million (2021: DKK 38.2 million).

KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2021/22 and 2020/21 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering the financial year 2021/22. Cash flows beyond this period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

3. REVENUE

Revenue - 2021/22	Resources TDKK	Logistics TDKK	Total TDKK
At point in time	540.116	146.159	686.275
Over time	0	481.410	481.410
Total revenue	**540.116**	**627.569**	**1.167.685**

Revenue - 2020/21	Resources TDKK	Logistics TDKK	Total TDKK
At point in time	437.405	119.421	556.826
Over time	0	431.048	431.048
Total revenue	**437.405**	**550.469**	**987.874**

The primary revenue in 2021/22 & 2020/21 is derived from Denmark. All assets in both units are located in Denmark.

There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

Logistic revenue consists of transport services, including rental of equipment and other related activities.

Ressource revenue consits of services relating receiving, sorting, handling, recycling and sales of materials from the contruction industry, industrial sector as well as public and private suplliers, and other related activities.

4. STAFF COSTS

	2021/22 TDKK	2020/21 TDKK
Wages and salaries	292.626	269.233
Pensions	22.636	20.445
Other social security costs	9.935	6.875
Other staff costs	9.005	4.640
	334.202	**301.193**
Average number of employees	567	539

INCLUDING REMUNERATION TO THE EXECUTIVE BOARD AND BOARD OF DIRECTORS OF:

Executive Board	6.137	5.220
Board of Directors	448	425
	6.585	**5.645**

KEY MANAGEMENT COMPENSATION

Key Management consists of Executive Board and other key personnel. The compensation paid or payables to key management for employee services is shown below:

	2021/22 TDKK	2020/21 TDKK
Wages and salaries	10.212	8.483
Pensions	418	406
Termination benefits	0	0
	10.630	**8.889**

SHARE INCENTIVE PLAN FOR KEY MANAGEMENT

In order to retain the Groups Key management personnel, Key management personnel has been offered to become shareholders of the Reconor Group by acquiring shares in MH Gruppen MidCo ApS (Parent company to Reconor A/S).

The scheme set-forth that shares are traded on market values. Reference is made to note 27 Share based payments.

During 2021/22 no shareholders ceased employment in the Reconor Group, and no shareholders sold their shares (2020/21: One shareholders sold their shares).

During 2021/22 no new members of key management became shareholders (2020/21: no new members of key management became shareholders).

5. AMORTISATION AND DEPRECIATION

	2021/22 TDKK	2020/21 TDKK
Amortisation of intagible assets	6.571	5.270
Depreciation on property, plant and equipment	100.279	83.116
	106.850	**88.386**
Classified as:		
Depreciation and amortisation of intangible and fixed assets	106.850	88.386
	106.850	**88.386**

6. OTHER INCOME

	2021/22 TDKK	2020/21 TDKK
Profit on sale of property, plant and equipment	18.699	1.310
Expropriation compensation	14.399	0
	33.098	**1.310**

Profit on sale of property, plant and equipment includes a gain on sale of land previously not used in operations.

7. OTHER EXPENSES

	2021/22 TDKK	2020/21 TDKK
Expropriation costs	13.388	0
	13.388	**0**

8. FINANCIAL INCOME

	2021/22 TDKK	2020/21 TDKK
Interest from group enterprises	571	1.216
Other financial income	191	92
	762	**1.308**

9. FINANCIAL EXPENSES

	2021/22 TDKK	2020/21 TDKK
Interest to group enterprises	21.137	42.768
Other financial expenses	81.769	63.657
Exchange loss	206	166
	103.112	**106.591**

10. TAX ON PROFIT FOR THE YEAR

	2021/22 TDKK	2020/21 TDKK
Current tax:		
Current tax on profits for the year	12.495	13.247
Current tax on profits for previous years	0	187
Deferred tax on profit for the year and previous years	2.654	7.353
	15.149	**20.787**
Calculated 22.0% tax on profit for the year before income tax	(733)	(214)
Tax effects of:		
Non-taxable income	0	0
Non-deductible expenses	15.882	21.001
Other	0	0
	15.149	**20.787**
Effective tax rate	N/A	N/A

Non-deductible expenses, and thereby the unusual effective tax rate, are caused primarily of the Group's interest rate reduction limitations according to the Danish tax legislation.

11. ACQUISITION OF COMPANIES AND OPERATIONS

On 1 April 2022, the Reconor Group acquired the activities of JH Container A/S. JH Container A/S is a trucking business.

	JH Container A/S Fair value of acquisition 2021/22 TDKK	Sten & Grus Prøvestenen A/S Fair value of acquisition 2020/21 TDKK
Intangible assets	0	5.369
Tangible assets	46.987	27.066
Financial assets	0	10
Inventories	0	446
Receivables	0	11.327
Cash and bank balances	0	1.245
Income tax assets	0	3.193
Deferred tax assets	0	1.451
Borrowings	0	-562
Payables	0	-40.568
Provisions	0	-8.468
Acquired net assets	**46.987**	**509**
Goodwill	**5.574**	**44.203**
Cash flow for acquisition:		
Cash payment	52.561	44.712
Deferred cash payment	0	0
Less cash and cash equivalents in acquired business	0	-1.245
Cash outflow for acquisition	**52.561**	**43.467**

JH Container A/S
The company's main activities consist of trucking and waste handling, including container rental.

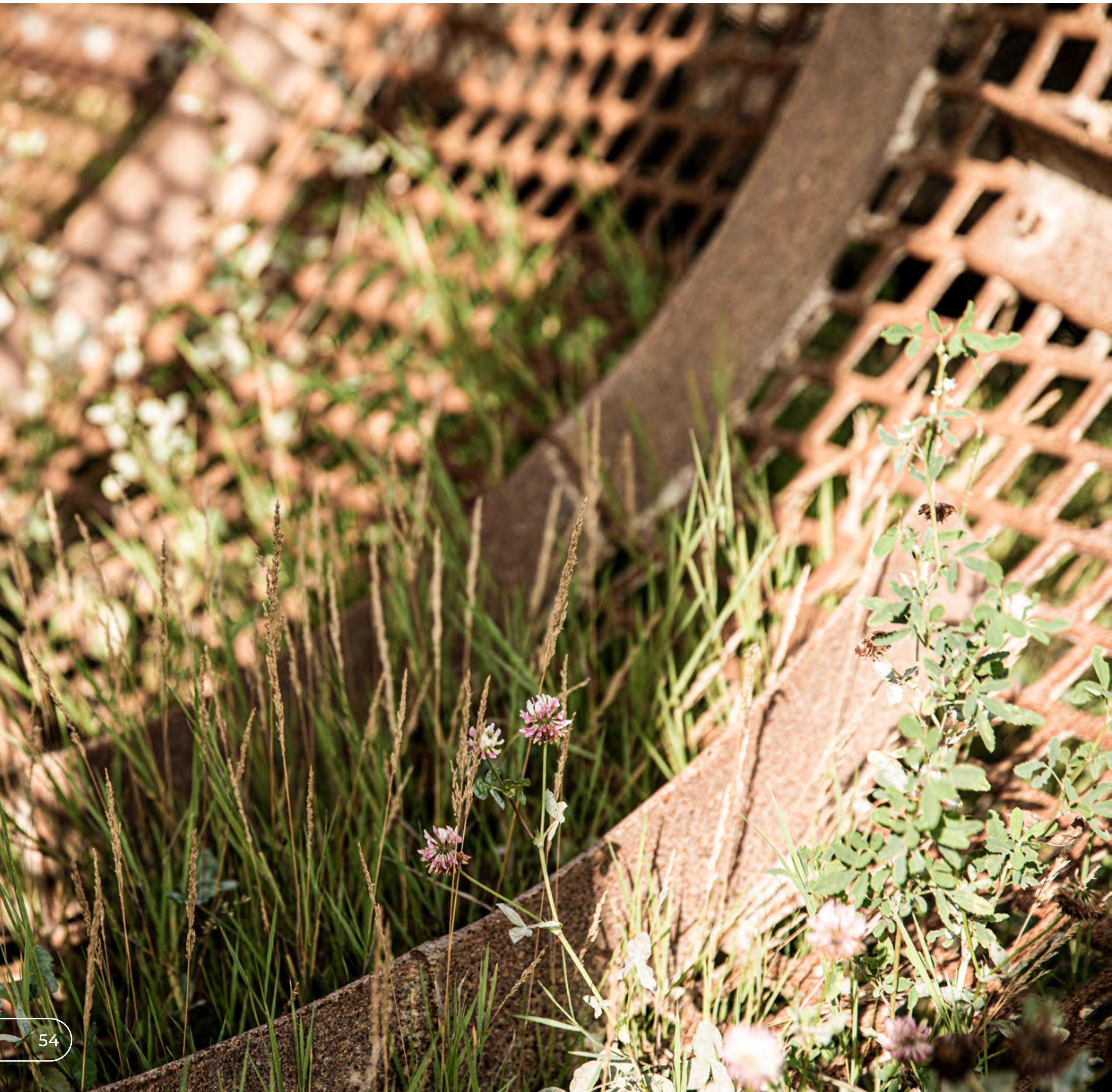
The Reconor Group has only acquired the acitivites of JH Container A/S and no customers were included.

The transaction costs related to the aquisition amout to approximately DKK 0.2 million. Goodwill relates to the expected synergies between the Group entities and future earnings. Goodwill is tax deductable.

Sten & Grus Prøvestenen A/S
The company's main activities are to receive and handle clean and polluted soil and recyclable building materials. The Company offers a broad product range of aggregates. In addition the Company performs handling activities (loading and unloading of ships and trucks).

Sten & Grus Prøvestenen A/S has contributed with approximatly DKK 49.9 million in revenue and DKK -3.9 million in net profit for the period 1 October 2020 - 30 September 2021 and approximatly DKK 25.5 million in revenue and DKK 0.9 million in net profit for the period 12 May 2021 - 30 September 2021.

The transaction costs related to the aquisition amout to approximately DKK 0.4 million. Goodwill relates to the expected synergies between the Group entities and future earnings, goodwill is not tax decuctable.



12. INTANGIBLE ASSETS

	Customer relations TDKK	Software TDKK	Devel-opment projects in progress TDKK	Goodwill TDKK	Total TDKK
Cost:					
At 01.10.2021	**18.568**	**25.485**	**451**	**937.935**	**982.439**
Additions during the year	0	2.520	487	5.574	8.581
Disposals during the year	0	0	0	0	0
At 30.09.2022	**18.568**	**28.005**	**938**	**943.509**	**991.020**
Amortisation and impairment:					
At 01.10.2021	**13.762**	**13.418**	**0**	**61.217**	**88.397**
Amortisation for the year	1.074	5.497	0	0	6.571
Impairment for the year	0	0	0	0	0
Reversals regarding disposals	0	0	0	0	0
At 30.09.2022	**14.836**	**18.915**	**0**	**61.217**	**94.968**
Carrying amount 30.09.2022	**3.732**	**9.090**	**938**	**882.292**	**896.052**

	Customer relations TDKK	Software TDKK	Devel-opment projects in progress TDKK	Goodwill TDKK	Total TDKK
Cost:					
At 01.10.2020	**13.199**	**20.271**	**3.899**	**888.896**	**926.265**
Additions during the year	5.369	5.214	451	49.039	60.073
Disposals during the year	0	0	(3.899)	0	(3.899)
At 30.09.2021	**18.568**	**25.485**	**451**	**937.935**	**982.439**
Amortisation and impairment:					
At 01.10.2020	**12.715**	**9.195**	**0**	**61.217**	**83.127**
Amortisation for the year	1.047	4.223	0	0	5.270
Impairment for the year	0	0	0	0	0
Reversals regarding disposals	0	0	0	0	0
Transfer during the year	0	0	0	0	0
At 30.09.2021	**13.762**	**13.418**	**0**	**61.217**	**88.397**
Carrying amount 30.09.2021	**4.806**	**12.067**	**451**	**876.718**	**894.042**

GOODWILL

Goodwill has been subject to an impairment test, which has been approved by Group management. The impairment test performed per 30 September 2022 revealed no need for impairment of goodwill.

Goodwill has been tested on each identified cash generating unit. The Reconor Group have two separate cash generating units, represented by "Resources" and "Logistics". In the calculation of the value in use of cash generating units, future free net cash flow is estimated based on Management-approved budgets and financial forecasts.

The expected future net cash flow is based on budgets for 2022/23 and projections for 2023/24 approved by Management. The key parameters in the calculation of the value in use are revenue, earnings, working capital, capital expenditure, discount rate and the preconditions for the terminal value.

The split of goodwill between the segments Resources and Logistics and key assumptions, in the form of long term growth rate and discount rate used in the value-in-use calculations are as follows:

Assumptions at 30.09.2022	**Resources**	**Logistics**
Marginal tax rate (%)	22,0%	22,0%
Long term growth rate (%)	2,0%	2,0%
Pre-tax discount rate (%)	9,6%	11,2%
Goodwill	628.414	253.878

Assumptions at 30.09.2021	**Resources**	**Logistics**
Marginal tax rate (%)	22,0%	22,0%
Long term growth rate (%)	1,5%	1,5%
Pre-tax discount rate (%)	8,9%	10,8%
Goodwill	628.414	248.304

DESCRIPTION OF ASSUMPTIONS

Long-term growth rate is the average annual growth rate over the two-year forecast period, and the expected growth rate on long term. It is based on past performance and management's expectations of market development in the two segments, and willl be reached by continuous product development and sales effort as well as by increase in market.

The development of sales is expected to be realized based on all the Group's activities. Resources and Logistics is supported by a documented increasing level of activity with the Group's existing customers and the expectation of a general increase in existing markets as well as entries into new markets.

Marginal tax rate is the expected rate over the two-year forecast period. It is based on current Danish tax legislation.

SENSITIVITY TO CHANGED ASSUMPTIONS

The calculated value in use for each cash-generating unit is considerably higher than the carrying amount, and the prepared impairment test shows that goodwill and other intangible assets are not impaired. In Management's opinion, no reasonable likely change to the above-mentioned assumptions will imply that the carrying amount of each cash-generating unit will exceed the value in use significantly.

OTHER INTANGIBLE ASSETS

Customer relations has been recognised as a separate asset when acquiring businesses. Development projects and development projects in progress mainly cover IT Projects.

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings TDKK	Other fixtures and fittings, tools and equipment TDKK	Total TDKK
Cost:			
01.10.2021	**327.513**	**369.550**	**697.063**
Additions during the year	84.987	144.562	229.549
Disposals during the year	(45.704)	(40.689)	(86.393)
At 30.09.2022	**366.796**	**473.423**	**840.219**
Depreciation and impairment:			
01.10.2021	**80.011**	**107.675**	**187.686**
Depreciation for the year	32.780	67.499	100.279
Reversals regarding disposals	(14.793)	(30.487)	(45.280)
At 30.09.2022	**97.998**	**144.687**	**242.685**
Carrying amount 30.09.2022	**268.798**	**328.736**	**597.534**

Cost:			
01.10.2020	**258.478**	**335.392**	**593.870**
Additions during the year	69.684	80.453	150.137
Disposals during the year	(649)	(46.295)	(46.944)
At 30.09.2021	**327.513**	**369.550**	**697.063**
Depreciation and impairment:			
01.10.2020	**58.405**	**85.083**	**143.488**
Depreciation for the year	22.221	59.840	82.061
Reversals regarding disposals	(615)	(37.248)	(37.863)
At 30.09.2021	**80.011**	**107.675**	**187.686**
Carrying amount 30.09.2021	**247.502**	**261.875**	**509.377**

14. LEASES

AMOUNTS RECOGNISED IN THE BALANCE SHEET

The balance show the following amounts relating to leases:

	30 September 2022 TDKK	30 September 2021 TDKK
Right-of-use assets		
Land and buildings	90.773	48.377
Equipment	269.127	201.248
	359.900	**249.625**
Lease liability		
Current	84.033	87.990
Non-current	209.779	128.475
	293.812	**216.465**

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2021/22 TDKK	2020/21 TDKK
Depreciation charge of right-of-use assets		
Land and buildings	(22.945)	(16.330)
Equipment	(53.795)	(47.202)
	(76.740)	**(63.532)**
Interest expenses relating to recognised leases at the balance sheet	5.909	5.995
Expenses relating to low-value-assets (that are not short-term leases)	0	0
	5.909	**5.995**

The group does not have any low-value assets related to lease agreements. Combined such lease payments are estimated to be less than DKK 100k (2020/21: DKK 100K).

AMOUNTS RECOGNISED IN THE BALANCE SHEET

The balance show the following amounts relating to leases:

	Land and buildings TDKK	Equipment TDKK	Total TDKK
Right-of-use assets			
Carrying amount 01.10.2021	48.377	201.248	249.625
Additions	69.003	129.735	198.738
Disposals	(14.952)	(33.221)	(48.173)
Depreciation for the year	(22.945)	(53.795)	(76.740)
Reversals regarding disposals	11.290	25.160	36.450
Carrying amount 30.09.2022	**90.773**	**269.127**	**359.900**

	Land and buildings TDKK	Equipment TDKK	Total TDKK
Right-of-use assets			
Carrying amount 01.10.2020	32.432	192.195	224.627
Additions	32.275	63.608	95.883
Disposals	(551)	(40.396)	(40.947)
Depreciation for the year	(16.330)	(47.202)	(63.532)
Reversals regarding disposals	551	33.043	33.594
Carrying amount 30.09.2021	**48.377**	**201.248**	**249.625**

15. DEFERRED TAX

	2021/22 TDKK	2020/21 TDKK
Deferred tax at 01.10.2021	13.472	2.734
Deferred tax recognised in the income statement	2.654	7.353
Business acquisition	0	3.385
Deferred tax recognised in other comprehensive income	0	0
Deferred tax at 30.09.2022	**16.126**	**13.472**
Deferred tax relates to:		
Intangible assets	3.036	4.743
Property, plant and equipment	23.728	17.605
Amortisation	(1.442)	(460)
Provisions	(9.196)	(8.416)
Transferred to deferred tax asset	0	0
	16.126	13.472
Of which presented as deferred tax assets	0	0
Of which presented as deferred tax liabilities	16.126	13.472

16. INVENTORIES

	2021/22 TDKK	2020/21 TDKK
Raw materials and consumables	7.772	4.169
Finished goods and goods for resale	0	0
Total inventories	**7.772**	**4.169**
Write down on inventory	0	0
Total net inventories	**7.772**	**4.169**

17. TRADE RECEIVABLES

	2021/22 TDKK	2020/21 TDKK
Trade receivables and other receivables at 30 September	93.899	81.587
Less provision for impairment of trade receivables	(7.031)	(3.354)
Trade receivables net	**86.868**	**78.233**

Movement on the Company's provision for impairment of trade receivables are as follows:

	2021/22 TDKK	2020/21 TDKK
Opening balances	(3.354)	(2.061)
Utilised during the year	3.354	2.061
Change in provision during the year	(7.031)	(3.354)
Trade receivables at 30 September	**(7.031)**	**(3.354)**

Allocation of receivables past due but not impaired by increased credit risk are as follows:

	2021/22 TDKK	2020/21 TDKK
Up to 3 months	12.729	20.666
More than 3 months	475	5.210
Overdue net receivables at 30 September	**13.204**	**25.876**

EXPECTED CREDIT LOSSES

The group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. The credit risk is generally considered immaterial.

Expected loss rate %:	2021/22 TDKK	2020/21 TDKK
Up to 2 months	5%	5%
Up to 3 months	10%	10%
More than 3 months	50%	50%
Increased credit risk	75-100%	75-100%

18. SHARE CAPITAL

Changes in share capital	2021/22 Nominal share capital	2020/21 Nominal share capital
Share capital opening	12.537.494	12.537.494
Shares issued during the year	0	0
Share capital	**12.537.494**	**12.537.494**

The share capital consists of:	2021/22 Number of shares	2020/21 Number of shares
Common shares - Nom. DKK 1 per share	7.537.500	7.537.500
Preference A shares - Nom. DKK 1 per share	4.999.994	4.999.994
Share capital	**12.537.494**	**12.537.494**

All shares have nominal value of DKK 1. The Common shares does not have any voting rights and preference A shares have voting rights.

Capital management

The group's objectives when managing capital are to secure the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. Any surplus liquidity is used to reduce debt.

The Executive Board monitors the share and capital structure to ensure that the group's capital resources support the strategic goals.

19. PROVISIONS

Waste disposal	2021/22 TDKK	2020/21 TDKK
Provisions 1 October	38.197	24.971
Additions during the year	42.522	29.073
Additions by business acquisition	0	9.124
Utilised during the year	(38.197)	(24.971)
Provisions 30 September	**42.522**	**38.197**

The Groups activities includes receiving and disposal of soil and waste from the industrial sector. The provision represent the best estimate of the cost necessary to bear, to cleanse, sort and dispose received soil and waste at the balance sheet date. The provision falls due continuously, as a part of the company's daily operations. Information regarding the figures and the expected timing is disclosed in note 22.

20. RELATED PARTIES

The immediate parent company is MH Gruppen Midco ApS, and the ultimate parent entity with controlling interest is Agilitas MH Gruppen 2015 Fund L.P. Neither produces consolidated financial statements, but Reconor A/S is included in the consolidated financial statements of the parent company of MH Gruppen Midco ApS, Reconor Holding ApS.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions with key management personnel include transactions with companies controlled by the key management personnel. Reference is made to note 4.

The following transactions were carried through with related parties	**2021/22 TDKK**	**2020/21 TDKK**
Transactions with the parent, MH Gruppen Midco ApS		
Accrued interest on loan notes, expensed	21.137	39.652
Borrowings and subordinated loan, outstanding amount at balance sheet date	196.100	174.963
Transactions with other related parties		
Fees for services rendered to Agilitas 2013 Private Equity GP LP (general partner of Agilitas 2013 Private Equity Fund, L.P., a shareholder of Reconor Holding ApS)	4.559	3.379

No other transactions have taken place during the year with Executive Board, major shareholders or other related parties.

21. COMMITMENTS AND CONTINGENT LIABILITIES

JOINT TAXATION SCHEME

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group, Reconor Holding ApS is the management company for the joint taxation. The total amount of corporation tax payable for the Group in the joint taxation is TDKK 13.541 for 2021/22 and TDKK 10.693 for 2020/21.

Moreover, the 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 Groups's liability.

COMMITMENTS

Land and buildings provided as security vis-à-vis for mortgage debt amount to DKK 59.2 million (2020/21: DKK 54.7 million) out of mortgage debt of DKK 3.5 million (2020/21: DKK 4.3 million).

Credit institutions has a claim on Groups selected debtors, which are included in the "Trade receivables" asset. Negative pledge have been registered.

22. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

As a result of operations, investments and financing, the Reconor Group is exposed to interest rate changes and customer credit exposure.

The Reconor Group manages the financial risks centrally and coordinates the Group's cash management, including funding of investments and cash management.

The Group have a low risk profile, and is only exposed to financial risks in connection with its commercial activities.

MARKET RISK

Foreign exchange risk
Foreign exchange risk arises due to imbalances between revenue and expenses in individual currencies. The Group operates in all material aspects only in Denmark, consequently all cash flows and monetary positions are denominated in DKK. Thus the currency exposure is considered minimal.

Interest rate risk
The Reconor Group have borrowings from credit institutions and leasing arrangements. All borrowings have a fixed interest rate. Borrowings issued at fixed rates expose the group to fair value interest rate risk, which will not have any impact on the recognized values.

The Group's management monitors the interest fluctuations and consider potential opportunities to refinance positions.

CREDIT RISKS

The Group's primary credit exposure is related to trade receivables and cash positions. The Reconor Group has no major exposure relating to one single customer or business partner. The Group's cash and cash equivalents have been invested in well-established financial institutions with low risk.

The Group manages its credit risk by continuously assessing the credit history of its customers and setting credit terms individually for each client. Individual risks limits are set based on internal ratings in accordance with limits set by the management. Management routinely monitors the credit exposure on customers.

LIQUIDITY RISK

Group manages its liquidity risk by monitoring the changes in working capital and by ensuring adequate funding is in place. Based on the Group's cash management principle - cash concentration.

The Group has loans which is subject to covenant compliance. The includes that the Group has to comply with debt ratios and cash flow ratios. Management continuously monitor and forecast on the ratios. No breach of covenants have occurred.

MATURITY ANALYSIS

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivatives	Less than 1 year TDKK	Between 1 and 5 year TDKK	More than 5 years TDKK	Total TDKK
As at 30.09.2022				
Subordinated loan from group companies	0	236.588	0	236.588
Mortgage loans	817	1.662	1.133	3.612
Credit institutions	47.358	1.052.717	0	1.100.075
Provisions	42.522	0	0	42.522
Trade payables	81.641	0	0	81.641
Current income tax liabilities	13.173	12.415	0	25.588
Lease obligations	86.554	221.345	0	307.899
Other payables	52.785	2.353	0	55.138
	324.850	**1.527.080**	**1.133**	**1.853.062**
As at 30.09.2021				
Subordinated loan from group companies	0	227.328	0	227.328
Mortgage loans	819	2.858	813	4.490
Credit institutions	46.408	1.062.565	0	1.108.973
Provisions	38.197	0	0	38.197
Trade payables	93.089	0	0	93.089
Current income tax liabilities	8.165	12.584	0	20.749
Lease obligations	90.630	135.044	0	225.674
Other payables	96.172	4.540	0	100.712
	373.479	**1.444.919**	**813**	**1.819.211**

MEASUREMENT AND FAIR VALUE HIERARCHY

All financial assets and liabilities are measured at cost or amortized cost. The carrying amounts for these approximate fair value.

There are no financial derivatives used in 2021/22 or 2020/21.

FINANCIAL LOAN CONDITIONS

Subordinated loan from group companies are subordinated to other lenders. The interest rate is 12 % and interest is accrued, not paid.

As the previous loan agreement expired in 2021, the group has entered into a new loan agreement in the previous financial year, why the debt is now presented as long-term debt. The interest rate on the new loan agreement is 7,75% and the new loan agreement contains loan covenants.

23. FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

	2021/22 TDKK	2020/21 TDKK
Audit fee to PwC	708	768
Tax advisory services	383	57
Non-audit services	8.861	2.361
	9.952	**3.186**

24. CASH FLOW STATEMENTS - ADJUSTMENTS

	2021/22 TDKK	2020/21 TDKK
Finance income and costs, cash and non-cash items	102.350	105.283
Tax for the year	15.149	20.787
Depreciation	106.850	88.386
Net profit/loss from sale of property, plant and equipment	-18.699	-1.310
	205.650	**213.146**

25. CASH FLOW STATEMENTS - CHANGES IN NET WORKING CAPITAL

	2021/22 TDKK	2020/21 TDKK
Changes in inventories	(3.603)	24
Changes in receivables	(11.707)	(17.572)
Changes in Provisions	4.325	4.768
Changes in trade and other payables	(56.451)	8.759
	(67.436)	**(4.021)**

26. CASH FLOW STATEMENTS - NET DEBT

	2021/22 TDKK	2020/21 TDKK
Cash and cash equivalents	103.358	147.906
Borrowings	(852.514)	(823.180)
Lease obligations	(293.812)	(216.465)
Subordinated loan and loan from group companies	(196.100)	(174.962)
	(1.239.068)	**(1.066.701)**

	Cash and cash equivalents TDKK	Borrowings TDKK	Lease obligations TDKK	Subordinated loan from owners TDKK	Total TDKK
Net debt at 01.10.2020	**148.598**	**(423.359)**	**(211.731)**	**(492.622)**	**(979.114)**
Cash flows	(1.937)	(382.341)	(4.172)	336.421	(52.029)
Acquisitions - non cash changes	1.245	0	(562)	0	683
Other changes - non cash changes	0	(17.480)	0	(18.761)	(36.241)
Net debt at 30.09.2021	**147.906**	**(823.180)**	**(216.465)**	**(174.962)**	**(1.066.701)**
Cash flows	(44.548)	8.177	(77.347)	0	(113.718)
Acquisitions - non cash changes	0	0	0	0	0
Other changes - non cash changes	0	(37.511)	0	(21.138)	(58.649)
Net debt at 30.09.2022	**103.358**	**(852.514)**	**(293.812)**	**(196.100)**	**(1.239.068)**

Non-cash transactions

The Group has the following non-cash financing activities:	2021/22 TDKK	2020/21 TDKK
Interests on subordinated loans and loan from group companies	21.138	18.761
Interests and amortisation on loan from credit institutions, not paid	37.511	17.480
	58.649	**36.241**

27. SHARE BASED PAYMENTS

EMPLOYEE SHARE SCHEME

Reconor Holding ApS (Parent company) and certain executive managers and other key employees of the Reconor Group, has entered into a share scheme. Employees included in the share scheme are given the opportunity to purchase shares in the group company MH Gruppen MidCo ApS for a cash consideration of fair value of the shares.

In case of an employee's departure, the company is entitled, but not restricted, to repurchase all shares from the departing employee.

The original share scheme was approved by the shareholders at 26 November 2015.

	2021/22 Nominal value TDKK	2020/21 Nominal value TDKK
As at 1 October	**(544)**	**1.077**
Shares purchased at fair value	0	1.900
Shares repurchased at fair value	0	(3.521)
Capital increase	0	0
As at 30 September	**(544)**	**(544)**

The fair value of the shares has been based on a valuation of the company.

28. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the reporting period.

29. LIST OF COMPANIES

Name	Place of Registered Office	CVR number	Vote and Ownership	Share Capital TDKK	Equity TDKK	Net profit/ loss for the period 2021/22 TDKK	Business area
Parent company:							
Reconor A/S	Farum, Denmark	3671 9176	100%	12.537	(113.491)	(74.737)	Other
Subsidiaries:							
City Container Danmark A/S	Lynge, Denmark	2628 3647	100%	11.000	179.122	42.701	Logistics
City Container A/S	Lynge, Denmark	3176 6273	100%	42.000	42.357	(338)	Logistics
City Container Fyn A/S	Odense, Denmark	2871 4041	100%	500	7.503	(214)	Logistics
City Container Jylland A/S	Kolding, Denmark	2112 1991	100%	500	10.684	(81)	Logistics
Norrecco A/S	Copenhagen, Denmark	3051 8438	100%	20.000	254.888	25.957	Resources
Norrecco Agerskov A/S	Agerskov, Denmark	2716 9538	100%	500	37.543	4.676	Resources
Mijodan Ejendomme ApS	Agerskov, Denmark	3779 6328	100%	50	612	42	Resources
Norrecco Uge ApS	Agerskov, Denmark	3205 8760	100%	125	20.793	2.410	Resources
Hedegaard Miljø A/S	Nyborg, Denmark	3051 2391	100%	500	13.187	3.709	Resources

The amounts stated above is based on the latest annual report ending 30 September 2022.

PARENT

STATEMENT OF PROFIT AND LOSS

(PARENT COMPANY) 1 OCTOBER - 30 SEPTEMBER

	Notes	2021/22 TDKK	2020/21 TDKK
Gross profit/loss		**6.366**	**8.399**
Staff expenses	2	(25.374)	(20.288)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(2.155)	(1.593)
Profit/loss before financial income and expense		**(21.163)**	**(13.482)**
Income from investments in subsidiaries companies	3	28.044	32.020
Finance income	4	2	231
Finance costs	5	(90.515)	(91.707)
Profit/loss before tax		**(83.632)**	**(72.938)**
Income tax	6	8.895	3.620
Profit/loss for the period		**(74.737)**	**(69.318)**
Distribution of profit			
Retained earnings		(74.737)	(69.318)
		(74.737)	**(69.318)**

BALANCE SHEET

BALANCE SHEET (PARENT COMPANY) 30 SEPTEMBER

Assets	Notes	2021/22 TDKK	2020/21 TDKK
Software		4.337	4.977
Intangible assets	7	**4.337**	**4.977**
Other fixtures and fittings, tools and equipment		1.205	763
Property, plant and equipment	8	**1.205**	**763**
Investments in subsidiaries	9	1.000.301	944.888
Receivables from group enterprises		46.851	116.413
Fixed assets investments		**1.047.152**	**1.061.301**
Fixed assets		**1.052.694**	**1.067.041**
Receivables from group enterprises		48.905	88.121
Other receivables		5.286	144
Deferred tax asset	10	524	0
Corporation tax		13.568	11.542
Prepayments		978	462
Receivables		**69.261**	**100.269**
Cash and cash equivalents		**41.198**	**73.288**
Current assets		**110.459**	**173.557**
Total assets		**1.163.153**	**1.240.598**

Liabilities	Notes	2021/22 TDKK	2020/21 TDKK
Share capital		12.537	12.537
Retained earnings		(126.028)	(51.291)
Total equity		**(113.491)**	**(38.754)**
Credit institutions	11	841.323	812.323
Deferred tax liabilities	10	0	642
Payables to group enterprises	11	196.100	174.963
Total non-current liabilities		**1.037.423**	**987.928**
Credit institutions	11	18.558	19.094
Trade payables	11	2.082	2.679
Payables to group enterprises	11	202.691	250.011
Other payables	11	15.890	19.640
Total current liabilities		**239.221**	**291.424**
Total liabilities		**1.276.644**	**1.279.352**
Total equity and liabilities		**1.163.153**	**1.240.598**

STATEMENT OF CHANGES IN EQUITY

(PARENT COMPANY)

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 01.10.2020	**12.537**	**18.027**	**30.564**
Net profit/loss for the year	0	(69.318)	(69.318)
Equity at 30.09.2021	**12.537**	**(51.291)**	**(38.754)**
Net profit/loss for the year	0	(74.737)	(74.737)
Equity at 30.09.2022	**12.537**	**(126.028)**	**(113.491)**

NOTES

(PARENT COMPANY)

1. ACCOUNTING POLICIES

GENERAL

The Annual Report of Reconor A/S for 2021/22 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 rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in DKK.

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.

Translation policies
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.

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.

INCOME STATEMENT

Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

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.

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 subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

BALANCE SHEET

Intangible assets

Development projects, patents and licences:
Software is measured at cost less accumulated depreciation. Software is depreciated on a straightline basis over the useful life, which is estimated at 3-5 years.

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. 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	3-5 years

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.

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. 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.

Receivables
Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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

The items "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 any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

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 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.

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

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.

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

2. STAFF COSTS

	2021/22 TDKK	2020/21 TDKK
Wages and salaries	18.729	15.765
Pensions	1.165	972
Other social security costs	170	166
Other staff costs	5.310	3.385
	25.374	**20.288**
Average number of employees	22	21

3. INCOME FROM INVESTMENTS IN SUBSIDIARIES COMPANIES

	2021/22 TDKK	2020/21 TDKK
Share of profits/losses from subsidiaries companies	68.238	72.214
Amortisation of goodwill	(40.194)	(40.194)
	28.044	**32.020**

4. FINANCIAL INCOME

	2021/22 TDKK	2020/21 TDKK
Interest received from group enterprises	0	177
Other financial income	2	54
	2	**231**

5. FINANCIAL EXPENSES

	2021/22 TDKK	2020/21 TDKK
Interest paid to group enterprises	21.417	41.181
Other financial expenses	69.098	50.526
	90.515	**91.707**

6. TAX ON PROFIT FOR THE YEAR

	2021/22 TDKK	2020/21 TDKK
Current tax on profits for the year	(7.728)	(5.837)
Current tax on profits for previous years	(1.167)	2.217
	(8.895)	**(3.620)**

7. INTANGIBLE ASSETS

	Software TDKK
Cost at 1. October	8.458
Additions for the year	1.074
Cost at 30 September	**9.532**
Impairment losses and amortisation at 1 October	3.481
Amortisation for the year	1.714
Impairment losses and amortisation at 30 September	**5.195**
Carrying amount at 30 September	**4.337**
Amortised over	3-5 years

8. PROPERTY, PLANT AND EQUIPMENT

	Other fixtures and fittings, tools and equipment TDKK
Cost at 1. October	1.405
Additions for the year	1.032
Disposals for the year	(545)
Cost at 30 September	**1.892**
Impairment losses and amortisation at 1 October	642
Amortisation for the year	440
Reversals regarding disposals	(395)
Impairment losses and amortisation at 30 September	**687**
Carrying amount at 30 September	**1.205**
Depreciated over	3-5 years

9. INVESTMENTS IN SUBSIDIARIES

	2021/22 TDKK	2020/21 TDKK
Cost at 1. October	1.249.410	1.249.410
Additions for the year	72.369	0
	1.321.779	**1.249.410**
Value adjustments at 1 October	(304.522)	(320.842)
Net profit/loss for the year	68.238	72.214
Dividend to the Parent Company	(45.000)	(15.700)
Depreciation Goodwill	(40.194)	(40.194)
	(321.478)	**(304.522)**
Equity investments with negative net asset value transferred to provisions	0	0
Carrying amount at 30 September	**1.000.301**	**944.888**
Including goodwill	**513.250**	**553.444**

Investments in subsidiaries are specified as follows:

	Place of Registered Office	Share Capital	Vote and Ownership
Name of company			
City Container A/S	Lynge, Denmark	42.000	100%
City Container Danmark A/S	Lynge, Denmark	11.000	100%
City Container Jylland A/S	Kolding, Denmark	500	100%
Norrecco A/S	Copenhagen, Denmark	20.000	100%

10. DEFERRED TAX

Deferred tax relates to:	2021/22 TDKK	2020/21 TDKK
Intangible assets	(954)	(1.095)
Property, plant and equipment	(29)	10
Amortisation expenses	1.507	443
Transferred to deferred tax asset	(524)	0
	0	**(642)**
Of which presented as deferred tax assets	524	0
Of which presented as deferred tax liabilities	0	(642)

11. MATURITY OF LIABILITIES

Maturity on long-term debt	Less than 1 year TDKK	Between 1 and 5 year TDKK	More than 5 years TDKK	Total TDKK
As at 30.09.2022				
Credit institutions	18.558	841.323	0	859.881
Payables to group enterprises	202.691	196.100	0	398.791
Trade payables	2.082	0	0	2.082
Other payables	15.890	0	0	15.890
	239.221	**1.037.423**	**0**	**1.276.644**
As at 30.09.2021				
Credit institutions	19.094	812.323	0	831.417
Payables to group enterprises	250.011	174.963	0	424.974
Trade payables	2.679	0	0	2.679
Other payables	19.640	0	0	19.640
	291.424	**987.286**	**0**	**1.278.710**

12. CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Charges and security	2021/22 TDKK	2020/21 TDKK
The following assets have been placed as security with credit institutions:		
Investments in subsidiaries with a booked value of	1.000.301	944.888

CONTINGENT LIABILITIES

The company is jointly taxed with other group companies. The companies are jointly and severally liable for tax on the Group's jointly taxed income etc. The total tax amount is shown in the annual report of Reconor Holding ApS, which is management company in the group payment of tax in Denmark.

Moreover, the 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.

13. RELATED PARTIES

TRANSACTIONS

Transactions with related parties during the financial year have been made on an arm's length basis.

SUBORDINATION AND FINANCIAL SUPPORT LETTER

The Company is part of a joint mutual agreement of subordination and financial support letter submitted between Reconor A/S and all subsidiaries. The agreement is effective until 1 October 2023.

RECONOR
Group

RECONOR Group