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 2019 – 30 April 2020

Approved at the Company's annual general meeting on 3 November 2020

Chairman:

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Robin Basse

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 2019 – 30 April 2020.

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 2020 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the financial year 1 May 2019 – 30 April 2020.

Further, in our opinion, the Management's Review gives a true and fair view of the development in the Group's and the Parent Company's operations and financial conditions, 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, 3 November 2020

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 2019 – 30 April 2020, 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 2020 and of the results of the Group's operations and cash flows for the financial year 1 May 2019 – 30 April 2020 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 2020 and of the results of the Parent Company's operations for the financial year 1 May 2019 – 30 April 2020 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, 3 November 2020
EY 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 2019 – 30 April 2020
Website	www.dsvm.dk
E-mail	post@dsvm.dk
Board of Directors	Kent Arentoft, Chairman Peter Korsholm Robin Basse
Executive Board	Peter Korsholm
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, Postboks 250, DK-2000 Frederiksberg, Denmark

Management's review

Group chart at 30 April 2020

Company	Country	Business area
DSVM Invest A/S		
- Gammel Marbjergvej ApS	Denmark	Property developm.
- Leonora Ejendomme A/S	Denmark	Property developm.
- 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
- - - RGS Nordic Rönnarp AB	Sweden	Soil, Waste & Water
- - - Stigsnæs Vandindvinding I/S (31%)	Denmark	Soil, Waste & Water
- - DSV Transport A/S	Denmark	Transportation
- - Totalleveranser Sverige AB	Sweden	Other
- - - GDL Transport Holding AB	Sweden	Transportation
- - - - GDL 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.

Management's review

Financial highlights for the Group

DKKm	2019/20	2018/19	2017/18	2016/17	2015/16
Key figures					
Revenue	4,255	4,344	4,152	3,854	3,558
Gross profit	867	662	652	594	541
Result before special items and other income (EBITDA before special items etc.)	509	295	286	286	261
Result before net financials (EBIT)	198	331	102	242	158
Financial income and expenses, net	-144	-107	-135	-130	-65
Result before tax	54	224	-33	112	92
Tax for the year	-36	-62	-39	-36	-31
Result for the year	18	162	-72	76	61
Comprehensive income	18	159	-109	68	52
Total assets	3,480	2,810	2,818	2,693	2,678
Investments in property, plant, equipment	82	116	222	97	78
Net interest-bearing debt	2,067	1,477	1,632	1,267	1,326
Equity	267	249	265	524	434
Cash flows from operating activities	361	174	94	217	209
Total cash flows	120	73	-72	7	-26
Financial ratios					
Gross margin	20.4%	15.2%	15.7%	15.4%	15.2%
Profit margin (EBITDA before special items margin)	12.0%	6.8%	6.9%	7.4%	7.3%
Solvency ratio	7.7%	8.9%	9.4%	19.5%	16.2%
Average number of full-time employees	963	945	840	682	772

Financial ratios are calculated in accordance with the terms and definitions as described in note 1 Accounting policies.

Comparative numbers for 2017/18 and 2018/19 have not been restated to reflect IFRS 16 as implemented in 2019/20. Comparative number for 2017/18 have not been restated to reflect IFRS 9 and 15 as implemented in 2018/19.

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 2019/20

- The Group's total revenues decreased by 2% to DKK 4,254 million (2018/19 DKK 4,344 million) in an environment with tough competition and a weak Swedish krone during the whole year 2019/20.
- Mainly the Soil, Waste & Water business developed greatly during 2019/20, while Transportation faced a challenging year and Raw Materials was on par with last year.
- EBITDA before special items amounted to DKK 509 million (2018/19 DKK 295 million). EBITDA after special items amounted to DKK 482 million (2018/19 DKK 420 million). The improved EBITDA before special items was mainly due to strong performance in the Soil, Waste & Water business and IFRS 16 impact. IFRS16 had a positive impact on 2019/20 EBITDA before special items of DKK 220 million.
- Cash flows from operating activities before net financials and tax amounted to DKK 547 million (2018/19 DKK 286 million). Cash flows from operating activities amounted to DKK 361 million (2018/19 DKK 174 million). Net cash flow amounted to DKK 120 million (2018/19 DKK 73 million). Net cash flows were positively impacted by reduction of Net Working Capital and the sale of shares in Rustebud 1:161 Fastighets AB and sale-and-lease-back of the related distribution terminal in Karlstad, Sweden.
- NIBD at 30 April 2020 amounted to DKK 2,067 million (30 April 2019 DKK 1,477 million). The increase is driven by the implementation of IFRS16, while NIBD is positively impacted by cash flow from operating activities before net financials and tax, i.e. reduction of Net Working Capital but also positively impacted by the sale of shares in Rustebud 1:161 Fastighets AB and sale-and-lease-back of the related distribution terminal in Karlstad, Sweden.

Results in 2019/20

Group revenue amounted to DKK 4,255 million (2018/19 DKK 4,344 million) in an environment with tough competition and a weak Swedish krone during the whole year 2019/20.

EBITDA before special items and other income amounted to DKK 509 million (2018/19 DKK 295 million) corresponding to a margin of 12.0%. The realized EBITDA before special items etc. was significantly above last year due to the implementation of IFRS16 and was in line with expectations.

The strategic review of RGS Nordic A/S announced 20 May 2019 was concluded during 2019/20 and will not lead to any changes of the DSVM Invest Group.

Result for the year was DKK 18 million (2018/19 DKK 162 million). The lower result was mainly due to last year's sale of a large plot of land.

The Covid19 impact on the Group's business in 2019/20 has generally been limited, however, with some effects observed within the Swedish Transportation segment.

Management's review

Gross profit

Gross profit amounted to DKK 867 million (2018/19 DKK 662 million) corresponding to a gross margin of 20.4% (2018/19 15.2%). The increase was due to the implementation of IFRS16.

Special items

Special items amounted to DKK 30 million (2018/19 DKK 15 million) and are specified in note 7.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses for the year amounted to DKK 284 million (2018/19 DKK 89 million) and included depreciation of right-of-use assets of DKK 212 million due to the implementation of IFRS16.

Balance sheet

Total assets amounted to DKK 3,480 million at 30 April 2020 (DKK 2,810 million at 30 April 2019).

Equity

Equity amounted to DKK 267 million at 30 April 2020 (DKK 249 million at 30 April 2019), corresponding to an equity ratio at 7.7% (30 April 2019 8.9%).

Interest-bearing debt

At 30 April 2020, net interest-bearing debt amounted to DKK 2,067 million (30 April 2019 DKK 1,477 million) largely comprising senior secured floating rate bonds, leases and other securities and investments (current assets).

Cash flows

Cash flows from operating activities before net financials and tax amounted to DKK 547 million (2018/19 DKK 286 million).

Cash flows from operating activities amounted to DKK 361 million (2018/19 DKK 174 million).

The gross investments in 2019/20 amounted to DKK 82 million (2018/19 DKK 120 million). Disposal of property, plant and equipment amounted to DKK 39 million mainly due to sale-and-lease-back with regard to a distribution terminal in Karlstad, Sweden. Disposal of securities amounted to DKK 11 million. Hence net investments in 2019/20 amounted to DKK 32 million (2018/19 DKK -162 million).

Net cash flows from financing activities were negative by DKK 209 million (2018/19 DKK 263 million).

Net cash flows for the year amounted to DKK 120 million (2018/19 DKK 73 million).

Outlook for 2020/21

The Group performance is – among other things – affected by the general macroeconomic conditions including the level and timing of infrastructure projects and construction activity.

In the period subsequent to 30 April 2020, the Covid-19 impact on the Group's business has been higher than anticipated at the beginning of the financial year. Although the Group expects the market activity to improve in the remaining part of the financial year, the Group foresee a softening of market activity in all segments. Furthermore, the Group is experiencing delays in the development of RGS Nordic Water Solutions business caused by limited possibility for customer visits and limited progress in ongoing projects due to restrictive travel guidelines.

The level of visibility remains low due to Covid-19, therefore the range for expected Revenue and EBITDA is wider than under normal circumstances. Revenue is expected to be in the range of DKK 3,850 – 4,250 millionand EBITDA before special items is expected to be in the range of DKK 430 – 470 million.

Any resurgence of Covid-19 is not expected in the above mentioned outlook.

The Group is preparing a refinancing process related to the bond debt maturing in May 2021.

Management's review

Parent company results

The Parent Company's income statement shows a result for the year of DKK -5 million (2018/19 a profit of DKK 94 million).

As at 30 April 2020, the Parent Company's balance sheet shows and equity of DKK 790 million (30 April 2019 DKK 794 million).

Events after the balance sheet date

Effective 1 July 2020, , the Group sold a plot of land at a price of DKK 30 million.

Further, as mentioned in the outlook section above, the Covid-19 impact on the Group's business has been higher than anticipated at the beginning of the financial year.

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

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 debt maturing in 2021 (bond 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.

Management's review

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 2019/20 because there was no rotation in Group Management in 2019/20.

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 2019/20 because there was no rotation in the board in 2019/20. 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

Business model

The Group's operational activities are organised in four independent and decentralized portfolio companies.

All portfolio companies have been operating for decades or even centuries. All portfolio companies operate solely in the Scandinavian countries and have strong Scandinavian values. All portfolio companies have long-term relationships with most customers and suppliers.

The Group’s overall policy is to comply with applicable legislation in the countries, where the Group operates. Furthermore, the Group aims at operating responsibly and encourage subsidiaries to take active part in the development of future solutions in the business areas in which they operate.

The Group’s exposure to risks related to Corporate Social Responsibility are as such limited and mainly relate to the environmental impact of the Group’s Transportation solutions along with the social environment for the Group’s employees.

Environment and climate

The Group supports international initiatives within environment and climate, i.e. through UN.

The Group’s two largest portfolio companies RGS and GDL account for app. 80% of the Group’s activity measured in revenue. The Group’s main impact on environment and climate is considered to take place through these two portfolio companies. The Group’s environment and climate focus is therefore on these two portfolio companies. It is the policy of these portfolio companies to minimize the environmental and climate impact of their business activity.

RGS

RGS operates the Group’s activities within the business area Soil, Waste & Water. In this business area, the main activities are 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.

As such the company business itself is centered around recycling and creating circular business processes. Hence the RGS business directly works on reducing environment and climate impact from i.e. the building industry and the oil industry.

During 2019/20 RGS took active part in the building industry’s work towards a more sustainable future including more recycling and reuse of material. During 2019/20 a new treatment process for recycling of concrete was certified.

Management's review

GDL

GDL is the largest part of the Group's business area Transportation: The company offers transport and logistics solutions in Sweden.

The company is working with customers and suppliers to reduce the environmental and climate impact of its business. An example of this is a 2019/20 High Capacity Transport-project in Gothenburg where each truck handles more containers thereby reducing CO2-emmission by up to 30%.

Employees and social environment

The Group and its subsidiaries must act as responsible employers, providing proper terms of employment and appropriate health and safety standards.

Attracting and retaining qualified employees is critical to the Group and its subsidiaries. The Group therefore strives to be a modern and attractive workplace with a high level of job satisfaction.

Among the Group's offerings are pensions, health schemes and access to fruit.

The Group consistently and actively works with safety issues and the reduction and ultimately elimination of work accidents.

In 2019/20 the Group continued to experience a high level of job satisfaction and a low level of work accidents.

Anti-corruption and bribery

The Group takes a zero-tolerance approach to bribery and corruption. As mentioned, the Group's operations only take place in Scandinavian countries, where corruption and bribery is uncommon. Furthermore, despite history dating far back, none of the portfolio companies ever experienced bribery or corruption. Therefore, the Group does not have ongoing activities within anti-corruption and bribery.

Human rights

The Group backs human rights and international initiatives within human rights, i.e. through UN and ILO. As mentioned, the Group's operations only take place in Scandinavian countries, where challenges on human rights are limited. Furthermore, despite history dating far back, none of the portfolio companies ever experienced any issues related to human rights. Therefore, the Group does not have policies within human rights or ongoing activities within anti-corruption and bribery.

Consolidated financial statements 1 May 2019 – 30 April 2020

Income statement

Note	DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
3	**Revenue**	4,255	4,344
4	Direct expenses	-3,388	-3,682
	Gross Profit	867	662
	Other external expenses	-86	-108
5	Staff expenses	-272	-259
	Result before special items and other income (EBITDA before special items etc.)	509	295
6	Other income	3	140
7	Special items	-30	-15
	Result before depreciation, amortization, impairment, net financials and tax (EBITDA)	482	420
14	Depreciation of right-of-use-assets	-212	0
8	Depreciation and writedowns on property, plant and equipment	-63	-74
8	Amortization and writedowns of intangible assets	-9	-15
	Result before net financials (EBIT)	198	331
9	Financial income	0	1
14	Financial expenses, lease liabilities	-36	0
10	Financial expenses, other	-108	-108
	Result before tax	54	224
11	Tax for the year	-36	-62
	Result for the year	18	162
	Appropriation:		
	Shareholders in DSVM Invest A/S	18	162
	Non-controlling interests	0	0
		18	162

Consolidated financial statements 1 May 2019 – 30 April 2020

Statement of comprehensive income

		DSVM Invest Group	
Note	**DKKm**	**2019/20**	**2018/19**
	Result for the year	18	162
	Other comprehensive income		
	Items that may be reclassified to the income statement:		
	Foreign exchange adjustments, foreign subsidiaries	0	-2
	Other comprehensive income after tax	0	-2
	Total comprehensive income	18	160
	Appropriation:		
	Shareholders in DSVM Invest A/S	18	161
	Non-controlling interests	0	-1
		18	160

Consolidated financial statements 1 May 2019 – 30 April 2020

Balance sheet

Note	DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
	ASSETS		
12	**Intangible assets**		
	Goodwill	1,310	1,311
	Other intangible assets	42	38
		1,352	1,349
13	**Property, plant and equipment**		
14	Right-of-use assets	704	0
	Land and buildings	288	320
	Plant, equipment and machinery	137	161
	Fixtures and fittings, tools and equipment	15	20
	Property, plant and equipment under construction	7	20
		1.151	521
	Financial assets		
	Shares in associated companies	4	4
	Other securities and investments	1	1
	Other receivables	20	24
		25	29
	Total non-current assets	2,528	1,899
	Current assets		
	Inventories	24	27
		24	27
	Receivables		
20	Trade receivables	616	662
	Other receivables	5	8
15	Tax assets	6	9
	Prepayments	73	82
	Other securities and investments	35	50
		735	811
	Cash	193	73
	Total current assets	952	911
	TOTAL ASSETS	3,480	2,810

Consolidated financial statements 1 May 2019 – 30 April 2020

Balance sheet

		DSVM Invest Group	
Note	**DKKm**	**2019/20**	**2018/19**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1	1
	Currency translation reserve	-31	-31
	Retained earnings	296	278
	Share of equity attributable to the shareholders in DSVM Invest A/S	266	248
	Non-controlling interests	1	1
	Total equity	267	249
	Liabilities		
	Non-current liabilities		
17	Bond debt	1,532	1,528
15	Deferred tax liabilities	0	0
17	Vendor loan	21	21
17	Lease liabilities	508	34
	Corporate income tax	19	44
16	Provisions	52	51
	Other payables	10	0
		2,142	1,678
	Current liabilities		
16	Provisions	9	6
17	Vendor loan	1	1
17	Lease liabilities	198	16
	Trade payables	630	637
	Corporate income tax	29	21
	Other payables	168	160
	Deferred income	36	42
		1,071	883
	Total liabilities	3,213	2,561
	TOTAL EQUITY AND LIABILITIES	3,480	2,810

Consolidated financial statements 1 May 2019 – 30 April 2020

Statement of changes in equity

DKKm	Share capital	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 May 2019	1	-31	278	248	1	249
Comprehensive income in 2019/20:						
Result for the year	0	0	18	18	0	18
Other comprehensive income:						
Foreign exchange adjustments, foreign subsidiaries	0	0	0	0	0	0
Total other comprehensive income	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	0	0	267
Transactions with owners, etc.						
Dividend paid	0	0	0	-0	0	0
Equity at 30 April 2020	1	-31	296	266	1	267
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

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 2019 – 30 April 2020

Cash flow statement

Note	DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
	Profit/loss for the year	18	162
24	Adjustments	461	118
	Changes in working capital	68	6
	Cash flows from operating activities before net financials	547	286
	Interest paid on lease liabilities	-36	0
	Interest payments made, other	-101	-100
	Payment of corporate income tax	-49	-12
	Cash flows from operating activities	**361**	**174**
	Acquisition of property, plant, equipment and other intangibles	-82	-116
	Investment in other securities and investments	11	0
	Disposal of property, plant, equipment	39	282
26	Acquisition of activities and entities	0	-4
	Cash flows from investing activities	**-32**	**162**
25	Bond repurchase	0	-28
	Dividend paid	0	-175
14	Repayment of lease liabilities	-208	0
25	Reduction/increase in interest-bearing debt	-1	-40
	Reduction/increase in bank overdraft	0	-20
	Cash flows from financing activities	**-209**	**-263**
	Net cash flows	**120**	**73**
	Cash and cash equivalents at 1 May 2019	73	0
	Net cash flows	120	73
	Value adjustment of cash and cash equivalents	0	0
	Cash and cash equivalents at 30 April 2020	**193**	**73**
	Cash and cash equivalents are specified as follows:		
	Cash	193	73
	Cash and cash equivalents at 30 April 2020	**193**	**73**

Consolidated financial statements 1 May 2019 – 30 April 2020

List of notes to the consolidated financial statements

Consolidated financial statements 1 May 2019 – 30 April 2020

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 2019 – 30 April 2020 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 2018/19 figures to align presentation. The reclassifications have not had any effect on the income statement, equity or balance sheet total.

On 3 November 2020, the Board of Directors and the Executive Board have discussed and approved the annual report of DSVM Invest A/S for 2019/20. The annual report will be presented to the shareholders of DSVM Invest A/S for approval at the annual general meeting on 3 November 2020.

Implementation of new and amended financial reporting standards

The annual report for the period 1 May 2019 – 30 April 2020 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 2019. 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 2019 adopted IFRS 16 “Leases”, IFRIC 23 “Uncertainty over Income Tax Treatments” and all other new, amended or revised accounting standards and interpretations endorsed by the EU effective for accounting periods beginning as of January 1 2019. Comparative figures are not restated due to either no impact or insignificant impact on the consolidated financial statements.

IFRS 16 Leases
IFRS 16 Leases is implemented on 1 May 2019 and replaces IAS 17 and IFRIC 4. The Group has adopted IFRS 16 using the modified retrospective approach, i.e. uses the relief from restating comparative figures.

The implementation of IFRS 16 has resulted in the following changes:
- Lease assets and lease liabilities are recognised in the balance sheet
- Lease expenses are recognised as depreciation of lease assets instead of direct expenses/other external expenses
- Interest elements regarding lease liabilities are recognised as financial expenses
- Lease debt repayments are classified as cash flows from financing activities. Under IAS 17, all lease payments were classified as cash flows from operating activities.

As permitted when applying IFRS16 for the first time, the Group has applied a single discount rate to a portfolio of assets with similar characteristics. Furthermore, the Group has for all classes of underlying assets decided to apply the practical expedient in IFRS 16 which allows each lease component and any associated non-lease components to be accounted for as a single lease component.

The implementation of IFRS16 has impacted the 2019/20 opening balance as follows:

DKKm	30 April 2019 as reported in 2018/19	Change
Right-of-use assets	0	714
Land and buildings	320	-19
Plant, equipment and machinery	161	-30
Fixtures and fittings, tools and equipment	20	-1
Lease liabilities (Non-current)	34	490
Lease liabilities (Current)	16	174
		0

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

1 Accounting policies

Differences between the operating lease commitments on 30 April 2019 and lease liabilities recognised in the opening balance on 1 May 2019 in accordance with IFRS16 specify as follows:

DKKm

Operating lease commitments 30 April 2019	733
Discounted using the Group's incremental borrowing rates as of 1 May 2019	-79
Adjustment for lease term	12
Financial lease liabilities recognised at 30 April 2019	50
Non lease	-2
Lease liabilities recognised at 1 May 2019	714

Classified as follows:	
Non-current liabilities	524
Current liabilities	190
Lease liabilities recognised at 1 May 2019	714

IFRIC 23 Uncertainty over Income Tax Treatments
The implementation of IFRIC 23 has not had any impact on the financial statements.

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 2019/20 consolidated financial statements. The Group will adopt the standards and interpretations once they become mandatory.

Presentation and functional currencies

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

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 2019 – 30 April 2020

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.

Consolidated financial statements

Leases

Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use asset and corresponding lease liability are recognised on the lease commencement date.

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs. The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an incremental borrowing rate appropriate for the Group is used. In determining the lease period extension, options are only included if it is reasonably certain they will be utilised.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability.

Depreciations are done following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest. The useful life of right-of-use assets is generally similar to that of property, plant and equipment. Reference is made to accounting policy for property, plant and equipment. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Extension options are only included in the lease term if the lease is reasonably certain to be extended. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates. In addition, significant estimates have been applied in determining these in relation to the implementation of IFRS 16.

The Group has for all classes of underlying assets decided to apply the practical expedient in IFRS 16 which allows each lease component and any associated non-lease components to be accounted for as a single lease component. The Group recognises leases in accordance with IFRS16 independent of the size and duration of the lease contract.

Accounting principles concerning the comparative figures 2018/19:

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.

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

1 Accounting policies (continued)

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.

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.

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

1 Accounting policies (continued)

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 or divestment.

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 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. 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.

The Company will from time to time have tax audits and discussions with tax authorities regarding direct and indirect taxes. The Management is of the opinion that appropriate estimates have been made in the financial statements for current tax audits and exposures related to uncertain tax positions.

The estimates are based on expected value or the most likely amount, whichever method best predicts the resolution of the uncertainty, and the effects thereof are recognised as part of tax receivables/payables and deferred tax.

Due to the uncertainty associated with the outcome and timing, it is possible that, on the conclusion of open tax matters at a future date, the final outcome may differ significantly from the amounts recognised.

Consolidated financial statements 1 May 2019 – 30 April 2020

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	10-20 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 including right of use assets 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 2019 – 30 April 2020

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.

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.

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.

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

1 Accounting policies (continued)

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.

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.

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

1 **Accounting policies (continued)**

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 2019 – 30 April 2020

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 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 2019 – 30 April 2020

Notes

DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
3 Revenue		
Sale of goods	437	415
Sale of services	3,818	3,929
	4,255	4,344

DKKm	2019/20	2018/19
4 Direct expenses		
Transferred from staff expenses	230	209
Other direct expenses	3,158	3,473
	3,388	3,682

In 2019/20, direct expenses are positively impacted by DKK 199 million from the implementation of IFRS16.

DKKm	2019/20	2018/19
5 Staff expenses		
Staff expenses are computed as follows:		
Wages and salaries	376	354
Pensions	29	27
Other social security	97	87
	502	468
Transferred to direct expenses	-230	-209
	272	259

Members of the Executive Board and Board of Directors did not receive remuneration in 2019/20 for Executive Board or Board of Director services.

DKKm	2019/20	2018/19
Average number of employees	963	945

DKKm	2019/20	2018/19
6 Other income		
Gain on the sale of fixed assets	3	140

DKKm	2019/20	2018/19
7 Special items		
Court rulings regarding non-recurring business	0	9
Restructuring costs	9	1
Losses regarding sale of non-core assets	0	2
Other non-recurring items	0	3
Expenses regarding strategic reviews/acquisition/divestiture processes	21	0
	30	15

If not recognized as special items the expense would have been recognized and expensed in direct expenses DKK 2 million, other external expenses DKK 22 million and staff expenses DKK 6 million.

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
8 Depreciation on property, plant and equipment, amortisation of intangible assets		
Depreciation, amortisation and writedowns:		
Goodwill, impairment	0	5
Technology	8	7
Rights	1	3
Property	28	28
Plant and machinery	27	38
Fixtures and fittings, tools and equipment	8	8
	72	89
9 Financial income		
Other financial income	0	1
	0	1
10 Financial expenses		
Bond interest	92	92
Amortization of capitalized loan costs	6	6
Interest credit institutions, financial lease and vendor loan	3	6
Exchange expenses	3	3
Other financial expenses	4	1
	108	108
Financial expenses related to assets and liabilities measured at amortised cost	105	105
11 Tax for the year		
Current income tax, incl. financing surcharge	33	58
Changes in deferred tax	3	4
	36	62
Other adjustments	0	0
Tax for the year	36	62
Tax on other comprehensive income	0	0
	36	62
Tax for the year can be specified as follows:		
Computed 22% tax on profit before tax	12	49
Tax effect of:		
Tax on non-deductible expenses (limitation of interest deduction)	12	13
Tax on other non-deductible expenses and non-taxable income	3	0
Use of tax assets not booked prior years	7	0
Other adjustments	2	0
	36	62
Effective tax rate	66.7%	27.7%

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

12 Intangible assets

DKKm	Goodwill
2019/20	
Cost	
Balance at 1 May 2019	1,812
Adjustments/reclassifications	0
Foreign exchange adjustments	-1
Additions during the year	0
Additions from business combinations	0
Disposals during the year	0
Cost at 30 April 2020	1,811
Amortisation and impairment losses	
Balance at 1 May 2019	501
Adjustments/reclassifications	0
Foreign exchange adjustments	0
Amortisation during the year	0
Impairment losses for the year	0
Disposals during the year	0
Amortisation and impairment losses at 30 April 2020	501
Carrying amount at 30 April 2020	1,310

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

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

12 Intangible assets (continued)

DKKm	Customer relations	Brands	Technology	Rigths	Total other intangibles assets
2019/20					
Cost					
Balance at 1 May 2019	4	4	39	23	70
Adjustments/reclassifications	0	0	0	0	0
Foreign exchange adjustments	0	0	0	0	0
Additions during the year	0	0	12	1	13
Additions from business combinations	0	0	0	0	0
Disposals during the year	0	0	0	-1	-1
Cost at 30 April 2020	4	4	51	23	82
Amortisation and impairment losses					
Balance at 1 May 2019	0	0	21	11	32
Adjustments/reclassifications	0	0	0	0	0
Foreign exchange adjustments	0	0	0	0	0
Amortisation during the year	0	0	8	1	9
Impairment losses for the year	0	0	0	0	0
Disposals during the year	0	0	0	-1	-1
Amortisation and impairment losses at 30 April 2020	0	0	29	11	40
Carrying amount at 30 April 2020	4	4	22	12	42

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

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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	**2019/20**	**2018/19**
RGS Nordic (Soil, Waste & Water)	780	780
DSV Transport, Denmark	112	112
GDL, Sweden	189	190
Transportation	301	302
Nymølle Stenindustrier (Raw materials)	229	229
Total goodwill	1,310	1,311

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 2020/21 and projections for 2021/22-2023/24 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 (2020/21 – 2023/24) include the following:

2019/20	**Soil & recycling & water**	**Raw materials**	**Transport & logistics**
Revenue growth per year (weighted average)	1.3%	-1.9%	0.6%
EBITDA margin (weighted average)	18.0%	27.2%	2.3%
EBIT Growth in the terminal period	1.5%	1.5%	1.5%
Discount rate before tax	11.2%	12.5%	13.0%
Discount rate after tax	9.0%	10.0%	10.5%

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%
EBIT 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 any of the Group's cash-generating units Soil, Waste & Water (RGS Nordic), Raw materials (Nymølle Stenindustrier) or Transportation (GDL or DSV Transport).

Impairment goodwill	**DSVM Invest Group**	
DKKm	**2019/20**	**2018/19**
DSV Transport, Denmark	0	5
Total impairment losses	0	5

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	**2019/20**	**2018/19**
RGS Nordic	0	0
Nymølle Stenindustrier	0	0
DSV Transport, Denmark	0	11
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	30	0
DSV Transport, Denmark	0	12
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
2019/20					
Cost at 1 May 2019	659	302	49	20	1,030
Foreign exchange adjustment	0	0	0	0	0
Additions during the year	40	34	5	0	79
Reclassification to Lease assets	-20	-44	-2	0	-66
Disposals during the year	-41	-25	-1	-13	-80
Cost at 30 April 2020	638	267	51	7	963
Depreciation at 1 May 2019	339	141	29	0	509
Foreign exchange adjustment	0	0	0	0	0
Depreciation for the year	28	27	8	0	63
Reclassification to Lease assets	-13	-20	0	0	-33
Depreciation on assets sold	-4	-18	-1	0	-23
Depreciation at 30 April 2020	350	130	36	0	516
Carrying amount at 30 April 2020	288	137	15	7	447

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

Consolidated financial statements 1 May 2019 – 30 April 2020

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14 Leases

The Group leases several assets including properties, vehicles and equipment. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions including payment terms, terminations rights, index-regulations etc. The Group recognises leases in accordance with IFRS16 independent of the size and duration of the lease contract.

DKK'000	Land and buildings	Plant, equipment and machinery	Fixtures and fittings, tools and equipment	Total
Depreciation charge for the year	81	126	5	212
Right-of-use assets at 30 April 2020	403	293	8	704

Addition of right-of-use assets for the year amounted to DKK 198 million.

Depreciation and interest expenses related to leases are recognised in the income statement under Depreciation of right-of-use assets and financial expenses, lease liabilities respectively. The amounts recognised impact the operating cash flow as well as the cash flow from financing activities as shown in below table.

Total cash outflow from leases:

Interest paid/Cash flow from operating activities	36
Repayment of lease liabilities/Cash flow from financing activities	208
	244

Prior to the balance sheet date, the Group has entered into lease agreements commencing after the balance sheet totalling DKK 32 million.

For disclosures on related lease liabilities, please refer to note 17 and 20.

DKKm	DSVM Invest Group 2019/20	2018/19
15 Deferred tax		
Provisions, etc.	0	3
Other payables	1	0
Property, plant and equipment and intangible assets	1	12
Non-current liabilities other than provisions	4	-6
Tax loss carryforward	0	0
Total deferred tax	6	9
Included under assets	6	9
Included under liabilities	0	0
Total	6	9

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:

	2019/20	2018/19
Balance at 1 May	9	12
Foreign exchange adjustments	0	1
Transferred to corporate income tax	-3	-4
Balance at 30 April	6	9

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DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
16 Provisions		
Balance at 1 May	57	47
Foreign exchange adjustments	0	0
Provision for the year	8	16
Used and reversed during the year	-4	-6
Balance at 30 April	61	57
Maturity:		
After 5 years	34	35
Between 1 and 5 years	18	16
Long-term portion	52	51
Short-term portion	9	6
	61	57

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 and judgements made in respect of plan and location for restoration of the various plots.

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:

	DSVM Invest Group				
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
2019/20					
Bond debt	1,538	0	1,538	0	1,538
Capitalised loan costs	-6	0	-6	0	-6
	1,532	0	1,532	0	1,532
Credit institutions	0	0	0	0	0
Leases	325	183	508	198	706
Vendor loan	5	16	21	1	22
	1,862	199	2,061	199	2,260

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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
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
	1,583	0	1,583	17	1,600

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 are being amortized amortized until 2021. Bond interests are paid quarterly and the bond debt must be repaid in May 2021. The Group is preparing a refinancing process related to the bond debt maturing 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 1% - 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 634 million 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 agreements.

DKKm	Group 2019/20	Group 2018/19
Minimum payments:		
After 5 years	0	168
Between 1 and 5 years	1	385
Long-term portion	1	553
Short-term portion	1	176
Total minimum payments	2	729

For 2019/20, IFRS16 incurs that most agreements previously disclosed above are now recognised in the Group’s balance sheet.

The Group has agreed to buy land with related payment due when the permit for excavation of gravel on the land is obtained. The total commitment is DKK 37 million.

Payment guarantees

DKKm	Group 2018/19	Group 2017/18
Payment guarantees have been provided in respect of restoration of gravel pits and third party guarantees with terms exceeding 6 months totaling	266	216

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 2019/20, DKK 12 million has been expensed (2018/19 DKK 12 million), which is included as pension expenses in note 5. It is Management's assessment that there are no significant unfunded pension obligations.

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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	2019/20	2018/19
Undrawn credit facilities (through DSV Miljø Group A/S) amount to	50	50

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 not utilised during the financial year.

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	1-5 years	> 5 years	Total contrac-tual cash flows	Carrying amount	Fair value*
2019/20						
Measured at amortised cost:						
Bond debt	0	1,538	0	1,538	1,538	1,329
Bond interest	91	22	0	113	0	0
Leases	204	409	231	844	706	706
Credit institutions etc.	1	15	16	32	32	32
Trade payables	630	0	0	630	630	630
Financial liabilities	926	1,984	247	3,157	2,906	2.697
Measured at amortised cost:						
Trade receivables	616	0	0	616	616	616
Other receivables, prepayments and cash and cash quivalents	271	20	0	291	291	291
Measured at fair value:						
Securities	36	0	0	36	36	36
Financial assets	923	20	0	943	943	943
Net cash outflow	27	1,964	247	2,214	1,963	1,754

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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*
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

* **The bonds issued by DSV Miljø Group A/S were listed on Nasdaq, Stockholm on 3 May 2018. The fair values at 30 April 2019 and 30 April 2020 are based on latest (unlisted) trade price. Fair value at the time of approval of 2019/20 was DKK 1,526 million.**

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	**2019/20**	**2018/19**
The impairment losses on total receivables can be specified as follows:		
Impairment losses at 1 May	6	6
Impairment for the year, net	-2	0
Impairment losses at 30 April	4	6
Maturity of total trade receivables:		
Not overdue	543	578
Overdue by 0-30 days	70	68
Overdue by 31-60 days	1	6
Overdue by 61-90 days	1	2
Overdue by 91-360 days	4	9
Overdue by more than 360 days	1	5
Receivables before impairment losses	620	668
Impairment losses	-4	-6
Total receivables	616	662

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.

Consolidated financial statements 1 May 2019 – 30 April 2020

Notes

20 Financial risks (continued)

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

The Group uses IFRS 9's 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.

Expected credit loss from trade receivables at 30 April 2020 is presented as follows:

2019/20	**Carrying amount**	**Expected loss rate, %**	**Loss allowance**
DKKm	**2019/20**	**2019/20**	**2019/20**
Maturity of total trade receivables:			
Not overdue	543	0,1%	1
Overdue by 0-30 days	67	0,2%	0
Overdue by 31-60 days	1	0,4%	0
Overdue by 61-90 days	1	0,8%	0
Overdue by 91-360 days	5	25%	1
Overdue by more than 360 days	3	50%	2
Total receivables	616		4

	Carrying amount	**Expected loss rate, %**	**Loss allowance**
DKKm	**2018/19**	**2018/19**	**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 587 million at April 2020 (DKK 599 million at 30 April 2019). 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, equity and loan capital are adequate relative to the expected development in operations and liquidity in 2020/21.

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 (2018/19: DKK 12 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 116 million (2018/19 DKK 111 million). Moreover, there are intra-group balances regarding cash pool arrangements and loan and trade balances at a gross amount of DKK 539 million (2018/19: DKK 442 million), including intra-group interest of DKK 21 million (2017/18 DKK 22 million).

The transactions have been eliminated in the consolidated financial statements.

	DSVM Invest Group	
DKKm	2019/20	2018/19
23 Fees to the Company's auditor appointed by the general meeting		
Fee for statutory audit	1.8	1.5
Other assurance engagements	0.4	0.2
Tax assistance	0.1	0.3
Other assistance	0.1	0.5
	2.4	2.5

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DKKm	DSVM Invest Group 2019/20	DSVM Invest Group 2018/19
24 Cash flow statement – adjustments		
Financial expenses, net	144	107
Depreciation, amortisation and impairment charges	284	89
Tax for the year	36	62
Gain on the disposal of equipment	-3	-140
	461	118

25 Financial liabilities and financing cash flow activities

mDKK	Cash flow	Foreign exchange movement	Amortisation	2019/20
Bond debt	0	-1	5	4
Financial debt and leases	-209	0	0	-209
Bank overdraft	0	0	0	0
Financial liabilities at 30 April 2020	-209	-1	5	-204

mDKK	Cash flow	Business combinations	Amortisation, FX etc.	2018/19
Bond debt	-28	0	7	-21
Financial debt and finance leases	-40	0	9	-31
Bank overdraft	-20	0	0	-20
Financial liabilities at 30 April 2019	-88	0	16	-72

26 Business combinations

Acquisitions in 2019/20 or 2018/19

No acquisitions have taken place in 2019/20 or 2018/19.

27 Events after the balance sheet date

Effective 1 July 2020, , the Group sold a plot of land at a price of DKK 30 million. Further, as mentioned in the outlook section in the Management's review above, the Covid-19 impact on the Group's business has been higher than anticipated at the beginning of the financial year. No other 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 2019 – 30 April 2020

Income statement

		Parent Company	
Note	**DKK'000**	**2019/20**	**2018/19**
	Gross profit	-174	-912
	Staff expenses	-1,266	-147
	Result on ordinary activities	-1,440	-1,059
30	Dividends from subsidiaries	0	150,000
30	Write-down of investment in subsidiaries	0	-55,744
31	Financial income	49	1,293
32	Financial expenses	-3,679	0
	Result before tax	-5,070	94,490
33	Tax for the year	403	-416
	Result for the year	-4,667	94,074

Parent company financial statements 1 May 2019 – 30 April 2020

Balance sheet

		Parent Company	
Note	**DKK'000**	**2019/20**	**2018/19**
	ASSETS		
	Non-current assets		
34	Investments in subsidiaries	745,900	745,900
		745,900	745,900
	Total non-current assets	745,900	745,900
	Current assets		
	Receivables		
	Receivables from group enterprises	7,728	579
	Corporate income tax receivable	535	6,548
	Other securities and investments	35,652	50,501
	Prepayments	473	311
	Other receivables	8	232
		44,396	58,171
	Cash	0	0
	Total current assets	44,396	58,171
	TOTAL ASSETS	790,296	804,071

Parent company financial statements 1 May 2019 – 30 April 2020

Balance sheet

		Parent Company	
Note	**DKK'000**	**2019/20**	**2018/19**
	EQUITY AND LIABILITIES		
	Equity		
35	Share capital	1,100	1,100
	Retained earnings	788,728	793,395
	Total equity	789,828	794,495
	Liabilities		
	Current liabilities		
	Trade payables	3	44
	Debt to group enterprises	0	6,342
	Corporate income tax	0	2,216
	Other payables	465	974
		468	9,576
	Total liabilities	468	9,576
	TOTAL EQUITY AND LIABILITIES	790,296	804,071

Parent company financial statements 1 May 2019 – 30 April 2020

Statement of changes in equity

	Parent Company		
DKK'000	**Share capital**	**Retained earnings**	**Total**
Equity at 1 May 2019	1,100	793,395	794,495
Dividend paid during the year	0	0	0
Result for the year	0	-4,667	-4,667
Equity at 30 April 2020	1,100	788,728	789,828

	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 financial statements 1 May 2019 – 30 April 2020

List of notes to the parent company financial statements

Parent company financial statements 1 May 2019 – 30 April 2020

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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 medium-sized 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

Dividends from investments in subsidiaries are 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 2019 – 30 April 2020

Notes

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

Write-down of non-current assets

Investments 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. 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. 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.

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.

Parent company financial statements 1 May 2019 – 30 April 2020

Notes

28 Accounting policies – Parent Company (continued)

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.

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 net realizable value.

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.

Parent company financial statements 1 May 2019 – 30 April 2020

Notes

DKK'000		Parent Company 2019/20	Parent Company 2018/19
29	**Staff expenses**		
	Staff expenses are computed as follows:		
	Wages and salaries	1,259	109
	Pensions	0	0
	Other social security	7	38
		1,266	147

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

		2019/20	2018/19
	Average number of employees	1	1
30	**Dividends from subsidiaries/write-down of investment in subsidiaries**		
	Dividends received	0	150,000
		0	150,000

An impairment test of the value of the shares in Leonora Ejendomme A/S has been performed. The impairment test did not result in any impairment (2018/19 DKK 56 million).

		2019/20	2018/19
31	**Financial income**		
	Other financial income	49	1,293
		49	1,293
32	**Financial expenses**		
	Other financial expenses	3,679	3,679
		3,679	3,679
33	**Tax for the year**		
	Computed corporate income tax, incl. financing surcharge	536	-62
	Changes in deferred tax provided for	0	0
	Tax prior years	-133	-354
		403	-416

Parent company financial statements 1 May 2019 – 30 April 2020

Notes

DKK'000	Parent Company 2019/20	Parent Company 2018/19
34 Investments in subsidiaries		
Cost		
Balance at 1 May 2019	1,762,307	1,762,307
Additions for the year	0	0
Disposals during the year	0	0
Foreign exchange adjustment	0	0
Cost at 30 April 2020	1,762,307	1,762,307
Impairment losses at 1 May 2019	-1,016,407	-960,663
Impairment losses for the year	0	-55,744
Impairment losses at 30 April 2020	-1,016,407	-1,016,407
Carrying amount at 30 April 2020	745,900	745,900

For information regarding collateral for bond debt of shares in group entities, refer to note 36.

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

DKK'000	Parent Company 2019/20	Parent Company 2018/19
35 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.

Parent company financial statements 1 May 2019 – 30 April 2020

Notes

36 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 2020. 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 2019/20.

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.

37 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	
DKK'000	2019/20	2018/19
38 Proposed distribution of profit/loss		
Retained earnings	-4,667	-80,926
Dividend paid during the year	0	175,000
	-4,667	94,074

Peter Korsholm
Direktion
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