Remondis Danmark Holding ApS

Industrikrogen 18
2635 Ishøj
CVR No. 39018942

Annual report 2022

The Annual General Meeting adopted the annual report on 30.03.2023

Lennart Vigenberg
Chairman of the General Meeting

Contents

Entity details

Entity

Remondis Danmark Holding ApS

Industrikrogen 18

2635 Ishøj

Business Registration No.: 39018942

Registered office: Ishøj

Financial year: 01.01.2022 - 31.12.2022

Executive Board

Søren Eriksen, Managing director

Lennart Vigenberg, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Remondis Danmark Holding ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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.

Ishøj, 30.03.2023

Executive Board

Søren Eriksen Managing director	**Lennart Vigenberg** Director

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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the 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 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.

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 operations are dependent on that the support from the shareholders will continue for 12 months.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent 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 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 Entity's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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, 30.03.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Tim Kjær-Hansen
State Authorised Public Accountant
Identification No (MNE) mne23295

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2017/18 DKK'000
Key figures					
Revenue	473,308	489,341	533,623	642,401	519,778
Gross profit/loss	71,652	84,291	66,679	36,888	33,998
Operating profit/loss	3,110	12,374	(9,411)	(102,919)	(26,924)
Net financials	(5,480)	(5,216)	(3,562)	(7,643)	(4,393)
Profit/loss for the year	(2,370)	7,158	(12,973)	(110,562)	(31,317)
Balance sheet total	266,989	285,550	303,668	344,168	417,713
Investments in property, plant and equipment	36,027	46,921	40,371	44,525	296,775
Equity	(127,988)	(125,618)	(132,776)	(119,803)	(9,240)
Equity excl. minority interests	(127,988)	(125,618)	(132,776)	(119,803)	(11,672)
Ratios					
Gross margin (%)	15.14	17.23	12.50	5.74	6.54
Net margin (%)	(0.50)	1.46	(2.43)	(17.21)	(6.03)
Equity ratio (%)	(47.94)	(43.99)	(43.72)	(34.81)	(2.79)

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

Gross margin (%):

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

Net margin (%):

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

Equity ratio (%):

$$\frac{\text{Equity excl. minority interests * 100}}{\text{Balance sheet total}}$$

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

The company's main activities consist of haulage operations including collection and handling of waste and recyclables. REMONDIS A/S is a major operator in the Danish market for collection of household and commercial waste and recyclables.

REMONDIS A/S gains revenue mainly through tenders submitted by either municipalities, public institutions or private companies as well as direct B2B sale. The revenue is collected through public waste collection, commercial & industrial waste, recycling waste, rental of containers, transport of waste, bin services and waste treatment.

Development in activities and finances
Net revenue for the year amounted to DKK 473,308,000 against DKK 489,341,000 last year. The result after tax is DKK -2,370,000 against DKK 7,158,000 last year. The result for the year is not in line with expectations and forecasts.

Focus in 2022 has been to improve profitability in all activities of the company and minimize losses either by improving operational efficiency and/or negotiation better conditions on the contracts where this is possible.

During 2022, REMONDIS A/S started new contracts in the municipalities Thisted, Egedal and with Vestforbrænding and thereby continuing existing operations with new and better conditions on new contracts. REMONDIS A/S also continued to participate in multiple tender processes for municipal household waste and won tenders with the municipalities of Egedal and Jammerbugt during 2022.

The company will continue in the coming financial year to focus on improving the current activities, as well as assess and prepare for new market opportunities. Expiry of contracts is expected to result in a decline in activity in the coming years.

Profit/loss for the year in relation to expected developments
The result for the year is not in line with expectations and forecasts.

Energy prices was significantly destabilized by the conflict in Ukraine starting in February 2022, which has affected REMONDIS A/S in terms of significantly increased energy prices. With many long term contracts in the portfolio, focus has been on negotiating compensation, as the price adjustment mechanism in these contracts was ineffective in this unstable macro-economic environment. The company has succeeded in increasing the effectiveness in the price adjustment mechanism in most contracts with more frequent price adjustments, and thereby increasing the compensation in 2022 and minimizing the future risk.

Outlook
The market situation in 2023 is expected to continue with great price pressure, while there has also been a tendency to take home the waste collection task in the municipalities. Price is generally the decisive parameter, but there is also an increased focus on quality and environmental issues - especially with regard to public tenders within the municipal household waste collection.

The company expects a reduced turnover in 2023 as a result of the termination of municipal household waste contracts. Termination of contracts as well as focus on optimizing processes and management of current contracts and other customers segments and increased political focus on recycling are expected to improve the company's overall earnings.

In 2023, an increased profit is also expected, as a result of a changed contract mix, as loss-making contracts expire or have expired, and other contracts have been rewon with improved conditions. Furthermore, increased focus on improving all activities is expected to materialize.

Capital resources and funding

The company is mainly financed by the ultimate shareholder Rethmann SE & Co. KG, a major player within the waste and transporting industry in Europe. Rethmann SE & Co. KG financial position is solid. Management has had no indication that the significant financing will be withdrawn.

On a frequently basis the shareholder is informed about the liquidity position of the company and if the company is expected to exceed its credit limits which the shareholders has provided. Any necessary funding of either working capital or investments is entirely funded by the shareholder, showing their commitment to the Danish operation. In 2022 additional funding has not been necessary.

Based on the above it is management’s opinion, that the company has sufficient capital resources and funding to operate the company for the coming 12 months period. Management is further in dialogue with its shareholders to reestablish its share capital either through additional cash injection, conversion of loans to equity or through future profits.

As it appears, it is a material prerequisite that the support by the shareholders will continue for the next 12 months. In the event, that management is unable to achieve this, there is risk that the company will be unable to continue its operations.

Particular risks

As the company only transports within Danish borders, the company's risk position is relatively low. The company assess the credit risk to being low as we 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 it is 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 is documented in the ISO 14001 (environmental management) certification. The certifications are continuously kept up to date as the company wishes to show responsibility in the industry, they attend.

The business of REMONDIS A/S is mainly based on trucks transporting waste material from A to B. Our main risk when it comes to environmental and climate impact is related to the energy consumption of our vehicles. We try to mitigate this risk by minimizing 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 requirement in most of the tenders, where we participate.

The company also focuses on the latest initiatives on optimizing fuel consumption and continuously introduces new trucks which use an alternative energy to conventional diesel. HVO-diesel was introduced in 2022 as an alternative fuel, and we expect consumption of this alternative fuel type will increase in the future. During 2022, we introduced 1 new fully electric driven truck in operation, and we have 3 fully electric trucks in order.

The company is working with optimizing driving behavior and thereby reducing the environmental impact. 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 85 km/h.

In September 2022 the construction of the new head office building in Ishøj was completed. The new building received the highest possible energy-labelling, with a transformation from gas heating to district heating and also an installation of 250 sqm solar panels on the roof expected to reduce electricity consumption by approx. 25.000 kWh per year.

In the future we will continue to update our fleet and expect to increase the number of trucks using alternative energy.

Statutory report on corporate social responsibility

Business model

REMONDIS A/S operates within the sector of waste transport, handling and sorting, and have 12 locations covering most parts of Denmark. We offer waste solutions to businesses, municipalities and other professional organizations.

Risk description

Risk area	Main identified risk
Environmental performance	Energy consumption used for transportation
Social conditions/working conditions	Risk that we cannot attract and maintain qualified employees
Human Rights	Lack of a safe work environment
Integrity, ethics, and corruption	Risk of corruption and/or bribery

Social conditions/working conditions

The most important asset in REMONDIS A/S is human capital and is represented by more than 400 employees. Attracting and keeping the best qualified resources is identified as our main risk when it comes to social and working conditions. REMONDIS A/S takes a strong responsibility in mitigating this risk, by training and educating employees and recruiting via municipal job centers and related projects, helping people who have special needs to enter or reenter the workforce.

Drivers are the backbone of our business model, and therefore our focus on training and education is on this group of employees. REMONDIS A/S has during 2022 had 13 apprentice drivers who were under training to become qualified drivers, ensuring that there is a group of well-educated drivers in the industry also in the future.

In 2022, 6 apprentice drivers completed their training to become qualified.

The company´s efforts to ensure healthy and safe working conditions is documented in ISO 45001 (occupational health and safety management system) certification. The certification was achieved in 2021 and substituted an OHSAS 18001 certification.

In the future we will continue to employ apprentice drivers as part of our workforce and comply to requirements of the ISO 45001 certification.

Human rights
We are strongly committed to create and maintain healthy and safe working conditions for all our employees. 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 it 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 and equipment does pose a risk in terms of accidents compared to other industries which forces us to focus on safety regulation combined with work injuries.

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

- We systematically monitor our working conditions through mandatory APV and management takes decisions on the basis from APV.
- 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 the organization and management to prevent future injuries.

In 2021, we completed an APV for all employees with a response rate of more than 50% ensuring that management are provided with a strong input on how to maintain and improve a safe and healthy work environment in REMONDIS A/S. In 2022 the management has taken actions to this APV and has had continued discussions on how to meet the identified possibilities. In 2022 we introduced a “health and safety day” gathering all responsible managers and health and safety representatives to a day committed to discussing and planning our commitment to health and safety.

In the future we will continue our commitment to health and safety and ensure that APV is completed regularly.

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 group 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, travels or other presents from customers or suppliers. We have a zero-tolerance policy for corruption and bribery practices.

Our work flow system for approval of supplier invoices is ensuring our 4 eyes principles and creating transparency in the approval process thereby minimizing the risk of bribery.

As part of our commitment in 2022, we finalized the setup of a whistleblower scheme ensuring compliance to the EU Whistleblower Directive by establishing a procedure for stakeholders to report corruption and bribery.

We have not identified any violations of neither competition rules nor bribery and corruption in 2022.

In the future we will continue to train relevant employees in compliance.

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 regard diversity, as well as the respect and tolerance for diversity, as an important prerequisite for innovation in REMONDIS A/S. 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 group'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 group 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.

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 for the industry.

The board of REMONDIS A/S consists of 3 persons and is currently 100% represented by men. It is the group's goal that within the next 4 years, the board must be represented by one female member as a minimum.

When appointing members to the board, the main focus is to include market knowledge from neighboring regions and countries internally from the REMONDIS Group. The target figure has not been met in the financial year 2022, as there has not been group internal candidates of the underrepresented gender with the necessary market knowledge and qualifications.

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 group'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 department 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 group 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 under-represented 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 and by attending our graduate trainee program. It is REMONDIS A/S's goal that women and men are offered participation equally in these opportunities.

Results 2022
In 2022, REMONDIS A/S management was represented with 38% women and 62% men. In 2021, the distribution was 36% women and 64% men. The gender distribution level is a result of the established strategy, with an increased focus on offering leadership positions to the underrepresented gender by equal candidates.

Statutory report on data ethics policy

Statement of no defined policy on data ethics
It is the management's assessment that the use of data in REMONDIS A/S does not risk restricting individuals' fundamental rights or legal certainty. The reason for this is, that REMONDIS does not develop or use of technological products and services which are based on data used on individuals and does not utilize artificial intelligence or machine learning. REMONDIS also does not have a digital purchasing process, serves primarily professional customers and does not purchase or sell data on individuals. Thus, no data of ethical concerns are recorded, which may risk favoring some groups of individuals compared to others, or otherwise pose a risk to fundamental societal values.

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.

Consolidated income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	3	473,308	489,341
Production costs		(401,656)	(405,050)
Gross profit/loss		**71,652**	**84,291**
Administrative expenses	4	(71,597)	(73,755)
Other operating income		3,055	1,838
Operating profit/loss		**3,110**	**12,374**
Other financial income		156	2
Other financial expenses	6	(5,636)	(5,218)
Profit/loss for the year	7	**(2,370)**	**7,158**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired intangible assets		2,093	2,635
Development projects in progress	9	691	509
Intangible assets	8	**2,784**	**3,144**
Land and buildings		70,156	47,176
Other fixtures and fittings, tools and equipment		98,785	137,551
Leasehold improvements		64	448
Prepayments for property, plant and equipment		775	0
Property, plant and equipment	10	**169,780**	**185,175**
Deposits		1,616	2,103
Financial assets	11	**1,616**	**2,103**
Fixed assets		**174,180**	**190,422**
Trade receivables		81,692	86,343
Receivables from group enterprises		1,175	277
Other receivables		5,800	3,451
Prepayments	12	2,654	3,568
Receivables		**91,321**	**93,639**
Cash		**1,488**	**1,489**
Current assets		**92,809**	**95,128**
Assets		**266,989**	**285,550**

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		50	50
Reserve for development costs		539	397
Retained earnings		(128,577)	(126,065)
Equity		**(127,988)**	**(125,618)**
Other provisions	13	2,256	11,827
Provisions		**2,256**	**11,827**
Lease liabilities		2,136	11,441
Non-current liabilities other than provisions	14	**2,136**	**11,441**
Current portion of non-current liabilities other than provisions	14	8,958	9,573
Bank loans		42,789	27,440
Trade payables		17,966	22,528
Payables to group enterprises		287,763	285,865
Other payables		33,109	42,494
Current liabilities other than provisions		**390,585**	**387,900**
Liabilities other than provisions		**392,721**	**399,341**
Equity and liabilities		**266,989**	**285,550**
Going concern	1		
Events after the balance sheet date	2		
Staff costs	5		
Unrecognised rental and lease commitments	16		
Contingent assets	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	397	(126,065)	(125,618)
Transfer to reserves	0	142	(142)	0
Profit/loss for the year	0	0	(2,370)	(2,370)
Equity end of year	**50**	**539**	**(128,577)**	**(127,988)**

Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		3,110	12,374
Amortisation, depreciation and impairment losses		43,552	46,220
Other provisions		(2,565)	(53,857)
Working capital changes	15	(18,796)	(18,001)
Profit from sale of assets		(2,367)	0
Cash flow from ordinary operating activities		**22,934**	**(13,264)**
Financial income received		154	2
Financial expenses paid		(5,636)	(5,217)
Cash flows from operating activities		**17,452**	**(18,479)**
Acquisition etc. of intangible assets		(182)	(3,221)
Acquisition etc. of property, plant and equipment		(36,027)	(46,922)
Sale of property, plant and equipment		10,779	6,458
Sale of fixed asset investments		487	319
Cash flows from investing activities		**(24,943)**	**(43,366)**
Free cash flows generated from operations and investments before financing		**(7,491)**	**(61,845)**
Incurrence of debt to group enterprises		2,061	45,116
Repayment of lease liabilities		(9,920)	(20,144)
Cash flows from financing activities		**(7,859)**	**24,972**
Increase/decrease in cash and cash equivalents		**(15,350)**	**(36,873)**
Cash and cash equivalents beginning of year		(25,951)	10,922
Cash and cash equivalents end of year		**(41,301)**	**(25,951)**

Cash and cash equivalents at year-end are composed of:		
Cash	1,488	1,489
Short-term bank loans	(42,789)	(27,440)
Cash and cash equivalents end of year	**(41,301)**	**(25,951)**

Notes to consolidated financial statements

1 Going concern

The group is mainly financed by the ultimate shareholder Rethmann SE & Co. KG, a major player within the waste and transporting industry in Europe. Rethmann SE & Co. KG financial position is solid. Management has had no indication that the significant financing will be withdrawn.

On a frequently basis the shareholder is informed about the liquidity position of the group and if the group is expected to exceed its credit limits the shareholders has provided and is expected to provide necessary funds. No additional funding has been necessary in neither 2022 nor 2023.

Further the shareholders in other ways show its support in the group´s operations and planned investments, which is entirely funded by the shareholder.

Based on the above it is managements opinion, that the group has sufficient capital resources and funding to operate of the company for the coming 12 months period. Management is further in dialogue with its shareholders to reestablish its share capital either through additional cash injection, conversion of loans to equity or through future profits.

As it appears it is a material prerequisite that the support by the shareholders will continue for the next 12 months. In the event, that management is unable to achieve this, there is 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.

3 Revenue

	2022 DKK'000	**2021 DKK'000**
Greater Copenhagen	217,857	248,701
Zealand other than greater Copenhagen	198,630	183,920
Jutland	56,821	56,720
Total revenue by geographical market	**473,308**	**489,341**
Waste disposal	473,308	489,341
Total revenue by activity	**473,308**	**489,341**

4 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	282	185
Other services	178	233
	460	**418**

5 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	213,826	231,399
Pension costs	17,844	19,142
Other social security costs	15,545	16,160
Other staff costs	6	14
	247,221	**266,715**

Average number of full-time employees	401	445

	Remuneration of Manage-ment 2022 DKK'000	Remuneration of Manage-ment 2021 DKK'000
Executive Board	3,117	3,208
	3,117	**3,208**

6 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	4,780	3,129
Other interest expenses	65	534
Exchange rate adjustments	(1)	0
Other financial expenses	792	1,555
	5,636	**5,218**

7 Proposed distribution of profit/loss

	2022 DKK'000	2021 DKK'000
Retained earnings	(2,370)	7,158
	(2,370)	**7,158**

8 Intangible assets

	Acquired intangible assets DKK'000	Development projects in progress DKK'000
Cost beginning of year	2,712	509
Transfers	0	182
Cost end of year	**2,712**	**691**
Amortisation and impairment losses beginning of year	(77)	0
Amortisation for the year	(542)	0
Amortisation and impairment losses end of year	**(619)**	**0**
Carrying amount end of year	**2,093**	**691**

9 Development projects

Completed development projects include the development and testing of a new IT platform, which streamlines and improves customer management in the company. The platform was completed and put in to operation in the first quarter of 2022, and will be depreciated over 3-5 years. Management expects that the platform will improve the customer experience satisfaction as well as efficient customer management, and has no indication of impairment in relation to the amount.

10 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Prepayments for property, plant and equipment DKK'000
Cost beginning of year	47,761	177,625	848	0
Transfers	0	(182)	0	0
Additions	24,084	11,168	0	775
Disposals	0	(54,796)	(801)	0
Cost end of year	**71,845**	**133,815**	**47**	**775**
Depreciation and impairment losses beginning of year	(585)	(40,074)	(400)	0
Depreciation for the year	(1,104)	(41,787)	(119)	0
Reversal regarding disposals	0	46,831	536	0
Depreciation and impairment losses end of year	**(1,689)**	**(35,030)**	**17**	**0**
Carrying amount end of year	**70,156**	**98,785**	**64**	**775**
Recognised assets not owned by Entity	0	14,742	0	0

11 Financial assets

	Deposits DKK'000
Cost beginning of year	2,103
Disposals	(487)
Cost end of year	**1,616**
Carrying amount end of year	**1,616**

12 Prepayments

Prepayments consists of prepaid expenses regarding insurances, road taxes etc.

13 Other provisions

Other provisions consists of expected costs relating to ongoing disputes with a customer and provisions relating to loss making contracts.

14 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000
Lease liabilities	8,958	9,573	2,136
	8,958	**9,573**	**2,136**

Outstanding liabilities after 5 years is 0 DKK.

15 Changes in working capital

	2022 DKK'000	2021 DKK'000
Increase/decrease in receivables	(829)	8,978
Increase/decrease in trade payables etc.	(17,967)	(26,979)
	(18,796)	**(18,001)**

16 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	3,578	10,266

17 Contingent assets

Mortgage deeds covering taxes paid for the property at Industrikrogen (afgiftspantebreve) amounts to DKK 17,700,000.

18 Assets charged and collateral

A bank guarantee of DKK 7,967,460 has been provided concerning transport liabilities.

19 Transactions with related parties

	Other related parties DKK'000
Revenue	7,155
Interest	4,488
Sale of assets	1,172
Other services	1,998
Supplier bonus	945
Receivables	1,175
Liabilities other than provisions	287,763

20 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK'000	Profit/loss DKK'000
Remondis A/S	Denmark	A/S	100	14,837	113

Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Administrative expenses		(60)	(14)
Operating profit/loss		**(60)**	**(14)**
Other financial income		2	0
Impairment losses on financial assets		0	8,908
Other financial expenses	4	(2,425)	(1,699)
Profit/loss before tax		**(2,483)**	**7,195**
Tax on profit/loss for the year	5	0	(37)
Profit/loss for the year	6	**(2,483)**	**7,158**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		14,724	14,724
Financial assets	7	**14,724**	**14,724**
Fixed assets		**14,724**	**14,724**
Cash		**22**	**1,484**
Current assets		**22**	**1,484**
Assets		**14,746**	**16,208**

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		50	50
Retained earnings		(128,151)	(125,668)
Equity		**(128,101)**	**(125,618)**
Trade payables		35	304
Payables to group enterprises		142,812	141,485
Tax payable		0	37
Current liabilities other than provisions		**142,847**	**141,826**
Liabilities other than provisions		**142,847**	**141,826**
Equity and liabilities		**14,746**	**16,208**
Going concern	1		
Events after the balance sheet date	2		
Staff costs	3		
Contingent liabilities	8		
Related parties with controlling interest	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	(125,668)	(125,618)
Profit/loss for the year	0	(2,483)	(2,483)
Equity end of year	**50**	**(128,151)**	**(128,101)**

Notes to parent financial statements

1 Going concern

The company is mainly financed by the ultimate shareholder Rethmann SE & Co. KG, a major player within the waste and transporting industry in Europe. Rethmann SE & Co. KG financial position is solid. Management has had no indication that the significant financing will be withdrawn.

On a frequently basis the shareholder is informed about the liquidity position of the company and if the company is expected to exceed its credit limits the shareholders has provided and is expected to provide necessary funds. No additional funding has been necessary in neither 2022 nor 2023.

Further the shareholders in other ways show its support in the company´s operations and planned investments, which is entirely funded by the shareholder.

Based on the above it is managements opinion, that the company has sufficient capital resources and funding to operate of the company for the coming 12 months period. Management is further in dialogue with its shareholders to reestablish its share capital either through additional cash injection, conversion of loans to equity or through future profits.

As it appears it is a material prerequisite that the support by the shareholders will continue for the next 12 months. In the event, that management is unable to achieve this, there is risk that the company 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.

3 Staff costs

	2022 DKK'000	2021 DKK'000
Average number of full-time employees	0	0

4 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	2,417	1,671
Other interest expenses	0	13
Exchange rate adjustments	(1)	0
Other financial expenses	9	15
	2,425	**1,699**

5 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	0	37
	0	**37**

6 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	(2,483)	7,158
	(2,483)	**7,158**

7 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	150,841
Cost end of year	**150,841**
Impairment losses beginning of year	(136,117)
Impairment losses end of year	**(136,117)**
Carrying amount end of year	**14,724**

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

8 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

9 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.

10 Transactions with related parties

	Other related parties DKK'000
Interest	2,417
Liabilities other than provisions	142,812

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' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

Business combinations
Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the 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 lives. 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 of assets and exchanges of shares, etc. in which 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. in which 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.

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

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

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

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, and tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets
Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

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, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the

income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights comprise acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and 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:

	Useful life
Buildings	15-33 years
Other fixtures and fittings, tools and equipment	3-8 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.

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.

Lease liabilities
Lease liabilities 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 liabilities 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.

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and 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 taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and 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, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

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