DSVM Invest A/S

c/o Harbour House

Sundkrogsgade 21, DK-2100 Copenhagen Ø, Denmark

CVR no. 27 54 94 03

Annual report 1 May 2018 – 30 April 2019

Approved at the Company's annual general meeting on 26 September 2019

Chairman:

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Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of DSVM Invest A/S for the financial year 1 May 2018 – 30 April 2019.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the Parent Company financial statements are prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's financial position at 30 April 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 May 2018 – 30 April 2019.

Further, in our opinion, the Management's Review includes a true and fair review of the development in the Group's and the Parent Company's operations and financial conditions, of the results for the year and of the financial position of the Group and the Parent Company, as well as a description of the more significant risks and uncertainty facing the Group and the Parent Company.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 26 September 2019

Executive Board:

Peter Korsholm

Board of Directors:

Kent Arentoft Chairman	Peter Korsholm	Robin Basse

Independent auditor's report

To the shareholders of DSVM Invest A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of DSVM Invest A/S for the financial year 1 May 2018 – 30 April 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 30 April 2019 and of the results of the Group's operations and cash flows for the financial year 1 May 2018 – 30 April 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent company financial statements give a true and fair view of the financial position of the Parent Company at 30 April 2019 and of the results of the Parent Company's operations for the financial year 1 May 2018 – 30 April 2019 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Independent auditor's report

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements 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 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 the financial statements.

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

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

Independent auditor's report

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

Copenhagen, 26 September 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
state authorised public accountant
mne33717

Peter Jensen
state authorised public accountant
mne33246

Management's review

Company details

Name	DSVM Invest A/S
Address, P.O. Box, city	Sundkrogsgade 21, DK-2100 Copenhagen Ø, Denmark
CVR no.	27 54 94 03
Registered office	Copenhagen
Financial year	1 May 2018 – 30 April 2019
Website	www.dsvm.dk
E-mail	post@dsvm.dk
Board of Directors	Kent Arentoft, Chairman Peter Korsholm Robin Basse
Executive Board	Peter Korsholm
Auditor	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, Postboks 250, DK-2000 Frederiksberg, Denmark

Management's review

Group chart at 30 April 2019

Company	Country	Business area
DSVM Invest A/S		
- Gammel Marbjergvej ApS	Denmark	Property developm.
- Leonora Ejendomme A/S	Denmark	Property developm.
- Brudehus A/S	Denmark	Other
- DSVM Renovation A/S	Denmark	Other
- DSV Miljø Group A/S	Denmark	Other
- - Nymølle Stenindustrier A/S	Denmark	Raw materials
- - RGS Nordic A/S	Denmark	Soil, Waste & Water
- - - RGS Nordic AB	Sweden	Soil, Waste & Water
- - - RGS Nordic AS	Norway	Soil, Waste & Water
- - - RGS Nordic Ltd.	UK	Soil, Waste & Water
- - - Stigsnæs Vandindvinding I/S (31%)	Denmark	Soil, Waste & Water
- - DSV Transport A/S	Denmark	Transportation
- - Totalleveranser Sverige AB	Sweden	Other
- - - RGS 90 Rönnarp AB	Sweden	Soil, Waste & Water
- - - GDL Transport Holding AB	Sweden	Transportation
- - - - GDL Transport AB	Sweden	Transportation
- - - - Industrisortering i Sydost AB	Sweden	Transportation
- - - - ÖF Fastigheter i Linköping AB	Sweden	Transportation
- - - - ÖF Fastigheter i Norrköping AB	Sweden	Transportation
- - - - GDL Transport Öst AB	Sweden	Transportation
- - - - C-R Utbilding AB	Sweden	Transportation
- - - - Jalog AB (51%)	Sweden	Transportation

All companies are wholly-owned subsidiaries unless otherwise stated.

During 2018/19 several companies under GDL Transport Holding AB were merged.

After the balance sheet date, RGS 90 Rönnarp AB was transferred to RGS Nordic AB.

Management's review

Financial highlights for the Group

DKKm	2018/19	2017/18	2016/17	2015/16	2014/15
Key figures					
Revenue	4,344	4,152	3,854	3,558	3,610
Gross profit	662	652	594	541	504
Result before special items and other income (EBITDA before special items etc.)	295	286	286	261	207
Result before net financials (EBIT)	331	102	242	158	-191
Financial income and expenses, net	-107	-135	-130	-65	-136
Result before tax	224	-33	112	92	-327
Tax for the year	-62	-39	-36	-31	-24
Result for the year	162	-72	76	61	-351
Comprehensive income	159	-109	68	52	-366
Total assets	2,810	2,818	2,693	2,678	2,670
Investments in property, plant, equipment	116	222	97	78	82
Net interest-bearing debt	1,477	1,632	1,267	1,326	1,399
Equity	249	265	524	434	381
Cash flows from operating activities	174	94	217	209	217
Total cash flows	73	-72	7	-26	36
Financial ratios					
Gross margin	15.2%	15.7%	15.4%	15.2%	14.0%
Profit margin (EBITDA before special items margin)	6.8%	6.9%	7.4%	7.3%	5.7%
Solvency ratio	8.9%	9.4%	19.5%	16.2%	14.3%
Average number of full-time employees	945	840	682	772	856

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios for terms and definitions, please see the accounting policies.

Management's review

Operating review

Business concept

DSVM Invest A/S is an investment company with activities within transport, logistics and environmental solutions, raw materials for the building and construction industry, primarily in Denmark and Sweden as well as property development actitivities. The activities are organised in five independent portfolio companies operating within four main business areas:

- **Transportation:** Transport and logistics solutions in Denmark and Sweden.
- **Soil, Waste & Water:** Receipt of contaminated soil for clean-up and recycling as well as receipt of industrial waste water, compost, concrete, asphalt and wood waste, etc., for processing and recycling, primarily in Denmark and Sweden.
- **Raw materials:** Extraction and sale of raw materials from national network of gravel pits in Denmark.
- **Property development:** Development of properties aimed at logistic business solutions.

Group highlights for the financial year 2018/19

- The Group achieved an increase of 5% in total revenues to DKK 4,344 million (2017/18 DKK 4,152 million) despite an environment with tough competition and a weak Swedish krone during the whole year 2018/19.
- Mainly the Soil, Waste & Water business developed greatly during 2018/19, while Raw Materials showed a slight improvement and Transportation faced a challenging year.
- EBITDA before special items amounted to DKK 295 million (2017/18 DKK 286 million). EBITDA after special items amounted to DKK 420 million (2017/18 DKK 289 million). The improved EBITDA before special items was mainly due to strong performance in the Soil, Waste & Water business.
- During the year, the property development business area completed the sale of a large plot of land at a price of DKK 140 million resulting in a profit after tax of app. DKK 101 million.
- Cash flows from operating activities amounted to DKK 174 million (2017/18 DKK 94 million) and net cash flow to DKK 73 million (2017/18 DKK -72 million) and was impacted by sale-and-lease-back with regard to assets which were part of the C-R Johanssons Åkeri AB acquisition, the sale of shares in GDL Fastigheter i Kristianstad AB, the sale of a large plot of land and by the commencement of construction of a distribution terminal in Karlstad, Sweden.
- NIBD amounted at 30 April 2019 to DKK 1,477 (30 April 2019 DKK 1,632 million) and largely comprises bond debt and finance leases etc. The reduction in NIBD is mainly driven by cash flow from operating activities before net financials and tax, but also positively impacted by the sale-and-lease-back with regard to assets which were part of the C-R Johanssons Åkeri AB acquisition and the sale of shares in GDL Fastigheter i Kristianstad AB.

Results in 2018/19

Group revenue amounted to DKK 4,344 million (2017/18 DKK 4,152 million) despite being negatively affected by a decrease in the exchange rate in for Swedish kroner against Danish kroner.

EBITDA before special items and other income amounted to DKK 295 million (2017/18 DKK 286 million) corresponding to a margin of 6.8%. The realized EBITDA before special items etc. was slightly above last year in line with expectations.

Gross profit

Gross profit amounted to DKK 662 million (2017/18 DKK 652 million) corresponding to a gross margin of 15.2% (2017/18 15.7%).

Special items

Special items amounted to DKK 15 million (2017/18 DKK 1 million) and are specified in note 7.

Management's review

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses for the year amounted to DKK 89 million (2017/18 DKK 187 million) and included impairment of goodwill of DKK 5 million.

Parent company results

The Parent Company has received dividend from Leonora Ejendomme A/S of DKK 150 million (2017/18 1,352 million), mainly due to the completion of a sale of a large plot of land. The dividend has been recognized as income.

The Parent Company's income statement for 2018/19 shows a profit of DKK 94 million (2017/18 profit of DKK 375 million).

As at 30 April 2019, the Parent Company's balance sheet shows and equity of DKK 794 million (30 April 2018 DKK 875 million).

Balance sheet

Total assets amounted to DKK 2,810 million at 30 April 2019 (DKK 2,818 million at 30 April 2018).

Equity

Equity amounted to DKK 249 million at 30 April 2019 (DKK 265 million at 30 April 2018), corresponding to an equity ratio at 8.9% (30 April 2018 9.4%).

Interest-bearing debt

At 30 April 2019, net interest-bearing debt amounted to DKK 1,477 million (30 April 2018 DKK 1,632 million) largely comprising senior secured floating rate bonds, credit institutions, financial leases and other securities/investments (current assets).

Cash flows

Cash flows from operating activities amounted to DKK 174 million (2017/18 DKK 94 million).

The investment level in 2018/19 amounted to gross DKK 120 million (2017/18 gross DKK 331 million).

Net cash flows from financing activities were negative by DKK 263 million (2017/18 positive by DKK 160 million).

Cash flows for the year amounted to DKK 73 million (2017/18 DKK -72 million).

Outlook for 2019/20

The Group performance is – among other things – affected by the general macroeconomic conditions including the level and timing of infrastructure projects and construction activity. For 2019/20, the Group expects revenue to be between DKK 4,200 – 4,600 million and EBITDA to be between DKK 300 – 320 million (excluding effects from IFRS 16). The expectations are based on exchange rates similar to those realized in 2018/19.

As further described in note 1, the implementation of IFRS 16 in the Group will have significant impact on the Group's financial reporting for 2019/20 an onwards. With a view to the description in note 1, the Group expects IFRS 16 to increase EBITDA for 2019/20 by DKK 160 – 200 million.

On 20 May 2019, the Group announced its decision to initiate a strategic review in relation to its subsidiary RGS Nordic A/S (the Soil, Waste and Water segment), which may or may not lead to a divestment of RGS Nordic. As the strategic review is still in the early stages, there can be no assurance of the outcome of the process, including if a divestment will occur, nor the timing thereof.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the consolidated and the parent company's financial statements.

Management's review

Non-financial matters

Risk management

At DSVM Invest A/S risk management is an integrated part of the operational activities with a view to reducing the uncertainty of the Group´s strategic objectives being met.

- The key risks are summarized by the following main areas:
- Industry and market risks
- Financial risks (currency, interest rates, liquidity)
- Credit risks (financial institutions and commercial receivables)
- Environmental risks

Industry and market risks

A considerable part of the Group's operations is to provide environmental solutions, logistics and transportation solutions and gravel materials to the construction industry, and as a result the demand for the Group's products and services is especially affected by the activity in the construction industry and infrastructure projects. Historically, the construction industry has been a cyclical industry whose performance is closely tied to the economy as whole.

Also, the Group's biological treatment of polluted water within RGS Nordic is dependent on the demand from the oil and gas industry for the treatment of polluted water.

Furthermore, a general trend in society in many geographical markets, including the Nordic region, is a growing interest in environmental issues. For example, there is a strong political focus on recycling of materials and waste management. The prevailing environmental trend has in this way resulted in a positive effect on customer demand, for e.g. RGS Nordic's services. Sustained focus on environmental issues is important for the Group's ability to grow further.

Financial risks (currency, interest rates, liquidity)

Due to the operations, investments and financing structure, the Group is exposed to a number of financial risks, including liquidity risk and market risks (interest rate and exchange risk). A detailed description of the Group´s financial risks is provided in note 20 Financial risks.

The Group's ability to successfully refinance its bond debt in 2021 (issued by DSV Miljø Group A/S) is dependent on the conditions of the capital markets and its financial condition at such time.

Credit risks (financial institutions and commercial receivables)

The Group carries out assessments of the contracting party's creditworthiness and whether it can meet its commitments and, where possible and deemed commercially relevant, covers the financial risk through credit insurance.

A detailed description of the Group´s credit risks is provided in note 20 Financial risks.

Account of the gender composition of Management - according to ÅRL section 99b

As transport, logistics and environmental solutions as well as raw materials for the building and construction industry have traditionally been a male-dominated trade, the management of DSVM Invest A/S does not consider it realistic that the DSVM Invest Group can ensure completely equal distribution of women and men in executive positions.

Key management employees comprise members of Group Management, including CEOs of the portfolio companies, who are all men. It is however, the intention to increase the number of women in our managerial positions. We acknowledge the value which diversity in management brings to the company and focus on attracting women to vacant management positions as these arise. The intention did not materialize in 2018/19 because there was no rotation in Group Management in 2018/19.

Management's review

As DSVM Invest A/S comprises of fewer than 50 employees no target figures and policies for the gender composition of the underrepresented gender in the management teams cf., the Act on Gender Equality has been set.

The Board of Directors has set a target of having at least one female member on the Board of Directors before 2022. The target was not reached in 2018/19 because there was no rotation in the board in 2018/19. The Company's Board of Directors consists of three members, who are all men.

Statutory report on corporate social responsibility - according to ÅRL section 99a

The Group's operational activities are organised in five independent and decentralized portfolio companies. Therefore, the Group as a whole has not prepared any common policies for corporate social responsibility, including human rights, climate and environmental impact or bribery.

Consolidated financial statements 1 May 2018 – 30 April 2019

Income statement

Note	DKKm	DSVM Invest Group 2018/19	DSVM Invest Group 2017/18
3	**Revenue**	4,344	4,152
4	Direct expenses	-3,682	-3,500
	Gross Profit	662	652
	Other external expenses	-108	-104
5	Staff expenses	-259	-262
	Result before special items and other income (EBITDA before special items etc.)	295	286
6	Other income	140	4
7	Special items	-15	-1
	Result before depreciation, amortization, impairment, net financials and tax	420	289
8	Depreciation and writedowns on property, plant and equipment	-74	-73
8	Amortization and writedowns of intangible assets	-15	-114
	Result before net financials (EBIT)	331	102
9	Financial income	1	0
10	Financial expenses	-108	-135
	Result before tax	224	-33
11	Tax for the year	-62	-39
	Result for the year	162	-72
	Appropriation:		
	Shareholders in DSVM Invest A/S	162	-73
	Non-controlling interests	0	1
		162	-72

Consolidated financial statements 1 May 2018 – 30 April 2019

Statement of comprehensive income

		DSVM Invest Group	
Note	**DKKm**	**2018/19**	**2017/18**
	Result for the year	162	-72
	Other comprehensive income		
	Items that may be reclassified to the income statement:		
	Foreign exchange adjustments, foreign subsidiaries	-2	-37
	Other comprehensive income after tax	-2	-37
	Total comprehensive income	160	-109
	Appropriation:		
	Shareholders in DSVM Invest A/S	161	-110
	Non-controlling interests	-1	1
		160	-109

Consolidated financial statements 1 May 2018 – 30 April 2019

Balance sheet

Note	DKKm	DSVM Invest Group 2018/19	2017/18
	ASSETS		
12	**Intangible assets**		
	Goodwill	1,311	1,312
	Other intangible assets	38	35
		1,349	1,347
13	**Property, plant and equipment**		
	Land and buildings	320	300
	Plant, equipment and machinery	161	202
	Fixtures and fittings, tools and equipment	20	24
	Property, plant and equipment under construction	20	0
		521	526
	Financial assets		
	Shares in associated companies	4	4
	Other securities and investments	1	1
	Other receivables	24	21
		29	26
	Total non-current assets	1,899	1,899
	Current assets		
	Inventories	27	25
		27	25
	Receivables		
20	Trade receivables	662	633
	Other receivables	8	12
15	Tax assets	9	12
	Prepayments	82	89
	Other securities and investments	50	49
		811	795
	Cash	73	0
	Total current assets	911	820
14	Assets held for sale	0	99
	TOTAL ASSETS	2,810	2,818

Consolidated financial statements 1 May 2018 – 30 April 2019

Balance sheet

Note	DKKm	DSVM Invest Group 2018/19	DSVM Invest Group 2017/18
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1	1
	Share premium	0	0
	Currency translation reserve	-31	-29
	Retained earnings	278	291
	Share of equity attributable to the shareholders in DSVM Invest A/S	248	263
	Non-controlling interests	1	2
	Total equity	249	265
	Liabilities		
	Non-current liabilities		
17	Bond debt	1,528	1,549
15	Deferred tax liabilities	0	0
17	Vendor loan	21	21
17	Credit institutions	0	0
17	Financial leases	34	47
	Corporate income tax	44	2
16	Provisions	51	27
		1,678	1,646
	Current liabilities		
16	Provisions	6	20
17	Credit institutions	0	20
17	Vendor loan	1	2
17	Financial leases	16	33
17	Subordinate loan capital	0	0
	Trade payables	637	604
	Corporate income tax	21	12
	Other payables	160	173
	Deferred income	42	34
		883	898
14	Liabilities related to asset held for sale	0	9
		883	907
	Total liabilities	2,561	2,553
	TOTAL EQUITY AND LIABILITIES	2,810	2,818

Consolidated financial statements 1 May 2018 – 30 April 2019

Statement of changes in equity

DKKm	Share capital	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 May 2018	1	-29	291	263	2	265
Comprehensive income in 2018/19:						
Result for the year	0	0	162	162	-1	161
Other comprehensive income:						
Foreign exchange adjustments, foreign subsidiaries	0	-2	0	-2	0	-2
Total other comprehensive income	0	-2	0	-2	0	-2
Total comprehensive income for the period	0	-2	162	160	-1	159
Transactions with owners, etc.						
Dividend paid	0	0	-175	-175	0	-175
Equity at 30 April 2019	1	-31	278	248	1	249

DKKm	Share capital	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 May 2017	1	8	514	523	1	524
Comprehensive income in 2017/18:						
Result for the year	0	0	-73	-73	1	-72
Other comprehensive income:						
Foreign exchange adjustments, foreign subsidiaries	0	-37	0	-37	0	-37
Total other comprehensive income	0	-37	0	-37	0	-37
Total comprehensive income for the period	0	-37	-73	-110	1	-109
Transactions with owners, etc.						
Dividend paid	0	0	-150	-150	0	-150
Other	0	0	0	0	0	0
Equity at 30 April 2018	1	-29	291	263	2	265

Share capital
The share capital consists of 1,100,000 shares of nom. DKK 1 each, totalling DKK 1,100,000. The capital was increased by 100,000 shares of nom. DKK 1 in 2016/17. The capital has been unchanged in prior years.

Consolidated financial statements 1 May 2018 – 30 April 2019

Cash flow statement

Note	DKKm	DSVM Invest Group 2018/19	DSVM Invest Group 2017/18
	Profit/loss for the year	162	-72
24	Adjustments	118	357
	Changes in working capital	6	-32
	Cash flows from operating activities before net financials	286	253
	Interest payments made	-100	-128
	Interest payments received	0	9
	Payment of corporate income tax	-12	-40
	Cash flows from operating activities	**174**	**94**
	Acquisition of property, plant, equipment and other intangibles	-116	-233
	Investment in other securities and investments	0	-46
	Disposal of property, plant, equipment	282	5
26	Acquisition of activities and entities	-4	-52
	Cash flows from investing activities	**162**	**-326**
25	Proceeds from insurance of bonds	0	1,541
25	Bond repurchase	-28	0
	Dividend paid	-175	-150
	Reduction/increase in interest-bearing debt	-40	-1,251
	Reduction/increase in bank overdraft	-20	20
	Cash flows from financing activities	**-263**	**160**
	Net cash flows	**73**	**-72**
	Cash and cash equivalents at 1 May 2018	0	66
	Net cash flows	73	-72
	Value adjustment of cash and cash equivalents	0	6
	Cash and cash equivalents at 30 April 2019	**73**	**0**

	Cash and cash equivalents are specified as follows:		
	Cash	73	0
	Cash and cash equivalents at 30 April 2019	**73**	**0**

Consolidated financial statements 1 May 2018 – 30 April 2019

List of notes to the consolidated financial statements

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies

DSVM Invest A/S is a limited company with its registered office in Denmark.

The financial statements section of the annual report for the period 1 May 2018 – 30 April 2019 comprises both the consolidated financial statements of DSVM Invest A/S and its subsidiaries (the DSVM Invest Group) and the separate parent company financial statements.

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act for reporting class C.

Certain reclassifications have been made to the comparative 2017/18 figures to align presentation. The reclassifications have not had any effect on the income statement, equity or balance sheet total.

On 26 September 2019, the Board of Directors and the Executive Board have discussed and approved the annual report of DSVM Invest A/S for 2018/19. The annual report will be presented to the shareholders of DSVM Invest A/S for approval at the annual general meeting on 26 September 2019.

Implementation of new and amended financial reporting standards

The annual report for the period 1 May 2018 – 30 April 2019 is presented in conformity with the new and revised IFRS standards and new IFRIC interpretations endorsed by the EU, which apply to financial years beginning on 1 January 2018. The accounting policies have been applied consistently during the financial year and for the comparative figures. For standards implemented prospectively the comparative figures are not restated. DSVM Invest Group has at 1 May 2018 adopted IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities" and all other new, amended or revised accounting standards and interpretations endorsed by the EU effective for accounting periods beginning as of January 1 2018. Comparative figures are not restated due to either no impact or insignificant impact on the consolidated financial statements.

IFRS 15

Adoption of IFRS 15 has been done using the modified retrospective application method. The most significant change resulting from IFRS 15 is:

The model for revenue recognition is changed from having been based on the transfer of risks and rewards of ownership of goods and services to being based on the transfer of control of goods and services transferred to the customer.

The Group has assessed that the existing accounting policy for revenue recognition in all material aspects is consistent with the requirements in IFRS 15 and the implementation has therefore not had any impact on the retained earnings as of 1 May 2018.

IFRS 9

IFRS 9 introduces a new impairment loss model for financial assets by replacing IAS 39's "incurred loss model" approach with a more forward-looking "expected credit loss model". Under the new model it is no longer necessary that a credit event has occurred before a credit loss is recognized. For DSVM Invest Group the new credit loss model primarily applies to trade receivables. Due to historically low credit losses on trade receivables and the fact that a large majority of the Group's trade receivables are covered by insurance the implementation of the new credit loss model has been insignificant and accordingly no impact on the retained earnings as of 1 May 2018 is recognized.

However, both IFRS 15 and IFRS 9 has led to further disclosure requirements and the accounting policy for revenue recognition and trade receivables has been reworded.

New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2018/19 consolidated financial statements. The Group will adopt the standards and interpretations once they become mandatory.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies (continued)

IFRS 16 Leases
IFRS 16 Leases becomes effective 1 January 2019. All leases must be recognized in the balance sheet with a corresponding lease liability, except for short-term assets and low value assets. The Group will adopt IFRS 16 using the modified retrospective approach with optional practical expedients initially on 1 May 2019. The cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 May 2019, with no restatement of comparative information.

The impact on the financial position as at 1 May 2019 is assessed to be as follows:

Right of use assets and the corresponding liabilities are assessed to increase by DKK 600-700 million.

The estimated impact of the adoption may be subject to change until the Group presents its first financial statements under the new standard. The impact on the income statement for 1 May 2019 – 30 April 2020 is estimated to be:

- an increase in EBITDA of DKK 160 – 200 million.
- an increase in amortization of DKK 140 – 170 million.
- an increase in financial costs of DKK 20 – 30 million.
- an increase in positive cash flow from operating activities of DKK 140 – 170 million.
- An increase in negative cash flow from financing activities of DKK 140 – 170 million.

Presentation and functional currencies

The annual report is presented in DKK. The functional currencies are DKK and SEK.

Consolidated financial statements

Consolidation practice

The consolidated financial statements comprise the Parent Company DSVM Invest A/S and entities in which the Parent Company directly or indirectly holds the majority of the voting rights or which the Parent Company controls through its shareholdings or otherwise. Entities in which the DSVM Invest Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

On consolidation, items of similar nature are aggregated. Intra-group income and expenses, shareholdings, dividends and balances as well as realised and unrealised intra-group gains and losses on intra-group transactions are eliminated.

The Parent Company's equity investments in consolidated subsidiaries are eliminated by the Parent Company's share of the subsidiaries' net asset values determined at the time when the group structure was established.

Business combinations

Acquisitions of subsidiaries and associates are accounted for using the purchase method, and on initial recognition, assets, liabilities and contingent liabilities acquired are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable, and the fair value can be reliably measured. Deferred tax on fair value adjustments are recognised. Any remaining excess of the expense over the fair value of the assets, liabilities and contingent liabilities acquired is recognised as goodwill under intangible assets in the statement of financial position. Positive differences on acquisition of associates are recognised under equity investments in associates in the statement of financial position. Goodwill is not amortised but is tested annually for impairment.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies (continued)

Acquired entities are recognised in the consolidated financial statements from the acquisition date, whereas divested entities are recognised until the date of disposal.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the selling price less selling expenses and the carrying amount of net assets plus goodwill and accumulated value adjustments recognised in equity at the date of disposal.

Leases

Leases that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are recognised in the statement of financial position at the lower of the fair value of the asset and the present value of the lease payments calculated using the interest implicit in the lease or an approximation thereof as the discount factor. Assets held under finance leases are depreciated and written down in accordance with the same practice as for the Company's other fixed assets.

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

All other leases are considered operating leases. Payments under operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Gains and losses arising from differences between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the reporting date are translated using the exchange rate at the reporting date. Differences between the exchange rate at the reporting date and the rate at the transaction date are recognised in the income statement as financial income or financial expenses.

For each of the Group's entities, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On consolidation of subsidiaries and associates with another functional currency than the Parent Company, the income statement is translated at the exchange rate at the transaction date or an approximate average exchange rate. Items in the statement of financial position are translated at closing rates. Foreign exchange adjustments arising on translation of the opening balance of equity and foreign exchange adjustments arising on translation of the closing rate income statement are recognised directly in equity under a separate reserve.

Income statement

Revenue

Revenue from sale of raw materials is recognised at a "point in time" equal to the date of delivery of the raw materials to the customer.

Revenue from soil processing is, dependent on the type of contract, recognised either at a "point in time" or "over time". Revenue from soil processing that is recognised "over time" is recognised based on the stage of completion (production method based on cost incurred) as the processing is carried out.

Revenue from transport services are recognised over time following the time where control is transferred and when each separate performance obligation is fulfilled.

Revenue is measured at fair value, excluding value added tax and after deduction of rebates.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies (continued)

Direct expenses

Production expenses comprise expenses used to generate the revenue for the year. Expense includes payment to carriers, other direct expenses, including wages and salaries and other primary expenses. Direct expenses also include staff costs relating to own staff used for fulfilling orders.

Other external expenses

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

The Company has no research activities. The Company's development expenses comprise improvement of production processes. Improvement of production processes is an ongoing process comprising a number of minor improvements that usually cannot be reliably determined. Therefore, all development expenses have been expensed under other external expenses as incurred up until now.

Staff expenses

Staff expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Other income and expenses

Other operating income and expenses comprise items secondary to the primary activities of the company.

Special items

The use of special items entails management judgement in the separation from ordinary items. Special items include income and expenses of a special nature in terms of the Group's revenue generating operating activities that cannot be attributed directly to the Group's ordinary operating activities. Such income and expenses include the cost of extensive restructuring of processes and fundamental structural adjustments.

Special items also include significant non-recurring items, including impairment of goodwill, gains and losses on the disposal of activities and associates and transaction costs in a business combination.

Special items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

Net financials

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of loan charges and surcharges and allowances under the advance-payment-of-tax scheme etc.

Taxation

The income tax expense comprises the current tax payable on the year's expected taxable income and any adjustment to deferred tax less the tax expense for the year relating to changes in equity.

Current and deferred tax relating to changes in equity is recognised directly in equity.

The Company is jointly taxed with its Danish group entities and its parent company and its other Danish subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption). Jointly taxed entities entitled to a tax refund are, as a minimum, reimbursed by the administration company based on the current rates applicable to interest allowances, and jointly taxed entities having paid too little tax pay, as a maximum, a surcharge based on the current rates applicable to interest surcharges to the administration company.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses.

Intangible assets excluding goodwill

Intangible assets excluding goodwill are measured at cost less accumulated amortisation and impairment losses. The intangible assets excluding goodwill comprise customer relations; brands; technology and extraction rights.

Intangible assets excluding goodwill are amortised on a straight-line basis over the expected useful lives, which are as follows:

Customer relations: If no fixed-term agreement with the customer exists	10 years
Brands	5-20 years
Technology	5-10 years
Rights: Amortised as resources are extracted based on consumption	

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	20-40 years
Leasehold improvements	10 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

Gravel pits are depreciated as raw material resources are extracted based on consumption. The residual value is reassessed annually. Land is not depreciated.

Write-down of non-current assets

Intangible assets and property, plant and equipment are tested for impairment when there is an indication of impairment of the assets other than the decrease in value reflected by amortisation or depreciation. Moreover, goodwill and other intangible assets with indefinite useful lives are tested annually for impairment.

Impairment is recognized if the recoverable amount is lower than the carrying amount. The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. If it is not possible to determine the recoverable amount for individual assets, the assets are assessed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses recognised in respect of other assets are reversed in so far as the assumptions and estimates underlying the impairment losses have changed. Impairment is only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies (continued)

Other non-current assets

Other non-current assets include deposits of rent and long-term prepayments, which at initial recognition are recognised at fair value and subsequently measured at amortised cost.

Other securities

Other securities are measured at fair value. Value adjustments are recognized as financial income or financial expenses. The fair value measurement is based on the principal market according to Level 1: Quoted priced in an active market for identical assets or liabilities.

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not having control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate are accounted for using the equity method.

Inventories

Inventories are measured at cost in accordance with the FIFO method or at the net realisable value if this is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Work in progress and finished goods are measured at manufacturing cost, which includes cost of raw materials, consumables and direct payroll expenses plus indirect production overheads.

Goods for resale are measured at cost, comprising purchase price plus delivery expenses.

Receivables

Receivables are measured at amortised cost. Impairment on trade receivables are based on the simplified expected credit loss model. Credit loss allowances on individual receivables are provided for when objective indications of credit losses occur such as customer bankruptcy and uncertainty about the customers' ability and/or willingness to pay, etc. In addition to this, allowances for expected lifetime credit losses are made on the remaining trade receivables based on a simplified approach.

Prepayments

Prepayments include prepaid expenses regarding extraction of raw materials, rent, insurance premiums, subscription fees and interest.

Assets held for sale

Assets held for sale include non-current assets held for sale. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are designated as "held for sale" when the carrying amount primarily is recovered by a sale within 12 months in accordance with a plan instead of through continued usage.

Assets held for sale are measured at the lower of the carrying amount at the date when the assets were classified as held for sale and fair value less costs to sell. Assets are not depreciated or amortised as from the date they are classified as "held for sale".

Impairment losses occurring in connection with the initial classification as "assets held for sale" and gains or losses in relation to subsequent measurement at the lower of the carrying amount and fair value less costs to sell are recognised in the income statement under the items to which they relate.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 **Accounting policies (continued)**

Equity

Share premium

Share premium comprises amounts in addition to the nominal share capital that have been paid by the shareholders in connection with capital increases and gains and losses from the disposal of treasury shares.

Gains and losses on the sale of treasury shares are recognised in "Share premium".

According to the articles of association, the share premium can be freely used for distribution of dividend and bonus share issue.

Dividend

Dividend proposed by Management to be distributed for the year is shown as a separate item under equity in accordance with Danish company legislation. Dividends are recognised as a liability at the date when they are adopted at the general meeting.

Currency translation reserve

The translation reserve comprises foreign currency differences arising upon the translation of financial statements of foreign enterprises from their functional currency to DKK. On realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

Non-controlling interests

Non-controlling interests are recognised at their share of net assets. Non-controlling interests' share of group equity and results of operations is recognised separately and stated as separate items in equity and the consolidated income statement.

Provisions

Provisions comprise expected costs for restructuring, re-establishment of gravel pits, etc. Provisions are recognised when, as a result of events arising no later than the reporting date, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation. There is a legal or constructive obligation for restructuring when a decision in this respect has been made before or on the reporting date and it has been communicated to the parties involved.

When the Group is obligated to re-establish gravel pits, a liability corresponding to the present value of the anticipated future costs is recognised.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation. On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability.

Deferred tax assets and liabilities

Current tax receivable and payable is recognised in the statement of financial position at the amount that can be computed based on the anticipated taxable income for the year. Tax receivables and payables are presented as a set-off within the same legal entity.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

1 Accounting policies (continued)

Financial liabilities

Bond, loans and loans from credit institutions and other loans e.g. vendor loans, are recognised at the time of borrowing the proceeds received, net of transaction costs incurred. On refinancing of existing loans, refinanced loans are recognised at fair value, and borrowing costs incurred are recognised in the income statement. In subsequent periods, the loans are measured at amortised cost.

Non-financial liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent reporting years.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for changes in working capital and non-cash items such as amortisation, depreciation and impairment losses as well as interest paid and received, provisions and taxes paid. The working capital comprises current assets less current liabilities excluding the items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to additions and disposals of intangible assets, plant and equipment and investments in activities and group entities.

Cash flows from financing activities

Cash flows from financing activities include cash flows from the raising and repayment of non-current liabilities and securities and payments to and from the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less at the acquisition date which are subject to an insignificant risk of changes in value and bank overdraft.

The cash flow statement cannot be derived exclusively from the published accounting records.

Definition of financial ratios, etc.

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Profit margin (EBITDA before special items)	$\frac{\text{EBITDA (before special items) x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity x 100}}{\text{Total assets}}$

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

2 Accounting estimates and judgements

When preparing the financial statements, Management make assumptions and estimates affecting the recognised assets and liabilities, including information on contingent liabilities. Such estimates comprise assessments based on the latest information available at the time of the financial reporting.

The estimates and assumptions applied are based on assumptions that Management finds reasonable but that are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the Company is subject to risks and uncertainties that may result in actual results differing from these estimates. We base our estimates and assessments on historical data and a number of other factors that, to the best of our knowledge, are reasonable under the given circumstances.

Special risks for the DSVM Invest Group are described in the Management's review. Note disclosures have been made regarding assumptions relating to future events and other judgemental uncertainties at the balance sheet date where there is a considerable risk of changes that may lead to a significant adjustment of the carrying amount of assets or liabilities in the next financial reporting period.

The Management of DSVM Invest A/S considers the following areas under the assets and liabilities in the financial statements particularly affected by these risks:

- Acquisitions and disposals of entities and activities
- Intangible assets and property, plant and equipment
- Provisions, deferred income regarding non-processed soil and contingencies.

Acquisitions and disposals of entities and activities

On acquisition of entities, the acquired entity's assets and liabilities are recognised in accordance with the acquisition method, which requires that all assets and liabilities are measured at fair value. In connection with the measurement of the fair value of assets and liabilities, Management makes several estimates, of which some will be significant.

On disposal or close-down of entities and activities, usual management estimates are made for settlement of contractual obligations.

Intangible assets and property, plant and equipment

Goodwill and other rights are tested for impairment at least once a year. If special circumstances or events occur, these are used as a basis to assess whether a new impairment test should be performed. For a description of impairment testing of goodwill, reference is made to the information regarding the Group in the accounting policies and to note 12 Intangible assets.

The use, useful life and residual value of property, plant and equipment are assessed on an ongoing basis for any need for impairment testing or adjustment of the useful life.

Reference is made to the accounting policies regarding useful lives and to note 13 Property, plant and equipment.

Provisions, deferred income regarding non-processed soil and contingencies

Provisions and accrual of income regarding non-processed soil are measured based on empirical material for several years and on the Company's own knowledge on handling of these materials. This is compared to management estimates of future trends and makes up the final determination for recognition of provisions.

Moreover, reference is made to note 16 Provisions.

The Company's pending and potential future legal actions, tax matters, etc., are assessed on an ongoing basis. When assessing the likely outcome of significant legal actions, tax matters, etc., Management consults with external legal advisers.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

	DKKm	DSVM Invest Group 2018/19	DSVM Invest Group 2017/18
3	**Revenue**		
	Sale of goods	415	267
	Sale of services	3,929	3,885
		4,344	4,152
4	**Direct expenses**		
	Write-down of inventories	0	0
	Transferred from staff expenses	209	170
	Other direct expenses	3,473	3,330
		3,682	3,500
5	**Staff expenses**		
	Staff expenses are computed as follows:		
	Wages and salaries	354	325
	Pensions	27	29
	Other social security	87	78
		468	432
	Transferred to direct expenses	-209	-170
		259	262

Members of the Executive Board and Board of Directors did not receive remuneration in 2018/19 for Executive Board or Board of Director services.

		2018/19	2017/18
	Average number of employees	945	840
6	**Other income**		
	Gain on the sale of fixed assets	140	4
7	**Special items**		
	Court rulings regarding non-recurring business	9	0
	Restructuring costs	1	0
	Losses regarding sale of non-core assets	2	0
	Other non-recurring items	3	0
	Transaction expenses connection with acquisitions of activities and group entities	0	1
		15	1

If not recognised as special items the expense would have been recognized and expensed in direct expenses DKK 9 million, other external expenses DKK 4 million and other expenses DKK 2 million.

Consolidated financial statements 1 May 2018 – 30 April 2019

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DKKm	DSVM Invest Group 2018/19	2017/18
8 Depreciation on property, plant and equipment, amortisation of intangible assets		
Depreciation, amortisation and writedowns:		
Goodwill, impairment	5	110
Technology	7	0
Rights	3	4
Property	28	25
Plant and machinery	38	40
Fixtures and fittings, tools and equipment	8	8
	89	187
9 Financial income		
Other financial income	1	0
	1	0
10 Financial expenses		
Bond interest	92	91
Amortization of capitalized loan costs	6	18
Interest credit institutions, financial lease and vendor loan	6	15
Exchange expenses	3	6
Other financial expenses	1	5
	108	135
Financial expenses related to assets and liabilities measured at amortised cost	105	129
11 Tax for the year		
Current income tax, incl. financing surcharge	58	26
Changes in deferred tax	4	14
	62	40
Other adjustments	0	-1
Tax for the year	62	39
Tax on other comprehensive income	0	0
	62	39
Tax for the year can be specified as follows:		
Computed 22% tax on profit before tax	49	-7
Tax effect of:		
Tax on non-deductible expenses	13	50
Use of tax assets not booked prior years	0	-3
Other adjustments	0	-1
	62	39
Effective tax rate	27.7%	-118.2%

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

12 Intangible assets

DKKm	**Goodwill**
2018/19	
Cost	
Balance at 1 May 2018	1,903
Adjustments/reclassifications	-95
Foreign exchange adjustments	-2
Additions during the year	6
Additions from business combinations	0
Disposals during the year	0
Cost at 30 April 2019	1,812
Amortisation and impairment losses	
Balance at 1 May 2018	591
Adjustments/reclassifications	-95
Foreign exchange adjustments	0
Amortisation during the year	0
Impairment losses for the year	5
Disposals during the year	0
Amortisation and impairment losses at 30 April 2019	501
Carrying amount at 30 April 2019	1,311

DKKm	**Goodwill**
2017/18	
Cost	
Balance at 1 May 2017	1,895
Adjustments/reclassifications	20
Foreign exchange adjustments	-21
Additions during the year	0
Additions from business combinations	19
Disposals during the year	-10
Cost at 30 April 2018	1,903
Amortisation and impairment losses	
Balance at 1 May 2017	472
Adjustments/reclassifications	20
Foreign exchange adjustments	-1
Amortisation during the year	0
Impairment losses for the year	110
Disposals during the year	-10
Amortisation and impairment losses at 30 April 2018	591
Carrying amount at 30 April 2018	1,312

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

12 Intangible assets (continued)

DKKm	Customer relations	Brands	Technology	Rigths	Total other intangibles assets
2018/19					
Cost					
Balance at 1 May 2018	4	4	18	29	55
Adjustments/reclassifications	0	0	10	-4	6
Foreign exchange adjustments	0	0	0	0	0
Additions during the year	0	0	11	1	12
Additions from business combinations	0	0	0	0	0
Disposals during the year	0	0	0	-3	-3
Cost at 30 April 2019	4	4	39	23	70
Amortisation and impairment losses					
Balance at 1 May 2018	0	0	1	19	20
Adjustments/reclassifications	0	0	13	-8	5
Foreign exchange adjustments	0	0	0	0	0
Amortisation during the year	0	0	7	3	10
Impairment losses for the year	0	0	0	0	0
Disposals during the year	0	0	0	-3	-3
Amortisation and impairment losses at 30 April 2019	0	0	21	11	32
Carrying amount at 30 April 2019	4	4	18	12	38

DKKm	Customer relations	Brands	Technology	Rigths	Total other intangibles assets
2017/18					
Cost					
Balance at 1 May 2017	0	0	13	39	52
Adjustments/reclassifications	0	0	0	-10	-10
Foreign exchange adjustments	0	0	-1	-2	-3
Additions during the year	4	0	7	2	13
Additions from business combinations	0	4	0	0	4
Disposals during the year	0	0	-1	0	-1
Cost at 30 April 2018	4	4	18	29	55
Amortisation and impairment losses					
Balance at 1 May 2017	0	0	1	15	16
Adjustments/reclassifications	0	0	0	0	0
Foreign exchange adjustments	0	0	0	0	0
Amortisation during the year	0	0	0	4	4
Impairment losses for the year	0	0	0	0	0
Disposals during the year	0	0	0	0	0
Amortisation and impairment losses at 30 April 2018	0	0	1	19	20
Carrying amount at 30 April 2018	4	4	17	10	35

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

12 Intangible assets (continued)

Impairment test of goodwill

Management has performed an impairment test of the carrying amount of goodwill for the DSVM Invest Group's cash-generating units based on the management structure and internal financial control. Consequently, Management has defined the following cash-generating units where goodwill is allocated as follows:

	DSVM Invest Group	
DKKm	**2018/19**	**2017/18**
RGS Nordic (Soil, Waste & Water)	780	780
DSV Transport, Denmark	112	117
GDL, Sweden	190	186
Transportation	302	303
Nymølle Stenindustrier (Raw materials)	229	229
Total goodwill	1,311	1,312

In connection with the impairment testing of the individual business areas, the recoverable amount corresponding to the discounted value of the expected future net cash flow is compared to the carrying amount of the individual business areas.

The Group provides environmental solutions, logistics and transportation and gravel materials to the construction industry. Consequently, the key business drivers are based on the activity in the construction industry and the timing and level of infrastructure projects whereas the biological water treatment activities are driven by the oil industry. Further, the operations are closely tied to the general economic conditions as a whole.

The expected future net cash flow is based on budgets for 2019/20 and projections for 2020/21-2022/23 approved by Management. Significant parameters include development in revenue, EBITDA margin, future investments based on unchanged and stable market conditions and growth expectations in the terminal period. These are based on assessments for the individual business areas.

For the calculation of the discounted net cash flow, discount factors are used that reflect the risk-free interest rate plus the risks associated with the individual business areas.

The most significant assumptions applied to the impairment test for the budget and projection period (2019/20 – 2022/23) include the following:

2018/19	**Soil & recycling & water**	**Raw materials**	**Transport & logistics**
Revenue growth per year (weighted average)	0.4%	3.8%	1.6%
EBITDA margin (weighted average)	18.3%	25.1%	2.5%
Growth in the terminal period	1.5%	1.5%	1.5%
Discount rate before tax	10.0%	12.8%	13.9%
Discount rate after tax	8.1%	10.2%	11.1%

2017/18	**Soil & recycling & water**	**Raw materials**	**Transport & logistics**
Revenue growth per year (weighted average)	0%	0%	0%
EBITDA margin (weighted average)	17.0%	26.8%	3.3%
Growth in the terminal period	1.5%	1.5%	1.5%
Discount rate before tax	10.0%	12.8%	13.9%
Discount rate after tax	8.1%	10.2%	11.1%

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12 Intangible assets (continued)

Management has determined the expected revenue growth per year and the expected EBITDA margin based on historical experience as well as assumptions for future trends.

The expected growth in the terminal period is assessed not to exceed the long-term average growth rate within the individual business areas.

It is Management's assessment that probable changes to the underlying assumptions will not entail that the carrying amount of goodwill will exceed the recoverable amount for Soil, Waste & Water (RGS Nordic), Raw materials (Nymølle Stenindustrier) or the Swedish part of Transportation (GDL).

As regards the Danish part of Transportation (DSV Transport), the expected carrying amount exceeds the value in use amount by DKK 5 million and have consequently resulted in a write down of DKK 5 million. The impairment charge is attributable to the market conditions.

Impairment goodwill	**DSVM Invest Group**	
DKKm	**2018/19**	**2017/18**
Nymølle Stenindustrier, Denmark	0	49
DSV Transport, Denmark	5	61
Total impairment losses	5	110

Sensitivity analysis

A reduction of the EBITDA margin by 1 percentage point for RGS Nordic and Nymølle Stenindustrier and 0.1 percentage point for DSV Transport, Denmark and GDL, Sweden will entail the following indication of impairment:

	DSVM Invest Group	
DKKm	**2018/19**	**2017/18**
RGS Nordic	0	0
Nymølle Stenindustrier	0	22
DSV Transport, Denmark	11	6
GDL, Sweden	0	0
An increase in the discount factor before tax of 1 percentage point will entail an additional indication of impairment as follows:		
RGS Nordic	0	0
Nymølle Stenindustrier	0	27
DSV Transport, Denmark	12	11
GDL, Sweden	0	0

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13 Property, plant and equipment

	DSVM Invest Group				
DKKm	**Land and buildings**	**Plant and machinery**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment under construction**	**Total**
2018/19					
Cost at 1 May 2018	622	341	47	0	1,010
Foreign exchange adjustment	-1	-5	0	0	-6
Additions during the year	56	43	5	20	124
Disposals during the year	-18	-77	-3	0	-98
Cost at 30 April 2019	659	302	49	20	1,030
Depreciation at 1 May 2018	322	139	23	0	484
Foreign exchange adjustment	-1	-1	0	0	-2
Depreciation for the year	28	38	8	0	74
Depreciation on assets sold	-10	-35	-2	0	-47
Depreciation at 30 April 2019	339	141	29	0	509
Carrying amount at 30 April 2019	320	161	20	20	521
Carrying amount of assets held under finance leases at 30 April 2019 included in the total carrying amount	11	36	3	0	50

DKKm	**Land and buildings**	**Plant and machinery**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment under construction**	**Total**
2017/18					
Cost at 1 May 2017	594	254	94	0	942
Foreign exchange adjustment	-21	-4	-6	0	-31
Additions during the year	150	64	8	0	222
Transferred to assets held for sale	-99	0	0	0	-99
Additions from business combinations	0	55	0	0	55
Disposals during the year	-2	-28	-49	0	-79
Cost at 30 April 2018	622	341	47	0	1,010
Depreciation at 1 May 2017	301	129	68	0	498
Foreign exchange adjustment	-4	-3	-4	0	-11
Depreciation for the year	25	40	8	0	73
Depreciation on assets sold	0	-27	-49	0	-76
Depreciation at 30 April 2018	322	139	23	0	484
Carrying amount at 30 April 2018	300	202	24	0	526
Carrying amount of assets held under finance leases at 30 April 2018 included in the total carrying amount	7	51	9	0	67

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14 Asset held for sale

In the business segment "Transportation", the subsidiary GDL has a long-standing transportation relationship with a customer. During 2017/18 this customer wanted to optimise its inventory. GDL presented a solution involving a new central warehouse in Kristianstad, Sweden, for both finished goods, raw materials and packaging material. During 2017/18, GDL was constructing a warehouse and will, going forward, attend to inventory management, receipt of goods and delivery of goods. The construction of the warehouse was completed in March 2018 and was as expected sold to a third party in the first quarter of 2018/19.

DKKm	2018/19	2017/18
Tangible assets	0	99
Asset held for sale	0	99

Credit institutions	0	9
Liabilities related to asset held for sale	0	9

	DSVM Invest Group	
DKKm	2018/19	2017/18
15 Deferred tax		
Provisions, etc.	3	3
Other payables	0	6
Property, plant and equipment and intangible assets	12	2
Non-current liabilities other than provisions	-6	-1
Tax loss carryforward	0	2
Total deferred tax	9	12
Included under assets	9	12
Included under liabilities	0	0
Total	9	12

Deferred tax assets relate to temporary differences and are expected to be utilized in future earnings within the next 3 – 5 years.

Deferred tax has been provided for at the current tax rate in the various countries to which the tax relates. The development from beginning of year to end of year can be specified as follows:

Balance at 1 May	12	31
Foreign exchange adjustments	1	0
Transferred to corporate income tax	-4	-19
Balance at 30 April	9	12

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DKKm	DSVM Invest Group 2018/19	DSVM Invest Group 2017/18
16 Provisions		
Balance at 1 May	47	48
Additions from business combinations	0	0
Foreign exchange adjustments	0	0
Provision for the year	16	5
Used and reversed during the year	-6	-6
Balance at 30 April	57	47
Maturity:		
After 5 years	35	0
Between 1 and 5 years	16	27
Long-term portion	51	27
Short-term portion	6	20
	57	47

Several of the Group's Soil, Waste & Water plots are leased plots associated with an obligation for restoration to their original state. Expenses for restoration of a plot are an estimate that is also dependent on the intensity of use of the plot.

The amount also includes a restoration obligation related to the gravel pits, which are restored on an ongoing basis. Expenses have been estimated based on excavated volumes.

17 Interest bearing liabilities

The split between interest bearing liabilities into non-current and current liabilities can be specified as follows:

DKKm	DSVM Invest Group Falling due between 1 and 5 years	Falling due after more than 5 years	Total non-current liabilities other than provisions at 30 April	Falling due within 1 year	Total
2018/19					
Bond debt	1,539	0	1,539	0	1,539
Capitalised loan costs	-11	0	-11	0	-11
	1,528	0	1,528	0	1,528
Credit institutions	0	0	0	0	0
Financial leases	34	0	34	16	50
Vendor loan	21	0	21	1	22
Liabilities related to assets held for sale	0	0	0	0	0
	1,583	0	1,583	17	1,600

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17 Interest bearing liabilities (continued)

DKKm	Falling due between 1 and 5 years	Falling due after more than 5 years	Total non-current liabilities other than provisions at 30 April	Falling due within 1 year	Total
2017/18					
Bond debt	1,565	0	1,565	0	1,565
Capitalised loan costs	-16	0	-16	0	-16
	1,549	0	1,549	0	1,549
Credit institutions	0	0	0	20	20
Financial leases	47	0	47	33	80
Vendor loan	21	0	21	2	23
Liabilities related to assets held for sale	0	0	0	9	9
	1,617	0	1,617	64	1,681

On 10 May 2017, the subsidiary DSV Miljø Group A/S, issued senior secured floating rate bonds of EUR 210 million at an interest rate of EURIBOR + 5.9%. Borrowing costs of DKK 21 million were paid in 2017 and will be amortized until 2021. Bond interests are paid quarterly and the bond debt has to be repaid in May 2021. For the issued bonds certain terms and conditions apply regarding negative pledge redemption, change of control and incurrence test and collateral of assets. For information of collateral of assets cf. note 18.

Credit institutions currently carry variable interest of approx. 3%. Certain terms and conditions apply regarding change of control, financial covenant and incurrence test and collateral of assets. For information of collateral of assets cf. note 18.

The financial leases carry both fixed and variable interest in the range of 2% - 6%.

The vendor loans are related to land (raw materials) and carries fixed interest of 4.5%.

18 Collateral of assets (security for loans)

Shares in subsidiaries (DSV Miljø Group A/S) with a carrying amount of DKK 673 million and part of a group intra receivable of DKK 246 million recognized in DSV Miljø Group A/S have been provided as collateral for the bond debt and credit institutions (Nordea). RGS Nordic A/S and Totalleveranser AB acts as guarantors in respect of the bond.

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19 Contingencies and other financial commitments

Operating leases

The DSVM Invest Group has entered into external operating leases, primarily relating to equipment and premises.

	Group	
DKKm	**2018/19**	**2017/18**
Minimum payments:		
After 5 years	168	25
Between 1 and 5 years	385	220
Long-term portion	553	245
Short-term portion	176	137
Total minimum payments	729	382

The operating leases carry to some extent a commitment to enter replacement operating lease contracts as existing contracts expire e.g. trucks. For 2018/19, operating leases of DKK 174 million have been recognised in the consolidated income statement (2017/18: DKK 136 million).

Payment guarantees

	Group	
DKKm	**2018/19**	**2017/18**
Payment guarantees have been provided in respect of restoration of gravel pits and third party guarantees with terms exceeding 6 months totaling	216	186

Pension obligations, Sweden

The DSVM Invest Group's Swedish employees are secured by means of an agreement with the insurance company Alecta. The agreement is considered a defined benefit plan. It is not possible for Alecta to provide the necessary information to DSVM Invest A/S so that the plan can be included in the financial statements as a defined benefit plan. These pension plans (multi employer plan) are therefore included as defined contribution plans. In 2018/19, DKK 12 million has been expensed, which is included as pension expenses in note 5 (2017/18: DKK 11 million). It is Management's assessment that there are no significant unfunded pension obligations.

Letter of subordination

DSVM Invest A/S has issued a letter of subordination to Gl. Marbjergvej ApS regarding the DSVM Invest Group cash pool account with a booked amount of DKK 23 million at 30 April 2019. In case of borrower's bankruptcy, settlement, liquidation or wind up of other reasons, then DSVM Invest A/S will resign in favour of external creditors. The letter of subordination is valid until twelve months after approval of the annual report for 2018/19.

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20 Financial risks

Due to its operations, investments and financing, the Group is exposed to a number of financial risks, including liquidity risks, credit risks and market risks (interest rate risks and currency risks).

The Group's financial risk management is centralized. The overall financial risks are monitored on a regular basis by the Board of Directors.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations on an ongoing basis due to an inability to generate sufficient cash flows or obtain sufficient financing.

DKKm	2018/19	2017/18
Undrawn credit facilities (through DSV Miljø Group A/S) amount to	50	67

The Group's cash resources comprise cash and unused credit facilities. The credit facilities comprise a cash pool in DSVM Invest A/S and subsidiaries and – in the DSV Miljø Group – a super senior revolving facility of DKK 50 million which can be increased to DKK 100 million. The latter DKK 50 million was utilised from the beginning of the financial year, but voluntarily ceased by 30 April 2019.

The Group strives to hold sufficient cash resources to ensure appropriate room for manoeuvre in case of unforeseen fluctuation in liquidity.

Expected maturity analysis of the Group's liabilities other than provisions:

The maturity analysis is broken down by category and class distributed by maturity period. Interest payments on liabilities carrying variable interest are calculated based on the current interest rate at the balance sheet date.

	< 1 year	1-3 years	3-5 years	> 5 years	Total contractual cash flows	Carrying amount	Fair value*
2018/19							
Measured at amortised cost:							
Bond debt	0	1,539	0	0	1,539	1,539	1,570
Bond Interest	91	91	0	0	182	0	0
Credit institutions, leases, etc.	17	37	15	3	72	72	72
Trade payables	637	0	0	0	637	637	637
Financial liabilities	745	1,667	15	3	2,430	2,248	2,279
Measured at amortised cost:							
Trade receivables	662	0	0	0	662	662	662
Other receivables, prepayments and cash and cash quivalents	90	24	0	0	114	114	114
Measured at fair value:							
Securities	50	0	0	0	50	50	50
Financial assets	802	24	0	0	826	826	826
Net cash outflow	-57	1,643	15	3	1,604	1,422	1,453

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20 Financial risks (continued)

	< 1 year	1-3 years	3-5 years	> 5 years	Total contrac-tual cash flows	Carrying amount	Fair value*
2017/18							
Measured at amortised cost:							
Bond debt	0	0	1,565	0	1,565	1,565	1,574
Bond Interest	92	184	0	0	276	0	0
Credit institutions, leases, etc.	60	52	23	0	135	123	123
Trade payables	476	0	0	0	476	476	476
Financial liabilities	628	236	1,588	0	2,452	2,164	2,173
Measured at amortised cost:							
Trade receivables	633	0	0	0	633	633	633
Other receivables, prepayments and cash and cash quivalents	101	21	0	0	122	122	122
Measured at fair value:							
Securities	50	0	0	0	50	50	50
Financial assets	784	21	0	0	805	805	805
Net cash outflow	-156	215	1,588	0	1,647	1,359	1,368

* **The bonds issued by DSV Miljø Group A/S were listed on Nasdaq, Stockholm on 3 May 2018. The fair values at 30 April 2018 and 30 April 2019 are based on latest (unlisted) trade price.**

Credit risk

The Group is exposed to credit risks on receivables and bank deposits. The maximum credit risk notwithstanding collateral corresponds to the carrying amount.

	DSVM Invest Group	
DKKm	**2018/19**	**2017/18**
The impairment losses on total receivables can be specified as follows:		
Impairment losses at 1 May	6	5
Impairment for the year, net	0	1
Impairment losses at 30 April	6	6
Maturity of total trade receivables:		
Not overdue	578	553
Overdue by 0-30 days	68	61
Overdue by 31-60 days	6	4
Overdue by 61-90 days	2	7
Overdue by 91-360 days	9	9
Overdue by more than 360 days	5	5
Receivables before impairment losses	668	639
Impairment losses	-6	-6
Total receivables	662	633

It is the Group's credit policy that all debtors in the private sector, except large private debtors with low credit risk, must be subject to credit insurance. The customers are credit rated by the insurance company when taking out insurance. As a result, the credit risk of the Group is generally considered insignificant.

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20 Financial risks (continued)

Cash is not considered associated with credit risks as the counterpart is a bank with a good credit rating.

As per 1 May 2018 the Group has implemented IFRS 9 using the simplified expected credit loss model. The model implies that the expected loss over the lifetime of the asset is recognised in the income statement immediately and is monitored on an ongoing basis until realisation. The Group has limited overdue trade receivables and historically there has been low losses on trade receivables. The inputs to the expected credit loss model reflect this. The effect of the implementation of IFRS 9 has been assessed as insignificant.

Expected credit loss from trade receivables at 30 April 2019 is presented as follows:

DKKm	Carrying amount 2018/19	Expected loss rate, % 2018/19	Loss allowance 2018/19
Maturity of total trade receivables:			
Not overdue	578	0,1%	1
Overdue by 0-30 days	68	0,2%	0
Overdue by 31-60 days	6	0,4%	0
Overdue by 61-90 days	2	0,8%	0
Overdue by 91-360 days	9	25%	2
Overdue by more than 360 days	5	50%	3
Total receivables	662		6

Market risk

The Group's bond debt – through DSV Miljø Group - and credit institutions carry variable interest rates at EURIBOR + 5,9% until expiry of the bond in May 2021 and approx. 3.00% respectively which exposes the Group to interest rate fluctuations. An increase in the market rate of 1 percentage point will have an adverse effect on profit/loss for the year by approximately DKK 15 – 20 million before tax.

Currency risks

The Group is somewhat affected by foreign currency fluctuations, primarily fluctuations in Swedish kroner and EURO.

Income and expenses in all the Group's companies are settled in local currencies, and consequently, the risks are limited to the net investments made in activities in Sweden, which amount to DKK 599 million at April 2019 (DKK 540 million at 30 April 2018). A change of 1% in the exchange rate for SEK compared to DKK, will have an effect in other comprehensive income by approximately DKK 6 million before tax.

The bond debt is a EURO based bond. A change of 1% in the exchange EURO rate compared to DKK, will have an effect in the result by approximately DKK 15 million before tax.

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21 Capital structure

The Board of directors regularly evaluates the composition and extent of the Group's equity and loan capital. It is Management's assessment that, with the DSV Miljø A/S bond issue expiring in May 2021, the equity and loan capital are adequate relative to the expected development in operations and liquidity in 2019/20.

22 Related parties and ownership

Related parties	Basis
Peter Korsholm	Executive Board and member of the Board of Directors and shareholder in Togu ApS, 50% shareholder in DSVM Invest A/S
Kent Arentoft	Chairman of the Board of Directors and shareholder in KATA Group ApS, 50% shareholder in DSVM Invest A/S
Robin Basse	Member of the Board of Directors

Transactions

No agreements or other transactions have been entered with Board of Directors and the Executive Board, cf. note 5 except dividend to shareholders.

Key management employees comprise member of Group Management, including CEOs of the portfolio companies. Remuneration of executive employees amounted to DKK 12 million (2017/18: DKK 13 million) and comprises short term remuneration including bonus schemes.

There are intra-group transactions in the form of sale of goods and services of DKK 113 million (2017/18 DKK 247 million). Moreover, there are intra-group balances regarding cash pool arrangements and loan and trade balances at a gross amount of DKK 442 million (2017/18: DKK 419 million), including intra-group interest of DKK 22 million (2017/18 DKK 24 million).

The transactions have been eliminated in the consolidated financial statements.

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DKKm	DSVM Invest Group 2018/19	DSVM Invest Group 2017/18
23 Fees to the Company's auditor appointed by the general meeting		
Fee for statutory audit	1.5	2.5
Other assurance engagements	0.2	0.1
Tax assistance	0.3	0.1
Other assistance	0.5	1.1
	2.5	3.8
24 Cash flow statement – adjustments		
Financial expenses, net	107	135
Depreciation, amortisation and impairment charges	89	187
Tax for the year	62	39
Gain on the disposal of equipment	-140	-4
	118	357

25 Financial liabilities and financing cash flow activities

mDKK	1 May 2018	Cash flow	Business combi-nations	Amortisa-tion, FX etc.	2018/19
Bond debt	1,549	-28	0	7	1,528
Financial debt and finance leases	103	-40	0	9	72
Bank overdraft	20	-20	0	0	0
Financial liabilities at 30 April 2019	1,672	-88	0	16	1,600

mDKK	1 May 2017	Cash flow	Business combi-nations	Amortisa-tion, FX etc.	2017/18
Bond debt	0	1,541	0	8	1,549
Subordinate loan capital	552	-552	0	0	0
Other financial debt	780	-699	29	13	123
Financial liabilities at 30 April 2018	1,332	290	29	21	1,672

Consolidated financial statements 1 May 2018 – 30 April 2019

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26 Business combinations

Acquisitions in 2018/19

No acquisitions have taken place in 2018/19.

Acquisitions in 2017/18

Helsingborg Transport og Logistik AB

On May 1, 2017 and on April 27, 2018, the Group (GDL Transport AB) acquired respectively further 60% and 20% of the shares of Helsingborg Transport och Logistik AB "HTL" and controls hereafter HTL 100%. HTL is a Helsingborg based transport and logistic company, which in the past to a large extend has based its activity on transport and logistic activities perform in corporation with the GDL Group. The Group has acquired HTL because it would integrate HTL knowledge and expertise in the GDL groups servicing of customers.

The purchase price amounted to DKK 4.8 million has been settled by cash. The total acquisition related expenses comprised DKK 0 million.

Based on the final purchase price allocation of net assets, goodwill amounts to DKK 2.7 million.

The value of the existing 20% non-controlling interest in HTL held by GDL before the business combination corresponded to fair value of the HTL shares at the date when business combination was performed Therefore any gain and loss has been recognized for 20% non-controlling interest.

Revenue and profit of HTL activity since the acquisition date May 1, 2017 are included in the DSVM Group consolidated statement of consolidated comprehensive income for 2017/18 with respectively DKK 97 million and DKK 5.6 million before elimination for group internal transactions. After elimination of group internal revenue DKK 93.6 million, external HTL revenue amounts to DKK 3.6 million in 2017/18.

SCT Transport AB

On August 1, 2017, the Group (GDL Transport AB) acquired 100% of the activities in SCT Transport AB "SCT" a Gothenburg based company that specializes in transportation of goods, and in particular sea containers. The Group has acquired SCT Transport because it expands both its existing product portfolio and customer base.

The purchase price amounted to DKK 14.4 million and has been settled by cash. Acquisition expenses amount to DKK 0.3 million and has been recognized as an expense in the line item "Special items".

After the final recognition of identifiable assets and liabilities at fair value goodwill is recognized at an amount of DKK 12.9 million. Goodwill represent the value of SCT personnel and related knowhow and expected synergies from the business combination. As the transaction is performed as a transfer of activity goodwill is 100% deductible for tax purposes.

The SCT activity has is fully integrated into GDL from the date of the acquisition. Therefore, it is impracticable to disclose amounts of revenue and profit consolidated in the DSVM Group since the acquisition on 1 August 2017 until 30 April 2018. Similarly, it is impracticable to disclose revenue and profit cannot be calculated separately for the period from 1 May 2017 until 30 April 2018. Before the acquisition of the SCT activity the yearly revenue amounted to approximately DKK 200 million.

C-R Johanssons Åkeri AB

On December 5, 2017, the Group (GDL Transport Holding AB) acquired 100% of the shares of C-R Johanssons Åkeri AB, a Varberg based company that specialises in transportation of goods. The Group has acquired C-R Johanssons Åkeri AB because it expands both its existing product portfolio, customer base and geographical presence.

Consolidated financial statements 1 May 2018 – 30 April 2019

Notes

26 Business combinations (continued)

The purchase price amounted to DKK 35.3 million has been settled by cash. The total acquisition related expenses comprised DKK 1 million related to financial and legal assistance and have been recognized as an expense in the line item "Special items"

Based on the final purchase price allocation of net assets, goodwill amounts to DKK 2.9 million. Goodwill represent the value of CRJ personnel and related knowhow and expected synergies from the business combination. Goodwill is not deductible for income tax purposes.

Revenue and profit of CRJ activity since the acquisition data are included in the DSVM Group consolidated statement of consolidated comprehensive income for 2017/18 with respectively DKK 54.4 million and DKK 0.4 million.

All acquisitions have been accounted for using the acquisition method.

The final fair values of the identifiable assets and liabilities of the acquired companies or activities as at the date of acquisition were:

2017/18

DKKm	SCT	CRJ	HTL	Total
Intangible assets	4.3	3.8	0	8.1
Tangible assets	0	58.1	0.5	58.6
Receivables	0	27.6	12.3	39.9
Cash	0	0.6	1.6	2.2
Deferred tax	0	-7.4	-0.3	-7.7
Credit institutions and other interest-bearing debt	0	-28.9	0	-28.9
Provisions	0	0	-0.3	-0.3
Payables including IC payable	0	-7.9	-8.6	-16.5
Other debt	-2.8	-13.5	-3.1	-19.4
Total identifiable net assets at fair value	1.5	32.4	2.1	36.0
Goodwill arising on acquisition	12.9	2.9	2.7	18.5
Purchase consideration transferred	14.4	35.3	4.8	54.5
Net cash acquired with the subsidiary	0	-0.6	-1.6	-2.2
Net cash consideration	14.4	34.7	3.2	52.3

27 Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the consolidated and the parent company's financial statements.

Parent company financial statements 1 May 2018 – 30 April 2019

Income statement

		Parent Company	
Note	**DKK'000**	**2018/19**	**2017/18**
	Gross profit	-912	-1,313
29	Staff expenses	-147	-1,651
30	Depreciation on property, plant and equipment	0	-598
	Result on ordinary activities	-1,059	-3,562
31	Dividends from subsidiaries	150,000	1,352,000
31	Write-down of investment in subsidiaries	-55,744	-960,113
32	Financial income	1,293	851
33	Financial expenses	0	-13,837
	Result before tax	94,490	375,339
34	Tax for the year	-416	-116
	Result for the year	94,074	375,223

Parent company financial statements 1 May 2018 – 30 April 2019

Balance sheet

Note	DKK'000	Parent Company 2018/19	Parent Company 2017/18
	ASSETS		
	Non-current assets		
35	Fixtures and fittings, tools and equipment	0	0
		0	0
36	Investments in subsidiaries	745,900	801,644
		745,900	801,644
	Total non-current assets	745,900	801,644
	Current assets		
	Receivables		
	Receivables from group enterprises	579	227
	Corporate income tax receivable	6,548	15,474
	Other securities and investments	50,501	49,244
	Prepayments	311	372
	Other receivables	232	486
		58,171	65,803
	Cash	0	9,912
	Total current assets	58,171	75,715
	TOTAL ASSETS	804,071	877,359

Parent company financial statements 1 May 2018 – 30 April 2019

Balance sheet

Note	DKK'000	Parent Company 2018/19	Parent Company 2017/18
	EQUITY AND LIABILITIES		
	Equity		
37	Share capital	1,100	1,100
	Retained earnings	793,395	874,321
	Total equity	794,495	875,421
	Liabilities		
	Current liabilities		
	Trade payables	44	60
	Debt to group enterprises	6,342	0
	Corporate income tax	2,216	0
	Other payables	974	1,878
		9,576	1,938
	Total liabilities	9,576	1,938
	TOTAL EQUITY AND LIABILITIES	804,071	877,359

Parent company financial statements 1 May 2018 – 30 April 2019

Statement of changes in equity

	Parent Company		
DKK'000	**Share capital**	**Retained earnings**	**Total**
Equity at 1 May 2018	1,100	874,321	875,421
Dividend paid during the year	0	-175,000	-175,000
Result for the year	0	94,074	94,074
Equity at 30 April 2019	1,100	793,395	794,495

	Parent Company		
DKK'000	**Share capital**	**Retained earnings**	**Total**
Equity at 1 May 2017	1,100	649,098	650,198
Dividend paid during the year	0	-150,000	-150,000
Result for the year	0	375,223	375,223
Equity at 30 April 2018	1,100	874,321	875,421

Parent company financial statements 1 May 2018 – 30 April 2019

List of notes to the parent company financial statements

Parent company financial statements 1 May 2018 – 30 April 2019

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28 Accounting policies – Parent Company

The annual report of DSVM Invest A/S has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities.

Reporting currency

The parent company financial statements are presented in Danish kroner.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction.

Receivables, payables and other monetary assets and liabilities denominated in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised foreign exchange gains and losses are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue comprises the value of goods and services delivered during the year and is recognised ex VAT and less discounts granted in relation to the sale.

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue. Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operation income less raw materials and consumables and other external expenses.

Other income and expenses

Other operating income and expenses comprises items secondary to the primary activities of the company.

Other external expenses

Other external expenses include expenses relating to the Company's primary activity that are incurred during the year, including administration and other external expenses.

Staff expenses

Staff expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Dividends from subsidiaries

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Financial expenses and income.

Financial expenses and income are recognised in the income statement at the amounts relating to the financial year. The items comprise interest expenses and income, including from group entities. Financial expenses include amortization of loan cost relating to bond debt and credit institutions.

Parent company financial statements 1 May 2018 – 30 April 2019

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28 Accounting policies – Parent Company (continued)

Taxation

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to transactions recognised in equity is recognised in equity.

The company and its Danish group entities are jointly taxed together with its parent company and the parent company's other Danish subsidiaries. The Danish income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund are reimbursed by the administration company based on the rates applicable to interest allowances, and jointly taxed entities that have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the administration company.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	3-10 years

Write-down of non-current assets

Property, plant and equipment are tested for impairment when there is an indication of impairment of the assets other than the decrease in value reflected by amortisation or depreciation.

Impairment is recognized if the recoverable amount is lower than the carrying amount. The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. If it is not possible to determine the recoverable amount for individual assets, the assets are assessed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Impairment losses are reversed in so far as the assumptions and estimates underlying the impairment losses have changed. Impairment is only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Equity investments in group entities

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs. In case of indication of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised based on objective indication that a receivable or a group of receivables is impaired. Impairment write-down is made to the lower of net realisable value and the carrying amount. The Company has chosen IAS 39 for impairment write down of financial receivables. Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Parent company financial statements 1 May 2018 – 30 April 2019

Notes

28 Accounting policies – Parent Company (continued)

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years.

Equity

Share premium

Share premium comprises amounts in addition to the nominal share capital that have been paid by the shareholders in connection with capital increases and gains and losses from the disposal of treasury shares.

According to the articles of association, the share premium can be freely used for distribution of dividend and bonus share issue.

Corporate income tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the expected taxable income for the year, adjusted for tax on the taxable income of prior years and for prepaid tax.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values of assets and liabilities, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date, when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

As a company in a joint taxation group, the Company is liable for payment of the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions.

Financial liabilities

Loans, such as bond loans and loans from credit institutions, are recognised at the time of borrowing at the proceeds received, net of transaction expenses incurred. On refinancing of existing loans, refinanced loans are recognised at fair value, and borrowing costs incurred are recognised in the income statement. In subsequent periods, the loans are measured at amortised cost. Accordingly, the difference between the proceeds at fair value and the nominal value is recognised and amortised as financial expenses in the income statement over the term of the loan.

Non-financial liabilities are measured at amortised cost.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements act and to the cash flow statement included in the consolidated financial statements of DSVM Invest A/S, the Parent Company has not prepared a cash flow statement.

Fee to the Company's auditor appointed by the general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements act. The fee is specified in the consolidated financial statements of DSVM Invest A/S.

Parent company financial statements 1 May 2018 – 30 April 2019

Notes

DKK'000		Parent Company 2018/19	Parent Company 2017/18
29	**Staff expenses**		
	Staff expenses are computed as follows:		
	Wages and salaries	109	1,563
	Pensions	0	0
	Other social security	38	88
		147	1,651

According to section 98b (3) to the Danish Financial Statements Act, renumerarion to the management has not been disclosed.

	Average number of employees	1	1
30	**Depreciation on property, plant and equipment**		
	Fixtures and fittings, tools and equipment	0	598
		0	598
31	**Dividends from subsidiaries/write-down of investment in subsidiaries**		
	Dividends received	150,000	1,352,000
		150,000	1,352,000

An impairment test of the value of the shares in Leonora Ejendomme A/S has been performed. The impairment test resulted in an impairment of DKK 56 million.

32	**Financial income**		
	Other financial income	1,293	851
		1,293	851
33	**Financial expenses**		
	Other financial expenses	0	2
	Loan cost	0	2,776
	Interest expenses	0	11,059
		0	13,837

Parent company financial statements 1 May 2018 – 30 April 2019

Notes

DKK'000	Parent Company 2018/19	2017/18
34 Tax for the year		
Computed corporate income tax, incl. financing surcharge	-62	4,748
Changes in deferred tax provided for	0	-6,081
Tax prior years	-354	1,217
	-416	-116

35 Fixtures and fittings, tools and equipment		
Cost at 1 May 2018	0	5,569
Additions during the year	0	0
Disposals during the year	0	-5,569
Cost at 30 April 2019	0	0
Depreciation at 1 May 2018	0	4,829
Depreciation for the year	0	598
Depreciation on assets sold	0	-5,427
Depreciation at 30 April 2019	0	0
Carrying amount at 30 April 2019	0	0

36 Investments in subsidiaries		
Cost		
Balance at 1 May 2018	1,762,307	1,049,757
Additions for the year	0	712,550
Disposals during the year	0	0
Foreign exchange adjustment	0	0
Cost at 30 April 2019	1,762,307	1,762,307
Impairment losses at 1 May 2018	-960,663	0
Impairment losses for the year	-55,744	-960,663
Impairment losses at 30 April 2019	-1,016,407	-960,663
Carrying amount at 30 April 2019	745,900	801,644

For information regarding collateral for bond debt of shares in group entities, refer to note 38.

For information regarding subsidiaries, domicile and interest refer to group chart in Management's review.

Parent company financial statements 1 May 2018 – 30 April 2019

Notes

DKK'000	Parent Company 2018/19	Parent Company 2017/18
37 Share capital		
The share capital of DKK 1,100,000 is composed as follows:		
1,100,000 shares of DKK 1 each	1,100	1,100
	1,100	1,100

The capital was increased by 100,000 shares of nom. DKK 1 in 2016/17.
The capital has been unchanged in prior years.

38 Contingent liabilities

Shares in subsidiaries with a carrying amount of DKK 712 million, have been provided as collateral for the company's bond debt and credit institutions.

Guarantees whereby the guarantor assumes primary liability has been issued in respect of some of the subsidiaries' lease and warranty commitments.

The Parent Company has issued a letter of subordination to Group Entities regarding the Group cash pool account with a booked amount of DKK 23 million at 30 April 2019. In case of borrower's bankruptcy, settlement, liquidation or wind up of other reasons, then DSVM Invest A/S will resign in favour of external creditors. The letter of subordination is valid until twelve months after approval of the annual report for 2018/19.

The administration company DSVM Invest A/S and the Company is jointly taxed with the other Danish group entities and is jointly and severally liable together with the other jointly taxed entities for payment of corporate income tax and withholding tax on interest, royalties and dividends within the joint taxation group.

39 Related parties and ownership

Related parties	Basis
Peter Korsholm	Executive Board and member of the Board of Directors and shareholder in Togu ApS, 50% shareholder in DSVM Invest A/S
Kent Arentoft	Chairman of the Board of Directors and shareholder in KATA Group ApS, 50% shareholder in DSVM Invest A/S
Robin Basse	Member of the Board of Directors

Transactions

No agreements or other transactions have been entered with Board of Directors and the Executive Board except for dividend to shareholders.

In accordance with section 98 C, subsection (3) of the Danish Financial Statement Act, DSVM Invest A/S has not presented the related party transaction with wholly-owned subsidiaries.

Parent company financial statements 1 May 2018 – 30 April 2019

Notes

DKK'000	Parent Company 2018/19	2017/18
40 Proposed distribution of profit/loss		
Retained earnings	-80,926	225,223
Dividend paid during the year	175,000	150,000
	94,074	375,223