



## Marius Pedersen Holding A/S

Ørbækvej 851  
5863 Ferritslev Fyn  
CVR No. 35846735

## Annual report 2024

The Annual General Meeting adopted the annual report on 22.05.2025

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**Søren Borregaard**

Chairman of the General Meeting

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# Entity details

## Entity

Marius Pedersen Holding A/S

Ørbækvej 851

5863 Ferritslev Fyn

Business Registration No.: 35846735

Registered office: Faaborg-Midtfyn

Financial year: 01.01.2024 - 31.12.2024

## Board of Directors

Jens Flesner Kristiansen, Chairman

Jørn Tolstrup Rohde, Vice chairman

Ib Thrane

Bjørn Thorsen

Lars Christian Lilleholt

Susanne Thorskov Hansen

Birgitte Jørgensen Kjær

## Executive Board

Simon Hovgaard Clausen, CEO

Per Madsen, CFO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Marius Pedersen Holding A/S for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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.

Ferritslev, 22.05.2025

## Executive Board

**Simon Hovgaard Clausen**  
CEO

**Per Madsen**  
CFO

## Board of Directors

**Jens Flesner Kristiansen**  
Chairman

**Jørn Tolstrup Rohde**  
Vice chairman

**Ib Thrane**

**Bjørn Thorsen**

**Lars Christian Lilleholt**

**Susanne Thorskov Hansen**

**Birgitte Jørgensen Kjær**

# Independent auditor's report

## To the shareholder of Marius Pedersen Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Marius Pedersen Holding A/S for the financial year 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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.

### 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 22.05.2025

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Gert Rasmussen**

State Authorised Public Accountant  
Identification No (MNE) mne35430

# Management commentary

## Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	5,386,691	4,763,291	4,492,624	3,954,049	3,121,332
Gross profit/loss	1,004,667	891,105	747,089	769,177	590,590
Operating profit/loss	732,863	645,420	550,830	573,226	407,832
Net financials	(52,061)	(36,255)	(18,198)	(12,961)	(12,604)
Profit/loss for the year	525,797	473,770	415,894	433,040	303,825
Balance sheet total	6,753,485	5,949,239	5,289,766	4,868,201	4,185,328
Investments in property, plant and equipment	1,074,619	950,825	778,872	682,139	530,818
Equity	3,802,931	3,340,209	2,961,994	2,581,253	2,160,425
Equity excl. minority interests	3,583,840	3,131,623	2,763,708	2,396,048	1,999,270
Average number of employees	5,833	5,547	5,389	5,082	4,893
<b>Ratios</b>					
EBIT margin (%)	13.61	13.55	12.26	14.50	13.07
Return on equity (%)	17.63	17.23	16.24	18.27	14.85
Equity ratio (%)	56.31	56.15	55.99	53.02	51.62
Return on investment (%)	13.12	13.01	12.28	14.28	11.65

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

### EBIT margin (%):

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

### Return on equity (%):

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

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

**Return on investment (%):**

Operating profit/loss \* 100

Average operationally assets \*)

\*) Operationally assets are defined as Total assets minus Cash Funds, Interest-bearing assets (including shares) and investments in group enterprises.

**Primary activities**

Innovation and entrepreneurship are a large part of our DNA and have been since 1925. Marius Pedersen was already then focused on recycling and minimising waste of resources – sustainability is deeply rooted in our company history. We see waste as new resources that must stay in a circular loop. We focus on utilisation of the resources represented in waste, and we work continuously on diverting as much waste as possible to reuse, recycling, and recovery. Recycling of waste and a circular economy are prerequisites for obtaining results and supporting sustainable objectives.

We have a clear ambition of being our customers' preferred partner and expert in waste and recycling - from providing efficient solutions and developing new solutions, from nudging behavioral changes to final recycling and from expert consultancy to reporting of waste stream data.

We collect types of waste, solid as liquid waste, from waste producers, and constantly work being in control of as much as possible of the value adding chain of waste – from collecting and treatment of waste to selling secondary resources – with respect of adding value to our customers and our owners.

**Group activities include:**

- Sorting, processing and handling of recyclable types of waste at our approved waste treatment facilities
- Production of plastic granulate from post-consumer and post-industrial plastic sources
- Trading recyclables in the circular economy
- Providing waste management and recycling services; from customer to final recycling, energy recovery or disposal
- Consultancy, rental of equipment and collection of all types of waste
- Consultancy and providing of services within sludge and sewage
- Key Account Management reporting, as well as reporting on waste data such as quantities, CO2, emissions etc.
- In addition, the Group executes contractor business and furthermore owns companies in Denmark, the Czech Republic and Slovakia, primarily handling waste management and other environmental activities.

**Development in activities and finances****Activities**

The market for waste management for the Marius Pedersen Group is competitive. The market is grounded on the Waste Management Act from EU and national legislation. New business opportunities arise from changes in waste law and change in the focus on new waste handling activities and market demands.

In 2024 Marius Pedersen Group has made the following acquisitions:

Denmark:

Marius Pedersen A/S acquired 100% of the shares in EHJ Energi & Miljø A/S, Djursland Kloakservice A/S, Djursland Vand Tech ApS and Henrik Tofting A/S

Czech Republic:

Skládka Chocovice s.r.o.

Revenue and earnings in 2024 have been the best in the company's history. We have seen turnover growth in all 3 markets (Denmark, Czech Republic and Slovakia), coming from acquisitions/merge and dedicated focus on sales activities and public tenders in each business line, as well as focus on new services, productivity and efficiency.

The overall impact from uncertainties and deflation in some markets in Europe have been limited for the Marius Pedersen Group. Some customers/industries have been impacted negatively, effecting our earnings negatively, but this has been offset by higher activity at other customers/industries.

### **Development in finances**

Profit after tax for the financial year covering the period 1 January 2024 to 31 December 2024 is 525,8 MDKK which is an increase of 52,0 MDKK compared to 2023. Operating profit is 732,9 MDKK which is 87,4 MDKK higher than 2023. Revenue is 5.386,7 MDKK in 2024 increasing by 623,4 MDKK. The improvement is partly due to organic growth and partly due to acquired activity as previously mentioned. Profit for the year is considered very satisfactory.

### **Profit/loss for the year in relation to expected developments**

In the annual report for 2023 we stated an expectation for the year 2024 to be slightly higher than 2023, despite from the low visibility and deflation impacting some markets in Europe. As mentioned above the overall impact on earnings has been limited for the Marius Pedersen Group. Consequently both turnover and earnings came out higher than anticipated, primarily the activities of collection, sorting and processing of waste and sale of secondary raw materials. Furthermore above mentioned acquisitions and earnings from one-off projects in Marius Pedersen Czech contributed positively to revenue and profit.

### **Uncertainty relating to recognition and measurement**

The recognition and measurement of provisions for restorations and monitoring of landfills in Czech Republic and Slovakia are subject to estimates and assumptions about future events and therefore subject to uncertainties cf. note 2.

### **Outlook**

The outlook for 2025 is still subject to uncertainties due to new custom duties impacting the trade across the world and the continuing war in Ukraine etc., which has again lowered visibility on what to expect in 2025. The Group has experienced low impact so far, but it is yet too early to predict the long-term impact on our different customer segments. We however expect Revenue and Profit for the year to be in line with 2024, i.e., revenue of 5.300-5.400 MDKK and Profit for the year to be around 510-540 MDKK.

Investments in property, plant and equipment for 2024 has been on a high level and amounts to 1.074,6 MDKK. We invest heavily in new sorting and processing technology in all three countries. As a major player in waste recycling, we provide the service to waste producers, ensuring that their waste is processed for recycling, and we are also a supplier of raw materials processed from recycled waste products to the industrial sector. In 2025 we expect that re- and new investments without acquisitions will remain on a high level and be around 1.000-1.100 MDKK.

In the past we have completed several acquisitions in Denmark, Slovakia, and Czech Republic. We welcome potential acquisition opportunities in the three countries being within the waste management business of collection and transport activities, sorting of waste activities and processing waste into new secondary raw materials.

## Use of financial instruments

### Financial risks and interest risks

The Group has a financial policy which operates with a low risk profile. This means that currency, interest, and credit risk only occur based on commercial conditions. All bank debt is based on floating interests. In 2024 The Group has not used any derivative financial instruments.

### Currency risks

The Group's result from group enterprises is dependent on changes in exchange rates (CZK, EUR), since the foreign group enterprises' results and equity at the end of the year are being converted into Danish kroner based on the average exchange rate and the rate of the balance sheet date.

### Business risks

The Group's most significant risks are linked to the ability of being strongly positioned on the activity areas on which the Group's services are directed. The Group continuously invests in new equipment and facilities to secure optimum utilization and efficiency.

## Research and development activities

The Group is continuously developing new services and concepts and do research in future business opportunities. These costs have been charged to the profit and loss accounts.

## Statutory report on corporate social responsibility

As a leading Danish company in the waste and resource management industry, we see waste as a valuable resource. We continually strive to maximise the amount of recycled waste and minimise the amount of waste incinerated or ending up in a landfill.

Marius Pedersen Group is highly focused on utilising the resources in waste in the context of the circular economy. We advise customers to choose solutions supporting the highest possible degree of waste sorting for recycling, reuse and utilisation and in accordance with applicable environmental regulation.

The CSR report concentrates on the issues and aspects that are particularly relevant to our industry based on their impact. The issues are described in accordance with section 99a of the Danish Financial Statements Act and cover the activities of Marius Pedersen Denmark. It is the intention of the Group, where possible, to include companies in the Czech Republic and Slovakia in the future.

The CSR report is published at:

<https://www.mariuspedersen.dk/om-os/kvalitets-miljoeledelse/csr>

## Statutory report on data ethics policy

Our approach to data ethics is pursuant to section 99d of the Danish Financial Statements Act.

The company policy for data ethics focuses on protecting the users (customers, suppliers, employees etc.) privacy and ensuring that their data is used in a responsible manner. It describes our commitment beyond data privacy laws and lays out our defined principles, also for non-personal data. The Data Ethics Policy is published at: <https://www.mariuspedersen.dk/om-os/kvalitets-miljoeledelse/csr>

## Events after the balance sheet date

No events have occurred after the balance sheet date which influences the evaluation of this annual report.

# Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	3	5,386,691	4,763,291
Production costs		(4,382,024)	(3,872,186)
<b>Gross profit/loss</b>		<b>1,004,667</b>	<b>891,105</b>
Distribution costs		(166,660)	(156,943)
Administrative expenses	4	(137,276)	(113,037)
Other operating income	7	32,132	24,295
<b>Operating profit/loss</b>		<b>732,863</b>	<b>645,420</b>
Income from investments in participating interests		5,758	5,164
Other financial income	8	7,168	4,632
Other financial expenses	9	(59,229)	(40,887)
<b>Profit/loss before tax</b>		<b>686,560</b>	<b>614,329</b>
Tax on profit/loss for the year	10	(160,763)	(140,559)
<b>Profit/loss for the year</b>	11	<b>525,797</b>	<b>473,770</b>

# Consolidated balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired licences		12,813	15,690
Goodwill		988,543	944,827
Development projects in progress	13	4,580	3,585
<b>Intangible assets</b>	12	<b>1,005,936</b>	<b>964,102</b>
Land and buildings		1,405,196	1,232,209
Plant and machinery		1,991,488	1,834,756
Other fixtures and fittings, tools and equipment		49,159	40,563
Property, plant and equipment in progress		547,962	267,499
<b>Property, plant and equipment</b>	14	<b>3,993,805</b>	<b>3,375,027</b>
Investments in participating interests		26,753	21,041
Other investments		1,548	1,101
Deposits		479,518	446,914
Deferred tax	16	85,513	79,824
<b>Financial assets</b>	15	<b>593,332</b>	<b>548,880</b>
<b>Non-current assets</b>		<b>5,593,073</b>	<b>4,888,009</b>
Raw materials and consumables		43,759	40,908
Manufactured goods and goods for resale		17,486	18,330
<b>Inventories</b>		<b>61,245</b>	<b>59,238</b>
Trade receivables	17	866,683	759,709
Contract work in progress	18	3,188	15,547
Other receivables	19	22,201	25,542
Tax receivable		1,432	4,658
Prepayments	20	6,968	13,994
<b>Receivables</b>		<b>900,472</b>	<b>819,450</b>
<b>Cash</b>		<b>198,695</b>	<b>182,542</b>

<b>Current assets</b>	<b>1,160,412</b>	<b>1,061,230</b>
<b>Assets</b>	<b>6,753,485</b>	<b>5,949,239</b>

**Equity and liabilities**

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital	21	100,000	100,000
Translation reserve		38,465	58,628
Retained earnings		3,395,375	2,972,995
Proposed dividend for the financial year		50,000	0
<b>Equity belonging to Parent's shareholders</b>		<b>3,583,840</b>	<b>3,131,623</b>
<b>Equity belonging to minority interests</b>		<b>219,091</b>	<b>208,586</b>
<b>Equity</b>		<b>3,802,931</b>	<b>3,340,209</b>
Deferred tax	16	128,126	97,774
Other provisions	22	708,914	651,131
<b>Provisions</b>		<b>837,040</b>	<b>748,905</b>
Mortgage debt		35,177	16,762
Bank loans		600,000	300,000
Lease liabilities		61,473	43,940
Trade payables		7,642	4,792
Other payables		4,588	3,756
<b>Non-current liabilities other than provisions</b>	23	<b>708,880</b>	<b>369,250</b>
Current portion of non-current liabilities other than provisions	23	32,527	19,048
Other provisions	24	67,383	67,205
Bank loans		569,962	629,586
Contract work in progress	18	3,011	18,077
Trade payables		432,943	453,149
Payables to group enterprises		16,124	29,396
Tax payable		22,789	26,781
Other payables	25	259,895	247,633
<b>Current liabilities other than provisions</b>		<b>1,404,634</b>	<b>1,490,875</b>
<b>Liabilities other than provisions</b>		<b>2,113,514</b>	<b>1,860,125</b>
<b>Equity and liabilities</b>		<b>6,753,485</b>	<b>5,949,239</b>
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## Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	100,000	58,628	2,972,995	0	3,131,623	208,586	3,340,209
Ordinary dividend paid	0	0	0	0	0	(36,885)	(36,885)
Exchange rate adjustments	0	(20,163)	(2,051)	0	(22,214)	(3,453)	(25,667)
Other entries on equity	0	0	(138)	0	(138)	(385)	(523)
Profit/loss for the year	0	0	424,569	50,000	474,569	51,228	525,797
<b>Equity end of year</b>	<b>100,000</b>	<b>38,465</b>	<b>3,395,375</b>	<b>50,000</b>	<b>3,583,840</b>	<b>219,091</b>	<b>3,802,931</b>

# Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		732,863	645,420
Amortisation, depreciation and impairment losses		680,615	596,629
Working capital changes	26	(181,415)	(2,858)
Loss or gain on disposal of assets		(16,839)	(12,881)
Increase/decrease in provisions		63,583	78,515
Income from investments in participating interests		0	3,145
Impairment losses (reversal) on receivables		160	2,180
<b>Cash flow from ordinary operating activities</b>		<b>1,278,967</b>	<b>1,310,150</b>
Financial income received		5,701	3,262
Financial expenses paid		(57,185)	(39,041)
Taxes refunded/(paid)		(145,288)	(116,656)
<b>Cash flows from operating activities</b>		<b>1,082,195</b>	<b>1,157,715</b>
Acquisition etc. of property, plant and equipment		(1,050,328)	(950,528)
Sale of property, plant and equipment		41,040	33,956
Acquisition of fixed asset investments		(197,945)	(184,152)
Financial investments		(2,312)	(776)
<b>Cash flows from investing activities</b>		<b>(1,209,545)</b>	<b>(1,101,500)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(127,350)</b>	<b>56,215</b>
Loans raised		300,000	292,831
Repayments of loans etc.		(94,917)	(157,749)
Dividend paid		0	(30,000)
Dividends paid to non-controlling interests		(36,884)	(37,233)
Decrease / increase in liabilities from financing activities		(22,264)	(19,942)
<b>Cash flows from financing activities</b>		<b>145,935</b>	<b>47,907</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>18,585</b>	<b>104,122</b>
Cash and cash equivalents beginning of year		182,542	80,523

Currency translation adjustments of cash and cash equivalents	(2,432)	(2,103)
<b>Cash and cash equivalents end of year</b>	<b>198,695</b>	<b>182,542</b>

Cash and cash equivalents at year-end are composed of:

Cash	198,695	182,542
<b>Cash and cash equivalents end of year</b>	<b>198,695</b>	<b>182,542</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date which influences the evaluation of this annual report.

## 2 Uncertainty relating to recognition and measurement

The statement of the carrying amount of certain liabilities requires estimates, estimates and assumptions about future events. The estimates made are based on historical experience and other factors that management deems sound in the circumstances, but which are inherently subject to uncertainty. Assumptions may be incomplete and inaccurate, and unexpected events or circumstances may occur.

The recognition and measurement of provisions for expected future costs of restoration and monitoring of landfills is subject to significant uncertainties, particularly with regard to the time perspective.

It is management's assessment that the total restoration and monitoring costs amount to 776,297 DKK'000 which are included as long-term and short-term commitments respectively.

## 3 Revenue

	2024 DKK'000	2023 DKK'000
Denmark	2,350,052	2,037,014
Rest of EU	3,033,486	2,723,729
Rest of the world	3,153	2,548
<b>Total revenue by geographical market</b>	<b>5,386,691</b>	<b>4,763,291</b>
Collection, sorting and processing of waste	3,893,669	3,507,159
Winter & road cleaning and other services	307,414	318,026
Sale of secondary raw materials	743,914	537,208
Landfill	294,125	253,757
Other	147,569	147,141
<b>Total revenue by activity</b>	<b>5,386,691</b>	<b>4,763,291</b>

## 4 Fees to the auditor appointed by the Annual General Meeting

	Deloitte 2024 DKK'000	Other 2024 DKK'000	Total 2024 DKK'000
Statutory audit services	1,062	2,458	3,520
Other assurance engagements	70	0	70
Tax services	133	0	133
Other services	178	0	178
	<b>1,443</b>	<b>2,458</b>	<b>3,901</b>

	<b>Deloitte 2023 DKK'000</b>	<b>Other 2023 DKK'000</b>	<b>Total 2023 DKK'000</b>
Statutory audit services	603	2,467	3,070
Other assurance engagements	28	0	28
Tax services	113	15	128
Other services	346	55	401
	<b>1,090</b>	<b>2,537</b>	<b>3,627</b>

### 5 Staff costs

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
Wages and salaries	1,456,656	1,299,857
Pension costs	88,727	68,723
Other social security costs	267,853	239,384
	<b>1,813,236</b>	<b>1,607,964</b>
Average number of full-time employees	<b>5,833</b>	<b>5,547</b>

	<b>Remuneration of Manage- ment 2024 DKK'000</b>	<b>Remuneration of Manage- ment 2023 DKK'000</b>
Executive Board	8,307	7,817
Board of Directors	2,350	2,155
	<b>10,657</b>	<b>9,972</b>

### 6 Depreciation, amortisation and impairment losses

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
Amortisation of intangible assets	104,697	98,071
Depreciation on property, plant and equipment	575,864	498,550
Impairment losses on property, plant and equipment	54	8
	<b>680,615</b>	<b>596,629</b>

### 7 Other operating income

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
Rent income, salary reimbursement, other income	15,293	11,415
Profit of sale of property and plant and equipment	16,839	12,880
	<b>32,132</b>	<b>24,295</b>

**8 Other financial income**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Exchange rate adjustments	1,588	1,490
Other financial income	5,580	3,142
	<b>7,168</b>	<b>4,632</b>

**9 Other financial expenses**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	835	1,471
Other interest expenses	56,640	37,967
Exchange rate adjustments	1,754	1,449
	<b>59,229</b>	<b>40,887</b>

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

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	160,350	161,621
Change in deferred tax	5,723	(19,375)
Adjustment concerning previous years	(5,310)	(1,687)
	<b>160,763</b>	<b>140,559</b>

**11 Proposed distribution of profit/loss**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	50,000	0
Retained earnings	424,569	421,843
Minority interests' share of profit/loss	51,228	51,927
	<b>525,797</b>	<b>473,770</b>

## 12 Intangible assets

	Acquired licences DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	113,543	1,969,128	3,585
Addition through business combinations etc	26	120,258	0
Exchange rate adjustments	(1,250)	(6,411)	2
Transfers	(27,479)	0	(700)
Additions	4,568	21,592	1,693
Disposals	(204)	(259,710)	0
<b>Cost end of year</b>	<b>89,204</b>	<b>1,844,857</b>	<b>4,580</b>
Amortisation and impairment losses beginning of year	(97,853)	(1,024,301)	0
Addition through business combinations etc	(26)	0	0
Exchange rate adjustments	1,136	5,416	0
Transfers	27,697	0	0
Amortisation for the year	(7,549)	(97,148)	0
Reversal regarding disposals	204	259,719	0
<b>Amortisation and impairment losses end of year</b>	<b>(76,391)</b>	<b>(856,314)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>12,813</b>	<b>988,543</b>	<b>4,580</b>

### Goodwill

Goodwill are determined as the difference between purchase price and the fair value of acquired net assets.

Based on expected future net cash flow, management believes that the recoverable amount of goodwill exceed the carrying amount.

## 13 Development projects

Developments projects consist of IT cost to new systems.

**14 Property, plant and equipment**

	<b>Land and buildings DKK'000</b>	<b>Plant and machinery DKK'000</b>	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
Cost beginning of year	2,570,233	5,123,619	156,300	268,259
Addition through business combinations etc	96,450	106,113	646	(4,318)
Exchange rate adjustments	(24,569)	(33,054)	(1,843)	(1,283)
Transfers	21,857	15,234	30,362	(45,663)
Additions	162,756	557,798	22,299	331,766
Disposals	(13,688)	(205,507)	(8,739)	0
<b>Cost end of year</b>	<b>2,813,039</b>	<b>5,564,203</b>	<b>199,025</b>	<b>548,761</b>
Depreciation and impairment losses beginning of year	(1,338,024)	(3,288,863)	(115,737)	(760)
Addition through business combinations etc	(8,173)	(23,881)	(434)	0
Exchange rate adjustments	13,410	23,985	1,216	15
Transfers	(7)	6,296	(28,086)	0
Impairment losses for the year	0	0	0	(54)
Depreciation for the year	(80,144)	(480,180)	(15,540)	0
Reversal regarding disposals	5,095	189,928	8,715	0
<b>Depreciation and impairment losses end of year</b>	<b>(1,407,843)</b>	<b>(3,572,715)</b>	<b>(149,866)</b>	<b>(799)</b>
<b>Carrying amount end of year</b>	<b>1,405,196</b>	<b>1,991,488</b>	<b>49,159</b>	<b>547,962</b>
Recognised assets not owned by Entity	0	88,459	9,922	0

## 15 Financial assets

	Investments in participating interests DKK'000	Other investments DKK'000	Deposits DKK'000
Cost beginning of year	3,489	879	446,914
Exchange rate adjustments	(63)	15	(7,362)
Additions	0	437	63,913
Disposals	0	(86)	(23,947)
<b>Cost end of year</b>	<b>3,426</b>	<b>1,245</b>	<b>479,518</b>
Revaluations beginning of year	17,552	222	0
Exchange rate adjustments	17	0	0
Share of profit/loss for the year	5,758	0	0
Other adjustments	0	81	0
<b>Revaluations end of year</b>	<b>23,327</b>	<b>303</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>26,753</b>	<b>1,548</b>	<b>479,518</b>

Deposits comprise cash on escrow accounts mostly with maturities of one year and longer. The use of these cash balances are limited by waste management legislation in Czech Republic and Slovakia mainly to payment for restoration and monitoring of landfills.

Investments in participating interests	Registered in	Ownership %	Equity DKK'000	Profit/loss DKK'000
KOMPLEX-odpadová společnost s.r.o	Pusté Sadt	60.00	30,774	8,606
Čistá Plzeň servis s.r.o	Plzeň	15.00	19,965	882

## 16 Deferred tax

	2024 DKK'000	2023 DKK'000
<b>Changes during the year</b>		
Beginning of year	(17,950)	(28,930)
Recognised in the income statement	(10,179)	19,375
Recognised directly in equity	(277)	(384)
Exchange rate adjustments	(1,216)	(1,535)
Business combination	(12,991)	(6,476)
<b>End of year</b>	<b>(42,613)</b>	<b>(17,950)</b>

	2024 DKK'000	2023 DKK'000
<b>Deferred tax has been recognised in the balance sheet as follows</b>		
Deferred tax assets	85,513	79,824
Deferred tax liabilities	(128,126)	(97,774)
	<b>(42,613)</b>	<b>(17,950)</b>

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

### Deferred tax assets

Deferred tax assets relates mainly to provision for restoration and monitoring of landfills with a long time horizon. Deferred tax is a result of differences between carrying values and tax values.

### 17 Trade receivables

Receivables consists of DKK'000 2,133 due more than 1 year (DKK'000 2,955 in 2023).

### 18 Contract work in progress

	2024 DKK'000	2023 DKK'000
Contract work in progress	69,175	101,117
Progress billings	(68,998)	(103,647)
Transferred to liabilities other than provisions	3,011	18,077
	<b>3,188</b>	<b>15,547</b>

### 19 Other receivables

Other receivables consists of DKK'000 4,306 due more than 1 year (DKK'000 3,090 in 2023)

### 20 Prepayments

Prepayments consists of rent, contracts, subscriptions etc.

### 21 Contributed capital

	Number	Nominal value DKK'000
A-shares	100,000,000	100,000
	<b>100,000,000</b>	<b>100,000</b>

## 22 Other provisions

Provisions for restoration and monitoring of landfills.

	2024	2023
	DKK'000	DKK'000
Carrying amount at the beginning of the year	718.336	653.482
Exchange rate adjustments	-11.677	-14.187
Additional provisions made in the period, including increase in the existing provisions	85.733	103.636
Amounts used during the period	-16.095	-24.595
	<b>776.297</b>	<b>718.336</b>
Other provisions non-current	708.914	651.131
Other provisions current	67.383	67.205

## 23 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2024	2023	2024	2024
	DKK'000	DKK'000	DKK'000	DKK'000
Mortgage debt	2,067	1,160	35,177	23,688
Bank loans	0	395	600,000	0
Lease liabilities	30,460	17,493	61,473	5,120
Trade payables	0	0	7,642	1,826
Other payables	0	0	4,588	0
	<b>32,527</b>	<b>19,048</b>	<b>708,880</b>	<b>30,634</b>

## 24 Other provisions

Provisions for restoration and monitoring of landfills, cf. note 22.

## 25 Other payables

	2024	2023
	DKK'000	DKK'000
VAT and duties	94,350	83,632
Wages and salaries, personal income taxes, social security costs, etc. payable	165,545	164,001
	<b>259,895</b>	<b>247,633</b>

## 26 Changes in working capital

	2024	2023
	DKK'000	DKK'000
Increase/decrease in inventories	(2,024)	2,663
Increase/decrease in receivables	(47,709)	5,664
Increase/decrease in trade payables etc.	(99,078)	42,073
Other changes	(32,604)	(53,258)
	<b>(181,415)</b>	<b>(2,858)</b>

## 27 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	53,420	43,289

## 28 Contingent liabilities

	2024 DKK'000	2023 DKK'000
Recourse and non-recourse guarantee commitments	159,806	138,762
<b>Contingent liabilities</b>	<b>159,806</b>	<b>138,762</b>
Mortgage deed, not pledged as security	90,230	70,130
Carrying amount of mortgage properties	123,460	59,972

The Group holds properties on rented premises. According to individual lease agreement, the group is obliged to hand over the leasehold in the same condition as it was taken over.

## 29 Transactions with related parties

	Parent DKK'000	Subsidiaries DKK'000
Services	6,294	0
Management fee	240	0
Interest cost	796	0
Dividend paid	0	30,000
Outstanding amount	(12,185)	27,430

## 30 Group relations

Name and registered office of the Ultimate Parent preparing consolidated financial statements for the largest group:

Entreprenør Marius Pedersens Fond, Ørbækvej 851, 5863 Ferritslev Fyn, CVR 11 59 41 74

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Marius Pedersen Holding A/S, Ørbækvej 851, 5863 Ferritslev Fyn, CVR 35 84 67 35

## 31 Subsidiaries

	Registered in	Corporate form	Ownership %
<b>Denmark</b>			
Kildehøj ApS (owner: Entreprenør Marius Pedersens Fond)	Faaborg- Midtfyn	A/S	98.80
Marius Pedersen A/S	Faaborg- Midtfyn	A/S	100.00

	Registered in	Corporate form	Ownership %
<b>Czech Republic</b>			
Moravska skladkova spolecnost a.s.	Otrokovice	a.s.	60.00
Bohemian Waste Management a.s.	Hradec Králové	a.s.	
DESTRA Co., spol. s r.o	Brno	s.r.o.	70.00
EKO - Chlebičov a.s.	Chlebičov	a.s.	77.20
EKO servis Varnsdorf a.s.	Varnsdorf	a.s.	55.00
EKOLA České Libchavy s.r.o.	České Libchavy	s.r.o.	74.10
ELIO Slezsko a.s.	Holasovice	a.s.	55.00
HRATES, a.s.	Uherské Hradiště	a.s.	66.00
Hradecké služby a.s.	Hradec Králové	a.s.	60.00
Ipodec Ciste Mesto a.s.	Praha	a.s.	57.00
Krušnohorské služby a.s.	Ústí n.Labem	a.s.	51.00
Marius Pedersen a.s.	Hradec Králové	a.s.	100.00
Marius Pedersen Recycling a.s.	Hradec Králové	a.s.	50.00
MP EF s.r.o.	Hradec Králové	s.r.o.	100.00
MP suroviny s.r.o.	Hradec Králové	s.r.o.	100.00
MP Energie s.r.o.	Hradec Králové	s.r.o.	100.00
Odpady-Třídění-Recyklace a.s.	Uherské Hradiště	a.s.	60.00
Papkov s.r.o.	Praha	s.r.o.	80.00
Růžov a.s.	Borovany	a.s.	52.00
RWC s.r.o.	Chropyně	s.r.o.	70.00
Severočeské komunální služby s.r.o.	Jablonec nad Nisou	s.r.o.	65.00
Skládka Tušimice a.s.	Teplice	a.s.	98.00
SOMA Markvartovice a.s.	Hlučín	a.s.	58.00
SOP a.s.	Přelouč	a.s.	60.00
Společnost Horní Labe a.s.	Trutnov	a.s.	60.00
Technické služby Děčín a.s.	Děčín	a.s.	96.90
TRANSPORT Trutnov s.r.o.	Trutnov	s.r.o.	60.00
TS Valašské Meziříčí s.r.o.	Valašské Meziříčí	s.r.o.	74.90
Západočeské komunální služby a.s	Plzeň	a.s.	98.00
PERLIT PRAHA, spol. s.r.o.	Praha	s.r.o.	100.00
ODPADY s.r.o.	Hradec Králové	s.r.o.	80.00
SPL Jablonec nad nisua. s.r.o.	Jablonec nad nisua	s.r.o.	100.00
Nykos a.s.	Ždánice	a.s.	85.70

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Skládka Chocovice s.r.o.	Třebeň	s.r.o.	100.00
<b>Slovakia</b>			
Spoločnosť Šariš, a.s	Sabinov	a.s.	88.00
Kopaničiarska odpadová spoločnosť, s.r.o.	Kostolné, Rakovice	s.r.o.	83.00
BORINA EKOS, s.r.o.	Livinské Opatovce	s.r.o.	88.00
Tatranská odpadová spoločnosť s.r.o, Žakovce	Žakovce	s.r.o.	64.00
Tekovská ekologická, s.r.o.	Nový Tekov	s.r.o.	86.00
Bzenex BMP, s.r.o.	Bzenica	s.r.o.	70.00
Waste transport, a.s.	Bratislava	a.s.	100.00
PETMAS spol. s r.o.	Pezinok	s.r.o.	100.00
ICEKO-ONYX, s.r.o.	Banská Bystrica	s.r.o.	100.00
Marius Pedersen, a.s.	Trenčín	a.s.	100.00
KANAL M.P.S. s.r.o.	Senec	s.r.o.	100.00
MEGAWASTE Podstránie s.r.o.	Považská Bystrica	s.r.o.	100.00
MEGAWASTE SLOVAKIA s.r.o.	Považská Bystrica	s.r.o.	100.00
TEDOS s.r.o.	Bánovce nad Bebravou	s.r.o.	100.00
Spoločnosť Stredné Považie, a.s	Trenčín	a.s.	70.00
Spoločnosť Pohronie, a.s.	Zvolen	a.s.	60.00

# Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Administrative expenses		(15,880)	(19,120)
Other operating income		4,000	4,000
<b>Operating profit/loss</b>		<b>(11,880)</b>	<b>(15,120)</b>
Income from investments in group enterprises		484,114	434,066
Other financial income		73	0
Other financial expenses	3	(2,836)	(1,440)
<b>Profit/loss before tax</b>		<b>469,471</b>	<b>417,506</b>
Tax on profit/loss for the year	4	2,695	4,323
<b>Profit/loss for the year</b>	5	<b>472,166</b>	<b>421,829</b>

# Parent balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Investments in group enterprises		3,516,754	3,084,993
<b>Financial assets</b>	6	<b>3,516,754</b>	<b>3,084,993</b>
<b>Fixed assets</b>		<b>3,516,754</b>	<b>3,084,993</b>
Receivables from group enterprises		27,430	19,401
Deferred tax	7	0	3
Other receivables		113	1,012
Tax receivable		9,343	6,466
Joint taxation contribution receivable		46,257	50,297
<b>Receivables</b>		<b>83,143</b>	<b>77,179</b>
<b>Cash</b>		<b>71</b>	<b>1,066</b>
<b>Current assets</b>		<b>83,214</b>	<b>78,245</b>
<b>Assets</b>		<b>3,599,968</b>	<b>3,163,238</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2024</b> <b>DKK'000</b>	<b>2023</b> <b>DKK'000</b>
Contributed capital		100,000	100,000
Reserve for net revaluation according to equity method		757,971	326,210
Retained earnings		2,673,183	2,705,131
Proposed dividend for the financial year		50,000	0
<b>Equity</b>		<b>3,581,154</b>	<b>3,131,341</b>
Bank loans		10	16
Trade payables		3,258	3,041
Payables to group enterprises		12,186	25,399
Other payables	8	3,360	3,441
<b>Current liabilities other than provisions</b>		<b>18,814</b>	<b>31,897</b>
<b>Liabilities other than provisions</b>		<b>18,814</b>	<b>31,897</b>
<b>Equity and liabilities</b>		<b>3,599,968</b>	<b>3,163,238</b>
Events after the balance sheet date	1		
Staff costs	2		
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		
Transactions with related parties	12		

## Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	100,000	326,210	2,705,131	0	3,131,341
Value adjustments	0	(22,353)	0	0	(22,353)
Dividends from group enterprises	0	(30,000)	30,000	0	0
Profit/loss for the year	0	484,114	(61,948)	50,000	472,166
<b>Equity end of year</b>	<b>100,000</b>	<b>757,971</b>	<b>2,673,183</b>	<b>50,000</b>	<b>3,581,154</b>

# Notes to parent financial statements

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date which influences the evaluation of this annual report.

## 2 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	11,530	11,794
Pension costs	800	748
Other social security costs	44	31
	<b>12,374</b>	<b>12,573</b>
Average number of full-time employees	<b>4</b>	<b>4</b>

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Executive Board	8,307	7,817
Board of Directors	2,150	2,155
	<b>10,457</b>	<b>9,972</b>

## 3 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	796	1,439
Other interest expenses	2,040	1
	<b>2,836</b>	<b>1,440</b>

## 4 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	(2,695)	(3,600)
Adjustment concerning previous years	0	(723)
	<b>(2,695)</b>	<b>(4,323)</b>

## 5 Proposed distribution of profit and loss

	2024	2023
	DKK'000	DKK'000
Ordinary dividend for the financial year	50,000	0
Retained earnings	422,166	421,829
	<b>472,166</b>	<b>421,829</b>

## 6 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	2,758,783
<b>Cost end of year</b>	<b>2,758,783</b>
Revaluations beginning of year	326,210
Exchange rate adjustments	(22,353)
Amortisation of goodwill	(47,335)
Share of profit/loss for the year	531,449
Dividend	(30,000)
<b>Revaluations end of year</b>	<b>757,971</b>
<b>Carrying amount end of year</b>	<b>3,516,754</b>

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

### Landfill provision in Czech Republic and Slovakia

The statement of the carrying amount of certain liabilities requires estimates, estimates and assumptions about future events. The estimates made are based on historical experience and other factors that management deems sound in the circumstances, but which are inherently subject to uncertainty. Assumptions may be incomplete and inaccurate, and unexpected events or circumstances may occur.

The recognition and measurement of provisions for expected future costs of restoration and monitoring of landfills is subject to significant uncertainties, particularly with regard to the time perspective.

## 7 Deferred tax

	2024	2023
	DKK'000	DKK'000
<b>Changes during the year</b>		
Beginning of year	3	2,162
Other changes	(3)	(2,159)
<b>End of year</b>	<b>0</b>	<b>3</b>

## 8 Other payables

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	1,879	1,893
Holiday pay obligation	1,481	1,548
	<b>3,360</b>	<b>3,441</b>

## 9 Contingent liabilities

Marius Pedersen Holding A/S and its Danish subsidiaries are jointly taxed. The company thus has secondary liability with respect to income taxes etc. and any obligation to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the shares capital in the Company held directly or indirectly by the ultimate parent

## 10 Assets charged and collateral

Shares in Marius Pedersen A/S, DKK'000 3,516,754 have been pledged as security for bank debt amounting to DKK'000 1,169,952.

## 11 Related parties with controlling interest

Ultimate parent: Entreprenør Marius Pedersen Fond, Faaborg-Midtfyn, CVR 11 59 41 74.

Balances and transactions between the Company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are:

## 12 Transactions with related parties

	<b>Parent</b>	<b>Subsidiaries</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Services	0	4,000
Dividend	0	30,000
Outstanding amount	(12,185)	27,430

# 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.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial 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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

## 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 acquisition 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 in 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.

The uniting-of-interests method is applied on acquisition of enterprises and mergers 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.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the

exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## **Income statement**

### **Revenue**

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Production costs**

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Production costs concerning contract work in progress are recognised as they incur.

### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

### **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, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### **Income from investments in participating interests**

Income from investments in participating interests comprises the pro rata share of the individual participating interests' profit/loss after pro rata elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises dividends etc. received on other investments, 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.

**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.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Goodwill**

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 to 10 years.

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

**Intellectual property rights and intangible assets**

Intellectual property rights comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 on 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 5 to 20 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 on a straight-line basis 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 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 self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

	<b>Useful life</b>
Buildings	25 - 50 years
Plant and machinery	5 -10 years
Other fixtures and fittings, tools and equipment	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 recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 to 20 years.

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

### **Investments in participating interests**

Investments in participating interests are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the participating interests' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in participating interests.

Participating interests with negative equity value are measured at DKK 0. Any receivables from these participating interests are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant participating interest, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in participating interests is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 to 20 years.

Investments in participating interests are written down to the lower of recoverable amount and carrying amount.

### **Deposits**

Deposits comprise of cash on escrow accounts relating to future payment for restoration and monitoring of waste sites.

### **Other investments**

Other investments comprise listed securities which are measured at fair value (market price) at the balance

sheet date and unlisted equity investments measured at cost. Unlisted equity investments are written down to any lower net realisable value.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

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

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

**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.

**Joint taxation contributions payable or receivable**

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

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**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..

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Provisions for restoration and monitoring of landfills are based on the assessment of the future cost and its timing. The individual amounts are increased by expected inflation and expected costs at the financial statements date.

The restoration provision is created gradually over the lifetime of the stage/landfill based on the tonnage. There are two kinds of provisions – legally required and voluntary, both of them represent expected costs for future restoration and required aftercare of the landfill (given by local legislation).

After closure of the stage/landfill the provisions are used to cover the restoration costs and presented as such (i.e. decrease of the provision). There is no discounting of the provisions as the provisions are adjusted annually to reflect the expected costs.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**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.

**Other financial liabilities**

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

**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 financial income, financial expenses and income tax 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.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

The consolidated Statement of Cash Flows cannot be derived on the basis of the official Financial Statement alone.