

Recipo A/S

Vesterbrogade 149, 1620 København V

Annual report for 2021

CVR no. 38 26 61 87

Adopted at the annual general meeting on 5 May 2022

chairman: Luibava Shornikova

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement	7
1 January - 31 December	
Balance sheet 31 December	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Statement by management on the annual report

The Board of directors and Executive board have today discussed and approved the annual report of Recipo A/S for the financial year 1 January - 31 December 2021

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 5 May 2022

Executive board

Luibava Shornikova
CEO

Board of directors

Vebjørn Eilertsen

Anders Erik Ola Andersson

Jan Edvin Harry Forsberg

Nils Ivo Gabriel Edlund

Independent auditor's report

To the shareholder of Recipo A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Recipo A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements Act.

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

Management's responsibilities for the financial statements

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

Independent auditor's report

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

Auditor's responsibilities for the audit of the financial statements

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

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

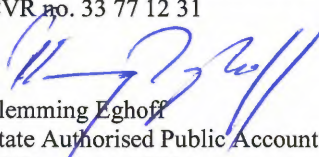
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

Independent auditor's report

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.

Copenhagen, 5 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Flemming Eghoff
State Authorised Public Accountant
MNE no. mne30221

Company details

The company

Recipo A/S
Vesterbrogade 149
1620 København V

Telephone: 5159 6027

CVR no.: 38 26 61 87

Reporting period: 1 January - 31 December 2021

Domicile: Copenhagen

Board of directors

Vebjørn Eilertsen
Anders Erik Ola Andersson
Jan Edvin Harry Forsberg
Nils Ivo Gabriel Edlund

Executive board

Luibava Shornikova, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Business review

Processing of waste to secondary raw materials and separation and sorting non-hazardous waste.

Unusual matters

The company's financial position at 31 December 2021 and the results of its operations for the financial year ended 31 December 2021 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 8,340,115, and the balance sheet at 31 December 2021 shows equity of DKK 15,152,574.

Significant events occurring after the end of the financial year

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

Income statement

1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit		12,806,888	5,555,018
Staff costs	1	<u>-237,931</u>	<u>-637,471</u>
Profit/loss before amortisation/depreciation and impairment losses		12,568,957	4,917,547
Depreciation, property, plant and equipment		<u>-1,514,244</u>	<u>-562,032</u>
Profit/loss before net financials		11,054,713	4,355,515
Financial income		3,012	253,884
Financial costs	2	<u>-310,771</u>	<u>-141,035</u>
Profit/loss before tax		10,746,954	4,468,364
Tax on profit/loss for the year	3	<u>-2,406,839</u>	<u>-984,231</u>
Profit/loss for the year		<u>8,340,115</u>	<u>3,484,133</u>
		2021 DKK	2020 DKK
Retained earnings		<u>8,340,115</u>	<u>3,484,133</u>
		<u>8,340,115</u>	<u>3,484,133</u>

Balance sheet 31 December

	Note	2021 DKK	2020 DKK
Assets			
Other fixtures and fittings, tools and equipment		3,706,322	5,166,382
Leasehold improvements		0	54,184
Tangible assets		3,706,322	5,220,566
Total non-current assets		3,706,322	5,220,566
Trade receivables		2,507,835	4,601,688
Other receivables		1,479,609	847,089
Prepayments		126,933	41,022
Receivables		4,114,377	5,489,799
Cash at bank and in hand		14,756,078	3,975,825
Total current assets		18,870,455	9,465,624
Total assets		22,576,777	14,686,190

Balance sheet 31 December

	Note	2021 DKK	2020 DKK
Equity and liabilities			
Share capital		500,000	500,000
Retained earnings		<u>14,652,574</u>	<u>6,312,459</u>
Equity		<u>15,152,574</u>	<u>6,812,459</u>
Provision for deferred tax	4	<u>112,654</u>	<u>208,337</u>
Total provisions		<u>112,654</u>	<u>208,337</u>
Lease obligations		<u>1,942,712</u>	<u>2,660,799</u>
Total non-current liabilities	5	<u>1,942,712</u>	<u>2,660,799</u>
Lease obligation	5	826,464	886,933
Trade payables		1,723,575	3,188,093
Corporation tax		2,512,088	676,880
Other payables		<u>306,710</u>	<u>252,689</u>
Total current liabilities		<u>5,368,837</u>	<u>5,004,595</u>
Total liabilities		<u>7,311,549</u>	<u>7,665,394</u>
Total equity and liabilities		<u>22,576,777</u>	<u>14,686,190</u>
Rent and lease liabilities	6		
Related parties and ownership structure	7		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	500,000	6,312,459	6,812,459
Net profit/loss for the year	0	8,340,115	8,340,115
Equity at 31 December 2021	500,000	14,652,574	15,152,574

Notes

	2021 DKK	2020 DKK
1 Staff costs		
Wages and salaries	237,931	603,563
Pensions	0	29,295
Other social security costs	0	4,274
Other staff costs	0	339
	237,931	637,471
 Average number of employees	 1	 1
2 Financial costs		
Financial expenses, group entities	0	73,341
Other financial costs	161,162	44,397
Exchange loss	16,261	17,851
Percentage surcharge, corporation tax	133,348	5,446
	310,771	141,035
3 Tax on profit/loss for the year		
Current tax for the year	2,502,522	792,880
Deferred tax for the year	-95,683	191,351
	2,406,839	984,231
 Tax on profit/loss for the year is calculated as follows:		
Calculated 22% tax on profit/loss for the year before tax	2,364,330	983,040
 Tax effect of:		
Tax on non-deductible expenses and non-taxable income	42,511	1,198
Adjustment	-2	-7
	2,406,839	984,231

Notes

	2021 DKK	2020 DKK
4 Provision for deferred tax		
Provision for deferred tax at 1 January 2021	208,337	16,986
Deferred tax recognised in income statement	<u>-95,683</u>	<u>191,351</u>
Provision for deferred tax at 31 December 2021	<u>112,654</u>	<u>208,337</u>
 5 Long term debt		
Lease obligations		
Between 1 and 5 years	<u>1,942,712</u>	<u>2,660,799</u>
Non-current portion	1,942,712	2,660,799
Within 1 year	<u>826,464</u>	<u>886,933</u>
	<u>2,769,176</u>	<u>3,547,732</u>
 6 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	797,712	1,605,324
Between 1 and 5 years	<u>0</u>	<u>739,762</u>
	<u>797,712</u>	<u>2,345,086</u>
 7 Related parties and ownership structure		
Ownership structure		
According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:		
Recipo AB, box 7019, 10386 Stockholm		

Accounting policies

The annual report of Recipo A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

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

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

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

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

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

Income statement

Gross profit

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

Gross profit reflects an aggregation of revenue and other operating income less handling costs and other external expenses.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Handling costs

Expenses incurred in relation to generation of revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including rental income.

Other external expenses

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

Staff costs

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

Depreciation property, plant and equipment

Depreciation property, plant and equipment comprise the year's depreciation of property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

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

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

Accounting policies

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	10 %
Leasehold improvements	5 years	0 %

Assets costing less than DKK 30,700 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

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

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

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.