Deloitte.

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Phone 36 10 20 30
Fax 36 10 20 40
www.deloitte.dk

REMONDIS Danmark Holding ApS

Abildager 16
2605 Brøndby
Central Business Registration No 39018942

Annual report 18.10.2017 - 31.12.2018

The Annual General Meeting adopted the annual report on 28.06.2019

Chairman of the General Meeting

Name: Lennart Vigenberg

Contents

Entity details

Entity
REMONDIS Danmark Holding ApS
Abildager 16
2605 Brøndby

Central Business Registration No (CVR): 39018942
Registered in: Brøndby
Financial year: 18.10.2017 - 31.12.2018

Executive Board
Christoph Wilhelm Adrian
Hendrik Vonnegut

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of REMONDIS Danmark Holding ApS for the financial year 18.10.2017 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 18.10.2017 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2019

Executive Board

Christoph Wilhelm Adrian	Hendrik Vonnegut

Independent auditor's report

To the shareholders of REMONDIS Danmark Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of REMONDIS Danmark Holding ApS for the financial year 18.10.2017 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 18.10.2017 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Material uncertainty related to going concern

Without modifying our opinion we refer to Management’s description of uncertainties related to the groups continued operations (going concern) in note 1. The continued operations are dependent on Management maintaining the availacle credit lines as well as a positive outcome of current shareholder negotiations.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent

Independent auditor's report

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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

Independent auditor's report

for our audit opinion.

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

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 28.06.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Torben Skov
State Authorised Public Accountant
Identification No (MNE) mne19689

Martin Bøgelund Ravn
State Authorised Public Accountant
Identification No (MNE) mne40038

Management commentary

	2017/18 DKK'000
Financial highlights	
Key figures	
Revenue	519.778
Gross profit/loss	33.997
Operating profit/loss	(26.924)
Net financials	(4.394)
Profit/loss for the year	(31.318)
Profit/loss excl minority interests	(26.845)
Total assets	417.711
Investments in property, plant and equipment	296.773
Equity	(9.241)
Equity excl minority interests	(11.672)
Cash flows from (used in) operating activities	(12.970)
Cash flows from (used in) investing activities	(141.040)
Cash flows from (used in) financing activities	146.339
Ratios	
Gross margin (%)	6,5
Net margin (%)	(6,0)
Equity ratio (%)	(2,8)

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

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	Gross profit/loss x 100 / Revenue	The entity's operating gearing.
Net margin (%)	Profit/loss for the year x 100 / Revenue	The entity's operating profitability.
Equity ratio (%)	Equity excl minority interests x 100 / Total assets	The financial strength of the entity.

Management commentary

Primary activities
The Company's primary activities is to hold shares in REMONDIS A/S, as well as other activities related to this.

The group's main activities consist of haulage operations including collection and handling of waste and recyclables on long-term contracts. REMONDIS A/S is a major operator in the Danish market for collection of household waste and recyclables and it is among the 3 largest operators in Denmark.

REMONDIS A/S gains revenue mainly through ten-ders submitted by either municipalities, public institutions or private companies. B2B sale also occurs although a less extent. The revenue is collected through public waste collection, commercial & industrial waste, recycling waste, rental of containers, transport of waste, bin services for and waste dismantling

Development in activities and finances
The Company was incorporated and the acquisition of remondis was completed in the financial year.

Net revenue for the year amounted to DKK'000 519,788. The result after tax is DKK'000 -31,318. The result for the year is, as expected, negative, however higher than forecasted partly due to a higher payroll cost, re-branding cost and re-design of all trucks due to new owners, and cost from redundancy fee for terminating contracts with more than 10% of the white collar staff.

The result reflects a very fierce price competition in recent years from international competitors as well and one-off costs for new contracts. In 2018, the company started up 5 large contracts. Lejre Dag-renovation began on January 1st, Slagelse and Sorø as of May 1st, Gladsaxe 1st as of October 1st, REFA recycling as of August 1st, Næstved of October 1st, and Ringsted as of October 15th.

Capital resources
The company has received DKK 95 million in total from it's shareholders. It is, however manage-ments opinion, that further capital is necessary. Management refers to note 1 for a detailed comment on this.

Outlook
The market situation for 2019 is still expected to be tough, but with more focus on quality and environment as crucial parameters, especially in regard to the public tenders within the waste/recyclables collection area. The company expects unchanged revenue in 2019 and improved earnings on the individual contracts from optimizing processes and and new profitable commercial and industrial contracts.

With the new ownership, the company will focus even more on optimizing internal processes in the company and the strengthening of these. It is expected that this will initially increase costs but with the result of improved earnings on the longer run. The deficit from 2018 will continue into 2019 where we also expect a deficit of similar size due to the fact contracts are running a long term basis. Hereafter we expect to see an improvement in result from a changed contract mix as old contracts are expiring and new contracts with higher margin remains.

In 2018, the Danish company benefited greatly from the exchange of know-how, ideas and business proce-dures with the company's new owners, e.g. in the fields of route planning and utilization of the fleet.

Management commentary

Particular risks
As the company only transports within Denmark's borders, the company's risk position is relatively low. The company only experiences very limited losses on receivables.

To increase business understanding and minimize risk, monthly business unit reviews are held where department managers and relevant decision makers participate, focusing on departmental financials and continuous profitability in every contract

Currency risks
The company has limited foreign currency transactions within SEK and EUR, and its considered to be immaterial, as DKK is linked to EUR.

Environmental performance
The company has a strong focus on climate policy and wants to show responsibility towards the environment and the climate. The company's focus on climate and environment are documented in ISO 14001 (environmental management) certification. The certifications are constantly kept up to date as the company wishes to show responsibility in the industry, they are in.

The business of REMONDIS A/S is based on trucks bringing waste material from A to B. We want to minimize the environmental impact of our trucks in the areas we operate through less noise, less CO2 and NOX emissions. Therefore, we invest in trucks with the latest EURO Norms, which is also a re-quirement in most of the tenders we participate in. During 2018 we invested more than 112 MDKK in new trucks, a mix of Diesel, Hybrid, Gas.

The company also focuses on the latest initiatives on optimizing fuel consumption. REMONDIS A/S continuously tests new trucks which runs on alternative fuel than diesel. The company is working with optimizing driving behavior and thereby reducing the environmental impact. Several REMONDIS drivers participate in a project with an app installed on their phones which shows the fuel efficiency as well as suggestions for improving driving behavior so that it becomes more environmentally friendly. REMONDIS wants to reduce fuel consumption and CO2 emissions and one of the approaches for this is the electronically controlled limit of vehicle speed to 80 km/h.

Fuel consumptions are monitored through KPI’s in performance reports distributed to managers on a monthly basis, which was a process introduced in 2018. The validity of the KPI’s is improving due to the ongoing reporting, and we have registered a positive trend in the measured fuel consumptions.

Statutory report on corporate social responsibility
Policy of social conditions/working condi-tions and Human rights
The most important asset in REMONDIS A/S is human capital and represented by more than 700 employees. We are strongly committed to create and maintain a healthy and safe working conditions for all our employees, this is needed in order to attract the best qualified resources and keep them working with us. At REMONDIS A/S we therefore have Health and safety policy committing us to be complied with all legislation within health and safety policy as a minimum and forces us to be continually updated and follow current trends in society. The nature of our business involving a profound combination of human capital and heavy trucks forces us to focus on safety regulation combined with work injuries.

Management commentary

Our work with health and safety policy is driven through a range of programmers and initiatives:

- We have implemented workplace commit-ted in the organization with 16 ambassadors in each department with a keen focus on sickness, work injuries and general working conditions.

- We systematically monitor our working conditions through mandatory APV and management takes decisions on the basis from APV.

- We offer a mentor-program for all new recruitments run by experienced drivers to secure new drivers follow safety regulations and always handles trucks in most profes-sional manners and also securing a positive mindset towards customers.

- We offer each driver a personal health and excise program to reduce damagers in ankles, knees and shoulders. If employee is on sick leave, we also offer a program to get employee faster back in work.

- We offer a free and up-to-date fitness room for all of our emplyees.

- Each driver is also covered by a health insurance with a long list of benefits.

- Working conditions are also part of our policy when acquiring new trucks, we favor low entry height when entering cockpit and good ergo dynamic driving positions.

- All work injuries are recorded and monitored. The data is shared within organization and management to prevent future injuries.

- Test study with a sideloader for health and safety in one of our biggest municipalities. The sideloader secures low entry and driver can operate truck from cabin with a joystick and does not have to leave truck to empty binn.

REMONDIS A/S provides free courses on a regular basis through industry organizations and employer organizations. Finally, we offer spelling and reading courses for our drivers as we know some of them have difficulties in reading and writing.

Human rights
REMONDIS A/S respects human rights and adheres strictly to the European Convention on Human Rights (ECHR).

The Company promotes equal opportunities and the equal treatment of employees. It does not tolerate any form of discrimination for reasons of race or ethnic origins, sex, religion or belief, disability, age or sexual orientation. A decision made by the Company to recruit or promote members of staff is based solely on qualifications and job performance

This is done by the working environment being free from discrimination and harassment of any kind, and where diversity thrives and is supported. Any employee of the company is free to pursue their own policy

Management commentary

conviction but cannot comment on behalf of the company without prior approval. Any employee in the company has freedom to choose any association, as well as the right to any collective bargaining.

REMONDIS A/S follows the group policy for Corporate Social Responsibility within the RETHMANN group. REMONDIS have chosen to published its policy on the internet and comprehensive information is given here, human rights and social conditions are described on page 16.

(https://www.remondis.com/fileadmin/user_upload/remondis_global_2017/profil/streifen_6/Compliance_EN_20160420_Final.pdf)

We have in 2018 not identified any violations of human rights.

Integrity, ethics and corruption
REMONDIS A/S wants to show integrity and ethical behavior in the markets where the company is present, and we oppose all forms of corruption. REMONDIS A/S policy commits us to fair and open competition in all markets where business is conducted.

Our company policy states that employees must never attempt to influence business partners unlawfully, whether through preferential treatment, gifts or other advantages. Employees are not allowed to receive any gifts, travel or other presents from customers or suppliers. We have a zero-tolerance policy.

We have in 2018 not identified any violations of competition rules.

Furthermore we have in 2018 strengthen internal controls with introduction of Palette, an internal invoicing and order flow system requiring 2 approvers on all invoices from vendors. Authorization hierarchy and approval limits have been revised and the risk of "favoring" certain subcontractors or agreeing to friendly arrangements has now been reduced.

Statutory report on the underrepresented gender
Gender equality policies
At REMONDIS A/S, we comply with the law on discrimination and ethnic equality. Discrimination means any direct or indirect discrimination based on sex, race, color, religion or belief, political opinion, sexual orientation, age, disability or national, social or ethnic origin.

We look at our employees as individuals, and both managers and employees have a responsibility for ensuring that the individual's potential is developed.

REMONDIS A/S emphasizes that the company's female employees have the same opportunities to develop careers and gain management positions as their male colleagues, and that the employees of REMONDIS A/S experience that the company has an open-minded culture, where the individual can utilize and develop his/her skills in the best possible way.

The composition of men and women in REMONDIS A/S follows the natural composition that characterizes the industry, which means that REMONDIS A/S is represented by a larger proportion of men than women as a whole, as well as in management.

Management commentary

REMONDIS A/S' overall policy for future equality in senior management, as well as in the other management levels, is that the gender distribution must reflect the natural distribution that is characteristic of the industry.

The board of REMONDIS A/S consists of 3 persons and is currently 100% represented by men. It is the company's goal that within the year 2022, the board must at least be represented by one female member.

The target figure has not been met in the financial year 2018, as there has not been the necessary qualifications of the candidates of the underrepresented gender

Target figures for the other management
REMONDIS A/S's target figures for the gender distribution in the remaining management are 40/60%.

It is the company's goal to achieve the target figure for the gender distribution in the rest of the management level through the strategy described below. Other management levels include executive management, regional managers, district and de-partment managers (dispatchers are not a part of this goal).

Strategy
REMONDIS A/S has adopted a policy to increase the proportion of the underrepresented gender at the management levels. According to the policy, the company tries as far as possible: To make an effort to qualify and internally recruit employees of both sexes to formal management positions at REMONDIS A/S.

When occupying positions at all management levels, a formal recruitment process is followed, which ensures recruitment of the best qualified employee, including ensuring that managerial positions with equal applicants are filled by the underrepresented sex at the time.

Career development
REMONDIS A/S wants to inspire all employees to become part of the management and offers all employees the opportunity to develop professional and personal competencies through participation in various activities, including relevant management courses. It is REMONDIS A/S's goal that women and men are offered participation equally in these opportunities.

Results 2018
REMONDIS A/S' management level was in 2018 represented with 0% women and 100% men. The distribution is a natural consequence of the natural distribution in the industry. In the first quarter of 2019, a female district manager has been employed.

Events after the balance sheet date
After the end of the financial year, several changes in the top management have taken place in REMONDIS A/S.

In January 2019 Hendrik Vonnegut, who until then had the position of Chairman of the Board in REMONDIS A/S, replaced Peter Thorn as CEO (Administrerende direktør). Egbert Toelle was appointed new Chairman of the Board (Bestyrelsesformand) instead of Hendrik Vonnegut. In March, the Executive Management in Denmark has been expanded with Karsten Linderskov, who became the new COO (Driftsdirektør). With effect per May 6th, Egbert Toelle resigned as Chairman of the Board and was replaced by Christoph Adrian. Fur-

Management commentary

thermore, as per May 31st, 2019, Michael Bizowski has resigned as CFO (Økonomidirektør) in Denmark.

In the first part of 2019, the company was hit by illegal work strikes in several municipalities. The company is in active dialogue with the spokesmen and drivers in order not to let this repeat itself in the rest of 2019

No events have occurred after the balance sheet date to this date which would influence the evalua-tion of this annual report.

Consolidated income statement for 2017/18

	Notes	2017/18 DKK
Revenue	3	519.778.491
Production costs	5	(485.781.206)
Gross profit/loss		**33.997.285**
Administrative expenses	4, 5	(60.921.254)
Operating profit/loss		**(26.923.969)**
Other financial income		99.886
Other financial expenses		(4.493.426)
Profit/loss for the year	6	**(31.317.509)**

Consolidated balance sheet at 31.12.2018

	Notes	2017/18 DKK
Goodwill		9.914.934
Intangible assets	7	**9.914.934**
Land and buildings		961.393
Other fixtures and fittings, tools and equipment		260.710.033
Leasehold improvements		594.351
Property, plant and equipment	8	**262.265.777**
Deposits		3.336.893
Fixed asset investments	9	**3.336.893**
Fixed assets		**275.517.604**
Trade receivables		127.406.929
Other receivables		8.917.981
Prepayments		4.006.971
Receivables		**140.331.881**
Cash		**1.861.646**
Current assets		**142.193.527**
Assets		**417.711.131**

Consolidated balance sheet at 31.12.2018

	Notes	2017/18 DKK
Contributed capital		50.000
Retained earnings		(11.722.290)
Equity attributable to the Parent's owners		**(11.672.290)**
Share of equity attributable to minority interests		**2.431.725**
Equity		**(9.240.565)**
Other provisions		1.746.346
Provisions		**1.746.346**
Finance lease liabilities		75.682.209
Non-current liabilities other than provisions	10	**75.682.209**
Current portion of long-term liabilities other than provisions	10	48.777.447
Bank loans		9.532.630
Trade payables		25.352.888
Payables to group enterprises		186.119.820
Other payables		77.907.856
Deferred income		1.832.500
Current liabilities other than provisions		**349.523.141**
Liabilities other than provisions		**425.205.350**
Equity and liabilities		**417.711.131**
Going concern	1	
Events after the balance sheet date	2	
Unrecognised rental and lease commitments	12	
Transactions with related parties	13	
Subsidiaries	14	

Consolidated statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Share of equity attributable to minority interests DKK	Total DKK
Contributed upon formation	50.000	0	0	50.000
Effect of mergers and business combinations	0	0	6.903.744	6.903.744
Group contributions etc	0	15.123.200	0	15.123.200
Profit/loss for the year	0	(26.845.490)	(4.472.019)	(31.317.509)
Equity end of year	**50.000**	**(11.722.290)**	**2.431.725**	**(9.240.565)**

Consolidated cash flow statement for 2017/18

	Notes	2017/18 DKK
Operating profit/loss		(26.923.969)
Amortisation, depreciation and impairment losses		33.909.839
Other provisions		1.746.346
Working capital changes	11	(17.309.002)
Cash flow from ordinary operating activities		**(8.576.786)**
Financial income received		99.886
Financial expenses paid		(4.493.426)
Cash flows from operating activities		**(12.970.326)**
Acquisition etc of property, plant and equipment		(84.156.685)
Sale of property, plant and equipment		2.830.875
Acquisition of fixed asset investments		(289.370)
Acquisition of enterprises		(59.424.683)
Cash flows from investing activities		**(141.039.863)**
Incurrence of debt to group enterprises		171.619.820
Repayment of debt to group enterprises		(5.500.000)
Reduction of lease commitments		(34.953.815)
Contributed capital		50.000
Group contributions etc.		15.123.200
Cash flows from financing activities		**146.339.205**
Increase/decrease in cash and cash equivalents		**(7.670.984)**
Cash and cash equivalents end of year		**(7.670.984)**
Cash and cash equivalents at year-end are composed of:		
Cash		1.861.646
Short-term debt to banks		(9.532.630)
Cash and cash equivalents end of year		**(7.670.984)**

Notes to consolidated financial statements

1. Going concern

The shareholders of REMONDIS A/S is currently negotiating the ownership going forward. Pending the outcome of the negotiations, plans have been drafted for a share capital increase, which will ensure that the group has sufficient funds to continue it's operations.

It is a material prerequisitie that management is able in maintain and extend the current credit lines. In the event, that Management is unable to achieve this, there is a risk that the group will be unable to continue it's operations.

2. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report

	2017/18 DKK
3. Revenue	
Revenue by geographical market	
Greater Copenhagen Area	305.158.000
Rest of Seeland	125.114.000
Jutland	89.506.491
	519.778.491
Revenue by activity	
Renovation	519.778.491
	519.778.491

	2017/18 DKK
4. Fees to the auditor appointed by the Annual General Meeting	
Statutory audit services	182.000
Other services	25.000
	207.000

	2017/18 DKK
5. Staff costs	
Wages and salaries	371.889.217
Pension costs	29.623.937
Other social security costs	14.402.104
	415.915.258
Average number of employees	**786**

Notes to consolidated financial statements

	Remuneration of management 2017/18 DKK
Executive Board	666.617
	666.617

	2017/18 DKK
6. Proposed distribution of profit/loss	
Retained earnings	(26.845.490)
Minority interests' share of profit/loss	(4.472.019)
	(31.317.509)

	Goodwill DKK
7. Intangible assets	
Addition through business combinations etc	10.718.848
Cost end of year	**10.718.848**
Amortisation for the year	(803.914)
Amortisation and impairment losses end of year	**(803.914)**
Carrying amount end of year	**9.914.934**

Notes to consolidated financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
8. Property, plant and equipment			
Addition through business combinations etc	937.660	212.540.622	567.610
Additions	75.000	82.555.733	96.805
Disposals	0	(5.533.015)	0
Cost end of year	**1.012.660**	**289.563.340**	**664.415**
Depreciation for the year	(51.267)	(32.330.686)	(70.064)
Reversal regarding disposals	0	3.477.379	0
Depreciation and impairment losses end of year	**(51.267)**	**(28.853.307)**	**(70.064)**
Carrying amount end of year	**961.393**	**260.710.033**	**594.351**
Recognised assets not owned by entity	**-**	**154.723.626**	**-**

	Deposits DKK
9. Fixed asset investments	
Addition through business combinations etc	3.047.523
Additions	289.370
Cost end of year	**3.336.893**
Carrying amount end of year	**3.336.893**

	Due within 12 months 2017/18 DKK	Due after more than 12 months 2017/18 DKK
10. Liabilities other than provisions		
Finance lease liabilities	48.777.447	75.682.209
	48.777.447	**75.682.209**

	2017/18 DKK
11. Change in working capital	
Increase/decrease in receivables	(26.519.424)
Increase/decrease in trade payables etc	9.210.422
	(17.309.002)

Notes to consolidated financial statements

	2017/18 DKK
12. Unrecognised rental and lease commitments	
Liabilities under rental or lease agreements until maturity in total	**38.971.436**

13. Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

	Registered in	Corpo-rate form	Equity inte-rest %	Equity DKK	Profit/loss DKK
14. Subsidiaries					
Remondis A/S	Brøndby	A/S	85,0	16.211.494	(44.498.481)

Parent income statement for 2017/18

	Notes	2017/18 DKK
Revenue		1.354.641
Gross profit/loss		**1.354.641**
Administrative expenses		(1.828.592)
Operating profit/loss		**(473.951)**
Other financial income	4	396.502
Impairment losses on financial assets		(25.340.061)
Other financial expenses	5	(622.683)
Profit/loss for the year	6	**(26.040.193)**

Parent balance sheet at 31.12.2018

	Notes	2017/18 DKK
Investments in group enterprises		24.500.000
Other receivables		66.163.369
Fixed asset investments	7	**90.663.369**
Fixed assets		**90.663.369**
Trade receivables		1.354.641
Receivables from group enterprises		966.598
Other receivables		7.500.686
Prepayments	8	87.700
Receivables		**9.909.625**
Cash		**1.297.839**
Current assets		**11.207.464**
Assets		**101.870.833**

Parent balance sheet at 31.12.2018

	Notes	2017/18 DKK
Contributed capital		50.000
Retained earnings		(10.916.993)
Equity		**(10.866.993)**
Trade payables		9.056.329
Payables to group enterprises		103.681.497
Current liabilities other than provisions		**112.737.826**
Liabilities other than provisions		**112.737.826**
Equity and liabilities		**101.870.833**
Going concern	1	
Events after the balance sheet date	2	
Contingent liabilities	9	
Related parties with controlling interest	10	
Transactions with related parties	11	

Parent statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	50.000	0	50.000
Group contributions etc	0	15.123.200	15.123.200
Profit/loss for the year	0	(26.040.193)	(26.040.193)
Equity end of year	**50.000**	**(10.916.993)**	**(10.866.993)**

Notes to parent financial statements

1. Going concern

The shareholders of REMONDIS A/S is currently negotiating the ownership going forward. Pending the outcome of the negotiations, plans have been drafted for a share capital increase, which will ensure that the group has sufficient funds to continue it's operations.

It is a material prerequisitie that management is able in maintain and extend the current credit lines. In the event, that Management is unable to achieve this, there is a risk that the group will be unable to continue it's operations.

2. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

	2017/18
3. Staff costs	
Average number of employees	**0**

	Remuneration of management 2017/18 DKK
Executive Board	666.617
	666.617

	2017/18 DKK
4. Other financial income	
Financial income arising from group enterprises	396.502
	396.502

	2017/18 DKK
5. Other financial expenses	
Financial expenses from group enterprises	568.291
Other interest expenses	48.929
Exchange rate adjustments	5.133
Other financial expenses	330
	622.683

Notes to parent financial statements

	2017/18 DKK
6. Proposed distribution of profit/loss	
Retained earnings	(26.040.193)
	(26.040.193)

	Invest-ments in group enterprises DKK	Other receivables DKK
7. Fixed asset investments		
Additions	49.840.061	69.909.082
Disposals	0	(3.745.713)
Cost end of year	**49.840.061**	**66.163.369**
Impairment losses for the year	(25.340.061)	0
Impairment losses end of year	**(25.340.061)**	**0**
Carrying amount end of year	**24.500.000**	**66.163.369**
Goodwill or negative goodwill recognized during the financial year	**10.718.848**	**-**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8. Prepayments

Prepayments consist of .administrative costs for the coming year.

9. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

10. Related parties with controlling interest

Rethmann SE & Co. KG, Germany, ultimately hold 100% of the shares in REMONDIS Danmark Holding ApS and thus has controlling interest.

11. Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions

Accounting policies

of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Fair value adjustments of investment property

Fair value adjustment of investment properties for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Administrative expenses

Administrative expenses comprise costs incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

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

Balance sheet
Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-8 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

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

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of

Accounting policies

enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.