DSV Miljø Group A/S

c/o Harbour House

Sundkrogsgade 21, DK-2100 Copenhagen Ø, Denmark

CVR no. 38 51 38 34

Annual report 1 May 2021 – 30 April 2022

Approved at the Company's annual general meeting on 4 July 2022

Chairman:

....
Robin Basse

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of DSV Miljø Group A/S for the financial year 1 May 2021 – 30 April 2022.

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 2022 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 2021 – 30 April 2022.

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

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

Copenhagen, 4 July 2022

Executive Board:

Peter Korsholm

Board of Directors:

Kent Arentoft Chairman	Peter Korsholm	Robin Basse

Independent auditor's report

To the shareholders of DSV Miljø Group A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of DSV Miljø Group A/S for the financial year 1 May 2021 – 30 April 2022, 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 2022 and of the results of the Group's operations and cash flows for the financial year 1 May 2021 – 30 April 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 May 2021 – 30 April 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, 4 July 2022
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	DSV Miljø Group A/S
Address, P.O. Box, city	Sundkrogsgade 21, DK-2100 Copenhagen Ø, Denmark
CVR no.	38 51 38 34
Registered office	Copenhagen
Financial year	1 May 2021 – 30 April 2022
Website	www.dsvm.dk
E-mail	post@dsvm.dk
Board of Directors	Kent Arentoft, Chairman Peter Korsholm Robin Basse
Executive Board	Peter Korsholm
Parent company	DSVM Invest A/S, 100% owner
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, Postboks 250, DK-2000 Frederiksberg, Denmark

Management's review

Group chart at 30 April 2022

Company	Country	Business area
DSV Miljø Group A/S		
- Nymølle Stenindustrier A/S	Denmark	Raw materials
- RGS Nordic A/S (95%)	Denmark	Soil, Waste & Water
- - RGS Nordic AB	Sweden	Soil, Waste & Water
- - - RGS Rönnarp AB	Sweden	Soil, Waste & Water
- - RGS Nordic AS	Norway	Soil, Waste & Water
- - RGS Nordic Ltd.	UK	Soil, Waste & Water
- - Stigsnæs Vandindvinding I/S (31%)	Denmark	Soil, Waste & Water
- DSV Transport A/S	Denmark	Transportation
- Totalleveranser Sverige AB	Sweden	Other
- - GDL Transport Holding AB	Sweden	Transportation
- - - GDL AB (98%)	Sweden	Transportation
- - - - Tima Logistik AB	Sweden	Transportation
- - - - C-R Utbildning AB	Sweden	Transportation
- - - GDL Anläggning & Miljö AB (98%)	Sweden	Transportation
- - - - GDL Motorn 5 AB	Sweden	Transportation
- - - - ÖF Fastigheter i Norrköping AB	Sweden	Transportation
- - - GDL Sjöcontainer AB (97%)	Sweden	Transportation

All companies are wholly-owned subsidiaries unless otherwise stated.

The group was established on 10 May 2017, when DSV Miljø Group A/S acquired the shares in Nymølle Stenindustrier A/S, RGS Nordic A/S incl. subsidiaries, DSV Transport A/S and Totalleveranser Sverige AB incl. subsidiaries (collectively the "DSVM-entities").

Management's review

Financial highlights for the Group

DKKm	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Revenue	4,497	4,231	4,254	4,342	4,143
Gross profit	858	814	866	660	650
Result before special items and other income (EBITDA before special items etc.)	485	453	516	299	292
Result before net financials (EBIT)	111	55	122	128	138
Financial income and expenses, net	-133	-145	-141	-108	-113
Result before tax	-22	-90	-19	20	25
Tax for the year	1	5	-18	-15	-16
Result for the year	-21	-85	-37	5	9
Comprehensive income	-30	-59	-39	0	-39
Total assets	3,917	3,935	4,064	3,437	3,537
Investments in property, plant, equipment and intangibles	90	82	82	116	228
Net interest-bearing debt	1,966	2,050	2,082	1,544	1,694
Equity	563	586	634	673	675
Cash flows from operating activities before net financials and tax	466	506	554	292	274
Cash flows from operating activities	336	325	386	135	170
Total cash flows	0	-32	132	56	-7
Financial ratios					
Gross margin	19.1%	19.2%	20.4%	15.2%	15.7%
Profit margin (EBITDA before special items margin)	10.8%	10.7%	12.1%	6.9%	7.0%
Net interest-bearing debt/EBITDA before special items	4.1	4.5	4.0	5.2	5.8
Solvency ratio	14.4%	14.9%	15.6%	19.6%	19.1%
Average number of full-time employees	846	901	962	944	839

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

Management's review

Operating review

DSV Miljø Group

DSV Miljø Group A/S holds the shares of the following entities:

- Totalleveranser Sverige AB, Sweden (including subsidiaries)
- RGS Nordic A/S, Copenhagen (including subsidiaries)
- DSV Transport A/S, Roskilde
- Nymølle Stenindustrier A/S, Roskilde

Business concept

DSV Miljø Group A/S has activities within transport, logistics and environmental solutions as well as raw materials for the building and construction industry, primarily in Denmark and Sweden. The activities are organised in six independent portfolio companies operating within three 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.

Group highlights for the financial year 2021/22

Overall, 2021/22 revenues and EBITDA were in line with expectations as communicated in the 2020/21 annual report.

- The Group's total revenues, DKK 4,497 million, were up by 6% from 2020/21 (DKK 4,231 million) despite Covid-19 and an environment with continued tough competition.
- EBITDA before special items amounted to DKK 485 million (2020/21 DKK 453 million). EBITDA after special items and other income amounted to DKK 518 million (2020/21 DKK 439 million) and was positively affected by sale of real estate property in Sweden. The increase in EBITDA was mainly contributed by the Transportation business in Sweden.
- Cash flows from operating activities before net financials and tax amounted to DKK 466 million (2020/21 DKK 506 million). Cash flows from operating activities amounted to DKK 336 million (2020/21 DKK 325 million). Net cash flow amounted to DKK 0 million (2020/21 DKK -32 million). Net cash flows were positively impacted by sale of real estate property in Sweden but negatively impacted by repayment of interest-bearing debt.
- NIBD at 30 April 2022 amounted to DKK 1,966 million (30 April 2021 DKK 2,050 million).

Management's review

Results in 2021/22

Group revenue amounted to DKK 4,497 million (2020/21 DKK 4,231 million) which was slightly above expectations despite some Covid-19 impacts, lower Water business activity and continued tough competition. The somewhat stronger Swedish krone had a positive impact.

EBITDA before special items etc. amounted to DKK 485 million (2020/21 DKK 453 million), which was in line with expectations.

Gross profit

Gross profit amounted to DKK 858 million (2020/21 DKK 814 million) corresponding to a gross margin of 19.1% (2020/21 19.2%).

Special items

Special items amounted to DKK 9 million (2020/21 DKK 11 million) and are specified in note 7.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses for the year amounted to DKK 407 million (2020/21 DKK 384 million), which included amortisation of intangible assets (rights, brands, technology and customer relations) of DKK 76 million (2020/21 DKK 76 million).

Balance sheet

Total assets amounted to DKK 3,917 million at 30 April 2022 (30 April 2021 DKK 3,935 million).

Equity

Equity amounted to DKK 563 million at 30 April 2022 (30 April 2021 DKK 586 million), corresponding to a solvency ratio at 14.4% (30 April 2021 14.9%). The minority share of equity amounts to DKK 19 million (30 April 2021 DKK 12 million).

Interest-bearing debt

At 30 April 2022, net interest-bearing debt amounted to DKK 1,966 million (30 April 2021 DKK 2,050 million) largely comprising senior and junior credit institutions and lease liabilities.

Cash flows

Cash flows from operating activities before net financials and tax amounted to DKK 466 million (2020/21 DKK 506 million).

Cash flows from operating activities amounted to DKK 336 million (2020/21 DKK 325 million).

The gross investments in 2021/22 amounted to DKK 90 million (2020/21 DKK 82 million). Disposal of property, plant and equipment amounted to DKK 66 million (2020/21 DKK 14 million).

Net cash flows from financing activities were negative by DKK 307 million (2020/21 negative by DKK 295 million) and was negatively affected by repayment of senior interest-bearing debt of DKK 97 million. Net cash flows for the year amounted to DKK 0 million (2020/21 DKK -32 million).

Management's review

Outlook for 2022/23

The Group performance is – among other things – affected by the general macroeconomic conditions including the level and timing of infrastructure projects and construction activity. For 2022/23, the Group expects revenues of between DKK 4,500 million and DKK 4,700 million. EBITDA is expected between DKK 470 million and DKK 510 million.

Parent company results and balance sheet

The Parent Company's income statement shows a result for the year of DKK -26 million (2020/21 a profit of DKK 16 million).

As at 30 April 2022, the Parent Company's balance sheet shows total assets of DKK 1,996 million (30 April 2021 DKK 1,989 million) and an equity of DKK 737 million (30 April 2021 DKK 763 million).

Events after the balance sheet date

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

Non-financial matters

Risk management

At DSV Miljø Group 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 in which performance is closely tied to the economy as a 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.

Management's review

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 rate risk). A detailed description of the Group's financial risks is provided in note 19 Financial risks.

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 19 Financial risks.

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

As transport, logistics and environmental solutions as well as raw materials for the building and construction industry has traditionally been a male-dominated trade, the management of DSV Miljø Group A/S does not consider it realistic that DSV Miljø 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 2021/22 because there was very limited rotation in Group Management in 2021/22.

As DSV Miljø Group 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 2023. The target was not reached in 2021/22 because there was no rotation in the board in 2021/22. The Company's Board of Directors consists of three male members.

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

Business model

The Group's operational activities are organised in six 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.

Management's review

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 centred 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 2021/22 RGS took active part in the building industry's work towards a more sustainable future including more recycling and reuse of material. During 2021/22 a new treatment process for gypsum and certain insulation materials have been established to better re-use the material.

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 and is working towards sole use of fossil free transportation by 2030 determined as an emission reduction of 70% compared to fossil alternatives according to the EU renewables directive. Examples includes use of HVO and Biogas fuel, High Capacity Transports and dedicated trainline transport.

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.

By 2021, the Covid-19 pandemic has put additional pressure on the physical and mental well-being of our employees caused by health risks and lockdowns. The Group has put great focus on protecting our employees during this time by prescribing guidelines and providing protective equipment. This has, among other things, ensured the health of employees during the pandemic.

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 2021/22 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 have experienced bribery or corruption in the past decade. The group has assessed, based on a risk assessment, that there are no risk associated with 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. The group has assessed, based on a risk assessment, that there are no risk associated with human rights. Therefore, the Group does not have formal policies.

Data Ethics

In compliance with the requirements under section 99(d) of the Danish Financial Statements Act, the subsidiaries within the DSV Miljø Group have implemented data ethics policies. The group complies with both Danish and EU laws on data and privacy protection. The group wants to be perceived as a partner who complies with the legislation and follows developments in good data ethics. We want to treat all the data ethically and responsibly. The group uses and processes data both nonpersonal data and personal data. We collect data regarding our employees for administrative purposes, and contact details on customers and their employees to be able to deliver our services. We also collect data directly from our customers when we create customer accounts in our systems. We process all data with respect for the sensitivity of the data and any privacy rights. We do not buy or sell customer data to third parties, and we do not use artificial intelligence or machine learning in the analysis of any data. Making sure that our processing activities and security measures match the requirements for the data we are handling, we always apply our standards for data ethics to the way we work, whether we process personal data or other types of data.

Consolidated financial statements 1 May 2021 - 30 April 2022

Income statement

Note	DKKm	Group 2021/22	Group 2020/21
3	**Revenue**	4,497	4,231
4	Direct expenses	-3,639	-3,417
	Gross Profit	858	814
	Other external expenses	-93	-87
5	Staff expenses	-280	-274
	Result before special items and other income (EBITDA before special items etc.)	485	453
6	Other income / other expenses	42	-3
7	Special items	-9	-11
	Result before depreciation, amortization, impairment, net financials and tax (EBITDA)	518	439
13	Depreciation of right-of-use-assets	-242	-225
8	Depreciation of owned property, plant and equipment	-89	-83
8	Amortization of intangible assets	-76	-76
	Result before net financials (EBIT)	111	55
13	Financial expenses, lease liabilities	-35	-36
9	Financial expenses, other	-98	-109
	Result before tax	-22	-90
10	Tax for the year	1	5
	Result for the year	-21	-85
	Appropriation:		
	Shareholders in DSV Miljø Group A/S	-21	-85
	Non-controlling interests	0	0
		-21	-85

Consolidated financial statements 1 May 2021 – 30 April 2022

Statement of comprehensive income

Note	DKKm	Group 2021/22	Group 2020/21
	Result for the year	-21	-85
	Other comprehensive income		
	Items that may be reclassified to the income statement:		
	Foreign exchange adjustments, foreign subsidiaries	-9	26
	Other comprehensive income after tax	-9	26
	Total comprehensive income	-30	-59
	Appropriation:		
	Shareholders in DSV Miljø Group A/S	-30	-59
	Non-controlling interests	0	0
		-30	-59

Consolidated financial statements 1 May 2021 – 30 April 2022

Balance sheet

Note	DKKm	Group 2021/22	Group 2020/21
	ASSETS		
11	**Intangible assets**		
	Goodwill	1,032	1,036
	Other intangible assets	778	840
		1,810	1,876
12	**Property, plant and equipment**		
13	Right-of-use assets	610	671
	Land and buildings	295	309
	Plant, equipment and machinery	126	139
	Fixtures and fittings, tools and equipment	14	12
	Property, plant and equipment under construction	21	23
		1,066	1,154
	Financial assets		
	Shares in associated companies	4	4
	Other securities and investments	1	1
	Other receivables	21	21
		26	26
	Total non-current assets	2,902	3,056
	Current assets		
	Inventories	23	20
		23	20
	Receivables		
19	Trade receivables	744	606
	Other receivables	9	12
	Prepayments	80	78
		833	696
	Cash	159	163
	Total current assets	1,015	879
	TOTAL ASSETS	3,917	3,935

Consolidated financial statements 1 May 2021 – 30 April 2022

Balance sheet

Note	DKKm	Group 2021/22	Group 2020/21
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1	1
	Share premium	712	712
	Currency translation reserve	-39	-30
	Retained earnings	-130	-109
	Share of equity attributable to the shareholders in DSV Miljø Group A/S	544	574
	Non-controlling interests	19	12
	Total equity	563	586
	Liabilities		
	Non-current liabilities		
16	Credit institutions	1,285	1,386
14	Deferred tax liabilities	161	186
16	Vendor loan	20	21
13	Lease liabilities	442	498
	Corporate income tax	0	6
15	Provisions	46	48
	Other payables	9	8
		1,963	2,153
	Current liabilities		
15	Provisions	9	13
16	Credit institutions	134	84
16	Vendor loan	10	1
13	Lease liabilities	207	192
	Trade payables	825	696
	Corporate income tax	6	21
	Other payables	158	156
	Deferred income	42	33
		1,391	1,196
	Total liabilities	3,354	3,349
	TOTAL EQUITY AND LIABILITIES	3,917	3,935

Consolidated financial statements 1 May 2021 – 30 April 2022

Statement of changes in equity

DKKm	Share capital	Share premium	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 May 2021	1	712	-30	-109	574	12	586
Comprehensive income in 2021/22:							
Result for the year	0	0	0	-21	-21	0	-21
Other comprehensive income:							
Foreign exchange adjustments, foreign subsidiaries	0	0	-9	0	-9	0	-9
Total other comprehensive income	0	0	-9	0	-9	0	-9
Total comprehensive income for the period	0	0	-9	-21	-30	0	-30
Transactions with owners, etc							
Non-controlling interest arising on sale of shares	0	0	0	0	0	7	7
Equity at 30 April 2022	1	712	-39	-130	544	19	563

DKKm	Share capital	Share premium	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 May 2020	1	712	-56	-24	633	1	634
Comprehensive income in 2020/21:							
Result for the year	0	0	0	-85	-85	0	-85
Other comprehensive income:							
Foreign exchange adjustments, foreign subsidiaries	0	0	26	0	26	0	26
Total other comprehensive income	0	0	26	0	26	0	26
Total comprehensive income for the period	0	0	26	-85	-59	0	-59
Transactions with owners, etc							
Non-controlling interest arising on sale of shares	0	0	0	0	0	11	11
Equity at 30 April 2021	1	712	-30	-109	574	12	586

Share capital

The share capital consists of 1,000,000 shares of nom. DKK 1 each, totalling DKK 1,000,000. Share premium can be used for dividend.

Consolidated financial statements 1 May 2021 – 30 April 2022

Cash flow statement

Note	DKKm	Group 2021/22	Group 2020/21
	Profit/loss for the year	-21	-85
23	Adjustments	497	527
	Changes in working capital	-10	64
	Cash flows from operating activities before net financials and tax	**466**	**506**
13	Interest paid on lease liabilities	-35	-36
	Interest payments made, other	-50	-102
	Payment of corporate income tax	-45	-43
	Cash flows from operating activities	**336**	**325**
	Acquisition of property, plant, equipment and other intangibles	-90	-82
	Disposal of property, plant, equipment	66	14
	Acquisition of activities and entities	-5	0
	Sale of activities and entities	0	6
	Cash flows from investing activities	**-29**	**-62**
24	Repayment bond debt	0	-1,547
24	Proceeds from credit institutions	0	1,451
24	Repayment to credit institutions	-97	0
13	Repayment of lease liabilities	-227	-210
24	Reduction/increase in interest-bearing debt	10	0
24	Sale of shares to non-controlling interests	7	11
	Cash flows from financing activities	**-307**	**-295**
	Net cash flows	**0**	**-32**
	Cash and cash equivalents at 1 May 2021	163	188
	Net cash flows	0	-32
	Value adjustment of cash and cash equivalents	-4	7
	Cash and cash equivalents at 30 April 2022	**159**	**163**

	Cash and cash equivalents are specified as follows:		
	Cash	159	163
	Cash and cash equivalents at 30 April 2022	**159**	**163**

Consolidated financial statements 1 May 2021 – 30 April 2022

List of notes to the consolidated financial statements

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

1 Accounting policies

DSV Miljø Group A/S is a public limited company with its registered office in Denmark.

The financial statements section of the annual report for the period 1 May 2021 – 30 April 2022 comprises both the consolidated financial statements of DSV Miljø Group A/S and its subsidiaries (the 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 large reporting class C.

On 4 July 2022, the Board of Directors and the Executive Board have discussed and approved the annual report of DSV Miljø Group A/S for 2021/22. The annual report will be presented to the shareholders of DSV Miljø Group A/S for approval at the annual general meeting on 4 July 2022.

New financial reporting standards

All new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 May 2021 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the financial statements. 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.

New financial reporting standards not yet adopted

The IASB has issued a number of new or amended standards and interpretations with effective date after 30 April 2022. None of the standards are expected to have a significant effect for DSV Miljø Group A/S. 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.

Consolidated financial statements

Consolidation practice

The consolidated financial statements comprise the Parent Company DSV Miljø Group 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 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.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

1 Accounting policies (continued)

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.

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

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

Leases

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.

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.

Consolidated financial statements 1 May 2021 – 30 April 2022

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, Recycling and Water 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. Expenses include 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.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

1 Accounting policies (continued)

Staff expenses

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

Other income and expenses

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

Special items

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

Special items also include 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 adjustments to deferred tax less the tax expense for the year relating to changes in equity.

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

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

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 2021 – 30 April 2022

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	Up to 10 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	2-10 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 fair value less cost of disposal 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.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

1 Accounting policies (continued)

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.

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.

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
Trade Receivables are measured at amortised cost. Impairment on trade receivables is based on the simplified approach in calculating expected credit losses model. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

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.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

1 Accounting policies (continued)

Dividend

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

Currency translation reserve

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

Non-controlling interests

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

Provisions

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

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

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

Income taxes and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account. Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively. 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial liabilities

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. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Non-financial liabilities are measured at net realisable value.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

1 Accounting policies (continued)

Deferred income

Deferred income comprises payments received concerning revenue in subsequent reporting years.Consolidated financial statements 1 May 2021 – 30 April 2022

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 2021 – 30 April 2022

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.

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.

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)	$\frac{\text{EBITDA (before special items) x 100}}{\text{Revenue}}$
Net interest-bearing debt/EBITDA bf. Sp. items	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA before special items}}$
Solvency ratio	$\frac{\text{Equity x 100}}{\text{Total assets}}$

Consolidated financial statements 1 May 2021 – 30 April 2022

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 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 DSV Miljø Group 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
- Right of use assets

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 11 Intangible assets.

The 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 12 Property, plant and equipment.

Accrued expenses, deferred income regarding non-processed soil and contingencies

Accrued expenses 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 accrued expenses.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

2 Accounting estimates and judgements (continued)

Right of use assets

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

		Group	Group
	DKKm	**2021/22**	**2020/21**
3	**Revenue**		
	Sale of goods	363	445
	Sale of services	4,134	3,786
		4,497	4,231
	Soil, Recycling & Water	1,255	1,117
	Transportation	3,070	2,907
	Raw materials	303	297
	Intra Group & Other	-131	-90
		4,497	4,231
4	**Direct expenses**		
	Transferred from staff expenses	216	212
	Other direct expenses	3,423	3,205
		3,639	3,417
5	**Staff expenses**		
	Staff expenses are computed as follows:		
	Wages and salaries	437	424
	Pensions	33	31
	Other social security	26	31
		496	486
	Transferred to direct expenses	-216	-212
		280	274
	Members of the Executive Board and Board of Directors did not receive remuneration in 2021/22 or 2020/21.		
	Average number of employees	846	901
6	**Other income and expenses**		
	Gain/loss on the sale of fixed assets	42	-3

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

DKKm	Group 2021/22	Group 2020/21
7 Special items		
Restructuring costs	7	10
Other	2	1
	9	11

If not recognized as special items the expense would have been recognized and expensed in direct expenses DKK 8 million (2020/21 DKK 1 million), other external expenses DKK 4 million (2020/21 DKK 1 million) and staff expenses DKK -3 million (2020/21 DKK 9 million).

8 Depreciation on property, plant and equipment, amortisation of intangible assets		
Depreciation and amortisation:		
Customer relations	52	52
Brands	4	4
Technology	14	18
Rights	6	2
Property	46	40
Plant and machinery	37	35
Fixtures and fittings, tools and equipment	7	8
	166	159

Amortization of leased assets for 2021/22 according to IFRS 16 amounts to DKK 242 million (2020/21 DKK 225 million).

9 Financial expenses		
Bond interest	0	61
Interest credit institutions	83	28
Amortization of capitalized loan costs	6	8
Interest bank, financial lease and vendor loan	2	1
Exchange losses	2	0
Other financial expenses	5	11
	98	109
Financial expenses related to liabilities measured at amortised cost	98	109

10 Tax for the year		
Current income tax, incl. financing surcharge	20	17
Changes in deferred tax	-22	-22
	-2	-5
Other adjustments	1	0
Tax for the year	-1	-5
Tax on other comprehensive income	0	0
	-1	-5
Tax for the year can be specified as follows:		
Computed 22% tax on profit before tax	-5	-20
Tax effect of:		
Tax on non-deductible expenses (limitation of interest deduction)	14	13
Tax on other non-deductible expenses and non-taxable income	-12	-1
Use of tax assets not recognised in prior years	0	4
Other adjustments	-1	-1
	1	5

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

11 Intangible assets

	Goodwill
2021/22	
Cost	
Balance at 1 May 2021	1,036
Foreign exchange adjustments	-4
Additions during the year	0
Disposals during the year	0
Cost at 30 April 2022	1,032
Amortisation and impairment losses	
Balance at 1 May 2021	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 2022	0
Carrying amount at 30 April 2022	1,032

	Goodwill
2020/21	
Cost	
Balance at 1 May 2020	1,034
Foreign exchange adjustments	2
Additions during the year	0
Disposals during the year	0
Cost at 30 April 2021	1,036
Amortisation and impairment losses	
Balance at 1 May 2020	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 2021	0
Carrying amount at 30 April 2021	1,036

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

11 Intangible assets (continued)

	Customer relations	Brands	Technology	Extraction rigths	Total other intangibles assets
2021/22					
Cost					
Balance at 1 May 2021	941	60	95	15	1,111
Foreign exchange adjustments	-4	-1	0	0	-5
Additions during the year	7	0	14	3	24
Disposals during the year	0	0	-15	0	-15
Cost at 30 April 2022	944	59	94	18	1,115
Amortisation and impairment losses					
Balance at 1 May 2021	210	15	43	3	271
Foreign exchange adjustments	-1	-1	0	0	-2
Amortisation during the year	52	4	19	6	81
Impairment losses for the year	0	0	0	0	0
Disposals during the year	0	0	-13	0	-13
Amortisation and impairment losses at 30 April 2022	261	18	49	9	337
Carrying amount at 30 April 2022	683	41	45	9	778

	Customer relations	Brands	Technology	Extraction rigths	Total other intangibles assets
2020/21					
Cost					
Balance at 1 May 2020	929	58	97	9	1,093
Foreign exchange adjustments	12	2	1	0	15
Additions during the year	0	0	10	7	17
Disposals during the year	0	0	-13	-1	-14
Cost at 30 April 2021	941	60	95	15	1,111
Amortisation and impairment losses					
Balance at 1 May 2020	156	11	35	1	203
Foreign exchange adjustments	2	0	0	0	2
Amortisation during the year	52	4	18	2	76
Impairment losses for the year	0	0	0	0	0
Disposals during the year	0	0	-10	0	-10
Amortisation and impairment losses at 30 April 2021	210	15	43	3	271
Carrying amount at 30 April 2021	731	45	52	12	840

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

11 Intangible assets (continued)

Impairment test of goodwill

Management has performed an impairment test of the carrying amount of goodwill for the 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:

DKKm	Group 2021/22	Group 2020/21
RGS Nordic (Soil, Waste & Water)	694	694
DSV Transport, Denmark	33	33
GDL, Sweden	227	231
Transportation	260	264
Nymølle Stenindustrier (Raw materials)	78	78
Total goodwill	1,032	1,036

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 (value-in-use) 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 2022/23 and projections for 2023/24-2025/26 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 (2022/23 – 2025/26) include the following:

2021/22	Soil & recycling & water	Raw materials	Transportation
Revenue growth per year (weighted average)	4.0%	-2.8%	3.5%
EBITDA margin (weighted average)	10.8%	26.9%	2.6%
EBIT Growth in the terminal period	1.5%	1.5%	1.5%
Discount rate before tax	10.4%	11.2%	11.7%
Discount rate after tax	8.5%	9.0%	9.5%

2020/21	Soil & recycling & water	Raw materials	Transportation
Revenue growth per year (weighted average)	6.7%	-3.7%	1.6%
EBITDA margin (weighted average)	13.0%	27.8%	2.6%
EBIT Growth in the terminal period	1.5%	1.5%	1.5%
Discount rate before tax	10.5%	12.5%	11.7%
Discount rate after tax	8.5%	10.0%	9.5%

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

11 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).

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:

	Group	Group
DKKm	**2021/22**	**2020/21**
RGS Nordic	0	0
Nymølle Stenindustrier	0	0
DSV Transport, Denmark	0	0
GDL, Sweden	0	0

An increase in the discount factor before tax of 1 percentage point will entail an additional indication of imapriment as follows:

RGS Nordic	0	0
Nymølle Stenindustrier	0	0
DSV Transport, Denmark	0	0
GDL, Sweden	0	0

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

12 Property, plant and equipment

	Group				
DKKm	**Land and buildings**	**Plant, equipment and machinery**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment under construction**	**Total**
2021/22					
Cost at 1 May 2021	446	186	42	23	697
Foreign exchange adjustment	-2	-2	0	0	-4
Additions during the year	47	18	9	0	74
Disposals during the year	-33	-24	-4	-2	-63
Cost at 30 April 2022	458	178	47	21	704
Depreciation at 1 May 2021	137	47	30	0	214
Foreign exchange adjustment	-1	-1	0	0	-2
Depreciation for the year	46	37	7	0	90
Depreciation on assets sold	-19	-31	-4	0	-54
Depreciation at 30 April 2022	163	52	33	0	248
Carrying amount at 30 April 2022	295	126	14	21	456

DKKm	**Land and buildings**	**Plant, equipment and machinery**	**Fixtures and fittings, tools and equipment**	**Property, plant and equipment under construction**	**Total**
2020/21					
Cost at 1 May 2020	421	192	36	7	656
Foreign exchange adjustment	6	8	1	0	15
Additions during the year	27	31	5	16	79
Disposals during the year	-8	-45	0	0	-53
Cost at 30 April 2021	446	186	42	23	697
Depreciation at 1 May 2020	99	39	21	0	159
Foreign exchange adjustment	3	6	1	0	10
Depreciation for the year	40	35	8	0	83
Depreciation on assets sold	-5	-33	0	0	-38
Depreciation at 30 April 2021	137	47	30	0	214
Carrying amount at 30 April 2021	309	139	12	23	483

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

13 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
2021/22				
Depreciation charge for the year	104	134	4	242
Right-of-use assets at 30 April 2022	346	257	7	610
2020/21				
Depreciation charge for the year	97	125	3	225
Right-of-use assets at 30 April 2021	413	252	6	671

Addition of right-of-use assets for the year amounted to DKK 181 million (2020/21: DKK 170 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:

DKKm	Group 2021/22	Group 2020/21
Interest paid/Cash flow from operating activities	35	36
Repayment of lease liabilities/Cash flow from financing activities	227	210
Total	262	246

Prior to the balance sheet date, the Group has entered into lease agreements commencing after the balance sheet totalling DKK 1 million (2020/21: DKK 6 million).

For disclosures on related lease liabilities, please refer to note 16 and 19.

DKKm	Group 2021/22	Group 2020/21
14 Deferred tax		
Provisions, etc.	3	3
Other payables	0	0
Property, plant and equipment and intangible assets	-170	-199
Non-current liabilities other than provisions	6	7
Tax loss carried forward	0	3
Total deferred tax	-161	-186
Included under assets	0	0
Included under liabilities	-161	-186
Total	-161	-186

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

14 Deferred tax (continued)

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:

DKKm	Group 2021/22	Group 2020/21
Balance at 1 May 2021	-186	-206
Foreign exchange adjustments	3	-2
Transferred to corporate income tax	22	22
Balance at 30 April 2022	-161	-186

15 Provisions

DKKm	Group 2021/22	Group 2020/21
Balance at 1 May 2021	61	61
Foreign exchange adjustments	0	0
Provision for the year	4	12
Used and reversed during the year	-10	-12
Balance at 30 April 2022	55	61
Maturity:		
After 5 years	22	34
Between 1 and 5 years	24	14
Long-term portion	46	48
Short-term portion	9	13
	55	61

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.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

16 Interest bearing liabilities

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

	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**
2021/22					
Credit institutions	1,303	0	1,303	134	1,437
Capitalised loan costs	-18	0	-18	0	-18
	1,285	0	1,285	134	1,419
Leases	335	107	442	207	649
Vendor loan	5	15	20	10	30
	1,625	122	1,747	351	2,098
2020/21					
Credit institutions	995	414	1,409	84	1,493
Capitalised loan costs	-23	0	-23	0	-23
	972	414	1,386	84	1,470
Leases	346	152	498	192	690
Vendor loan	6	15	21	1	22
	1,324	581	1,905	277	2,182

The senior facilities comprise DKK 50 million revolving credit facility (cash pool facility) and DKK 979 million term loan facilities. The term loan facilities are partly subject to amortisation (TLA) and carries an interest rate of CIBOR + Margin paid quarterly. For the senior facilities certain terms and conditions apply regarding covenants, change of control and assets placed as collateral for the senior facilities debt, cf. note 18.

The junior facilities comprise of DKK 400 million PIK Toggle facility.

The leases carry both fixed and variable interest in the range of 1% - 7%.

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

The capitalised loan costs for 2021/22 amounts to DKK 0 million (2020/21: DKK 25 million).

17 Collateral of assets (security for loans)

Shares in subsidiaries with a net asset value of DKK 661 million (2020/21 DKK 601 million) have been provided as collateral for the credit institutions.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

18 Contingencies and other financial commitments

The Group has entered into external lease agreements.

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 included in the payment guarantees.

DKKm	Group 2021/22	Group 2020/21
Payment guarantees		
Payment guarantees have been provided in respect of restoration of gravel pits and third party guarantees with terms exceeding 6 months totalling	328	293

Pension obligations, Sweden

The 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 DSV Miljø Group 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 2021/22, DKK 13 million has been expensed (2020/21 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.

19 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	2021/22	2020/21
Undrawn credit facilities amount to	50	50

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

19 Financial risks (continued)

The Group's cash resources comprise cash and unused credit facilities. The credit facilities comprise a super senior revolving facility of DKK 50 million which can be increased to DKK 100 million.

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 financial 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
2021/22						
Measured at amortised cost:						
Credit institutions	132	1,248	0	1,380	1,362	1,380
Credit institutions, Interest	2	55	0	57	57	57
Leases	199	411	133	743	649	649
Other payables etc.	10	15	14	39	39	39
Trade payables	825	0	0	825	825	825
Financial liabilities	1,168	1,729	147	3,044	2,932	2,950
Measured at amortised cost:						
Trade receivables	744	0	0	744	744	744
Other receivables, prepayments and cash and cash equivalents	249	21	0	270	270	270
Measured at fair value:						
Securities	1	0	0	1	1	1
Financial assets	994	21	0	1,015	1,015	1,015
Net cash outflow	174	1,708	147	2,029	1,917	1,935

	< 1 year	1-5 years	> 5 years	Total contrac-tual cash flows	Carrying amount	Fair value
2020/21						
Measured at amortised cost:						
Credit institutions	80	995	400	1,475	1,452	1,475
Credit institutions, Interest	4	0	14	18	18	18
Leases	204	430	192	826	690	690
Other payables etc.	1	14	15	30	30	30
Trade payables	696	0	0	696	696	696
Financial liabilities	985	1,439	621	3,045	2,886	2,909
Measured at amortised cost:						
Trade receivables	606	0	0	606	606	606
Other receivables, prepayments and cash and cash equivalents	253	21	0	274	274	274
Measured at fair value:						
Securities	1	0	0	1	1	1
Financial assets	860	21	0	881	881	881
Net cash outflow	125	1,418	621	2,164	2,005	2,028

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

19 Financial risks (continued)

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.

DKKm	Group 2021/22	Group 2020/21
The impairment losses on total receivables can be specified as follows:		
Impairment losses at 1 May	3	4
Impairment for the year, net	1	-1
Impairment losses at 30 April	4	3
Maturity of total trade receivables:		
Not overdue	633	531
Overdue by 0-30 days	99	67
Overdue by 31-60 days	6	4
Overdue by 61-90 days	6	0
Overdue by 91-360 days	2	5
Overdue by more than 360 days	2	2
Receivables before impairment losses	748	609
Impairment losses	-4	-3
Total receivables	744	606

It is the Group's credit policy that all debtors in the private sector, except large private debtors with low credit risk and foreign debtors, must be subject to credit insurance to the extent possible. 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 low.

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.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

19 Financial risks (continued)

Expected credit loss from trade receivables at 30 April 2022 is presented as follows:

2021/22	Carrying amount	Expected loss rate, %	Loss allowance
DKKm	**2021/22**	**2021/22**	**2021/22**
Maturity of total trade receivables:			
Not overdue	632	0,1%	1
Overdue by 0-30 days	98	0,2%	1
Overdue by 31-60 days	6	0,4%	0
Overdue by 61-90 days	6	0,8%	0
Overdue by 91-360 days	1	25%	1
Overdue by more than 360 days	1	50%	1
Total receivables	744		4

2020/21	Carrying amount	Expected loss rate, %	Loss allowance
DKKm	**2020/21**	**2020/21**	**2020/21**
Maturity of total trade receivables:			
Not overdue	530	0,1%	1
Overdue by 0-30 days	67	0,2%	0
Overdue by 31-60 days	4	0,4%	0
Overdue by 61-90 days	0	0,8%	0
Overdue by 91-360 days	4	25%	1
Overdue by more than 360 days	1	50%	1
Total receivables	606		3

Market risk

The Group’s senior credit institutions carry a variable interest rates at CIBOR + Margin 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 10 million before tax. The junior credit institutions carry fixed interest rate and as such not exposed to interest rate fluctuations.

Currency risks

The Group is somewhat affected by foreign currency fluctuations, primarily fluctuations in Swedish kroner and to a less degree EURO and NOK.

Income and expenses in all the Group's companies are generally settled in local currencies, and consequently, the risks are limited to the net investments made in activities in Sweden, which amount to DKK 414 million at 30 April 2022 (DKK 366 million at 30 April 2021). A change of 1% in the exchange rate for SEK compared to DKK, will have an effect on other comprehensive income by approximately DKK 3-4 million before tax.

Consolidated financial statements 1 May 2021 – 30 April 2022

Notes

20 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 current senior and junior facilities, equity and loan capital is adequate relative to the expected development in operations and liquidity in 2022/23.

21 Related parties and ownership

Related parties	Basis
DSVM Invest A/S	Parent company
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.

Key management employees comprise members of Group Management, including CEOs of the portfolio companies. Remuneration of executive employees amounted to DKK 14 million (2020/21 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 131 million (2020/21 DKK 90 million). Moreover, there are intra-group balances regarding cash pool arrangements and loan and trade balances at a gross amount of DKK 251 million (2020/21 DKK 265 million), including intra-group interest of DKK 12 million (2020/21 DKK 17 million).

The transactions have been eliminated in the consolidated financial statements.

DKKm	Group 2021/22	Group 2020/21
22 Fees to the Company's auditor appointed by the general meeting		
Fee for statutory audit	1.5	1.4
Other assurance engagements	0.2	0.1
Tax assistance	0.1	0.3
Other assistance	0.5	0.1
	2.3	1.9

Consolidated financial statements 1 May 2021 – 30 April 2022

DKKm	Group 2021/22	Group 2020/21
23 Cash flow statement – adjustments		
Financial expenses, net	133	145
Depreciation and amortisation	407	384
Tax for the year	-1	-5
Gain/loss on the disposal of equipment	-42	3
	497	527

24 Financial liabilities and financing cash flow activities

mDKK	Cash flow	Business combi- nations	Non-cash change: Foreign exchange movement	Non-cash change: Other non-cash changes	2021/22
Credit institutions	-96	0	0	46	-50
Financial debt and leases	-227	0	-4	191	-40
Bank overdraft	0	0	0	0	0
Sale of shares to non-controlling interests	7	0	0	0	7
Financial liabilities at 30 April 2022	-316	0	-4	227	-83

mDKK	Cash flow	Business combi- nations	Non-cash change: Foreign exchange movement	Non-cash change: Other non-cash changes	2020/21
Bond debt	-1,547	0	0	15	-1,532
Credit institutions	1,451	0	0	19	1,470
Financial debt and leases	-210	0	0	184	-26
Bank overdraft	0	0	0	0	0
Sale of shares to non-controlling interests	11	0	0	0	11
Financial liabilities at 30 April 2021	-295	0	0	218	-77

25 Business combinations

Acquisitions in 2021/22 or 2020/21

No material acquisitions have taken place in 2021/22 or 2020/21.

26 Events after the balance sheet date

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

Parent company financial statements 1 May 2021 – 30 April 2022

Income statement

Note	DKK'000	Parent Company 2021/22	Parent Company 2020/21
	Revenue	2,600	2,800
	Other external expenses	-2,754	-2,490
	Gross profit	-154	310
39	Staff expenses	-934	-242
	Result before financial items	-1,088	-68
28	Dividends from subsidiaries	43,000	75,000
29	Financial income	9,712	44,092
30	Financial expenses	-82,257	-106,914
	Result before tax	-30,633	12,110
31	Tax for the year	5,053	4,223
	Result for the year	-25,580	16,333

Parent company financial statements 1 May 2021 – 30 April 2022

Balance sheet

Note	DKK'000	Parent Company 2021/22	Parent Company 2020/21
	ASSETS		
	Non-current assets		
32	Equity investments in group entities	1,895,989	1,879,419
33	Receivables in group entities	83,122	91,913
		1,979,111	1,971,332
	Total non-current assets	1,979,111	1,971,332
	Current assets		
	Receivables		
	Corporate income tax receivable	5,053	13,683
	Receivables in group entities	12,239	3,555
		17,292	17,238
	Cash	0	0
	Total current assets	17,292	17,238
	TOTAL ASSETS	1,996,403	1,988,570

Parent company financial statements 1 May 2021 – 30 April 2022

Balance sheet

		Parent Company	
Note	**DKK'000**	**2021/22**	**2020/21**
	EQUITY AND LIABILITIES		
	Equity		
34	Share capital	1,000	1,000
	Retained earnings	735,958	761,538
	Total equity	736,958	762,538
	Liabilities		
	Non-current liabilities		
35	Credit institutions	1,078,663	1,138,916
		1,078,663	1,138,916
	Current liabilities		
35	Credit institutions	95,153	82,750
	Bank debt	84,752	4,241
	Trade payables	600	45
	Other payables	277	80
		180,782	87,116
	Total liabilities	1,259,445	1,226,032
	TOTAL EQUITY AND LIABILITIES	1,996,403	1,988,570

Parent company financial statements 1 May 2021 – 30 April 2022

Statement of changes in equity

	Parent Company		
DKK'000	**Share capital**	**Retained earnings**	**Total**
Equity at 1 May 2021	1,000	761,538	762,538
Result for the year	0	-25,580	-25,580
Equity at 30 April 2022	1,000	761,538	736,958

	Parent Company		
DKK'000	**Share capital**	**Retained earnings**	**Total**
Equity at 1 May 2020	1,000	745,205	746,205
Result for the year	0	16,333	16,333
Equity at 30 April 2021	1,000	761,538	762,538

Parent company financial statements 1 May 2021 – 30 April 2022

List of notes to the parent company financial statements

Note

Parent company financial statements 1 May 2021 – 30 April 2022

Notes

27 Accounting policies – Parent Company

The annual report of DSV Miljø Group A/S has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method). Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

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.

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.

Parent company financial statements 1 May 2021 – 30 April 2022

Notes

27 Accounting policies – Parent Company (continued)

The company and its Danish group entities are jointly taxed together with its parent company 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

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.

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.

Parent company financial statements 1 May 2021 – 30 April 2022

Notes

27 Accounting policies – Parent Company (continued)

Financial liabilities

Loans, such as bond loans and loans from credit institutions, are recognised at the time of borrowing 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 realisable value.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements act no cash flow statement has been prepared for the parent company as cash flows are included in the consolidated financial statements of DSV Miljø Group A/S.

		Parent Company	
	DKK'000	2021/22	2020/21
28	**Dividends from subsidiaries**		
	Dividends received	43,000	75,000
		43,000	75,000
29	**Financial income**		
	Credit institutions	844	3,663
	Foreign exchange gains	0	20,606
	Intra-group interest	8,868	17,126
	Other financial income	0	2,697
		9,712	44,092
30	**Financial expenses**		
	Bond interest	0	61,294
	Amortization of capitalized loan costs	5,015	8,053
	Interest to credit institutions	73,310	25,296
	Foreign exchange losses	3,131	18
	Other financial expenses	801	12,253
		82,257	106,914
31	**Tax for the year**		
	Computed corporate income tax, incl. financing surcharge	5,053	4,435
	Changes in deferred tax	0	0
	Changes to tax in prior years	0	-212
		5,053	4,223

Parent company financial statements 1 May 2021 – 30 April 2022

Notes

DKK'000	Parent Company 2021/22	Parent Company 2020/21

32 Investments in subsidiaries

	2021/22	2020/21
Cost		
Balance at 1 May 2021	1,879,419	1,887,000
Disposals for the year	-1,723	-7,581
Additions for the year	18,293	0
Cost at 30 April 2022	1,895,989	1,879,419
Carrying amount at 30 April 2022	1,895,989	1,879,419

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

- Nymølle Stenindustrier A/S	Denmark	Raw materials
- RGS Nordic A/S (95%)	Denmark	Soil, Waste & Water
- RGS Nordic AB	Sweden	Soil, Waste & Water
- RGS Rönnarp AB	Sweden	Soil, Waste & Water
- RGS Nordic AS	Norway	Soil, Waste & Water
- RGS Nordic Ltd.	UK	Soil, Waste & Water
- Stigsnæs Vandindvinding I/S (31%)	Denmark	Soil, Waste & Water
- DSV Transport A/S	Denmark	Transportation
- Totalleveranser Sverige AB	Sweden	Other
- GDL Transport Holding AB	Sweden	Transportation
- GDL AB (98%)	Sweden	Transportation
- Tima Logistik AB	Sweden	Transportation
- C-R Utbildning AB	Sweden	Transportation
- GDL Anläggning & Miljö AB (98%)	Sweden	Transportation
- GDL Motorn 5 AB	Sweden	Transportation
- ÖF Fastigheter i Norrköping AB	Sweden	Transportation
- GDL Sjöcontainer AB (97%)	Sweden	Transportation

33 Receivable in group entities

	2021/22	2020/21
Cost		
Balance at 1 May 2021	91,913	342,356
Additions for the year	0	0
Foreign exchange adjustment	-1,438	20,601
Repayment	-7,353	-271,044
Cost at 30 April 2022	83,122	91,913
Carrying amount at 30 April 2022	83,122	91,913

For information regarding collateral for debt to credit institutions of receivable in group entities, refer to note 36.

34 Share capital

The share capital of DKK 1,000,000 is composed as follows:

	2021/22	2020/21
1,000,000 shares of DKK 1 each	1,000	1,000
	1,000	1,000

Parent company financial statements 1 May 2021 – 30 April 2022

Notes

DKK'000	Parent Company 2021/22	2020/21

35 Interest bearing liabilities

Non-current and current liabilities can be specified as follows:

2021/22	Total current liabilities at 30 April	Falling due between 1 and 5 years	Falling due after 5 years	Total non-current liabilities at 30 April	Total
Credit institutions	95,153	1,094,294	0	1,094,294	1,189,447
Capitalised loan costs	0	-15,631	0	-15,631	-15,631
	95,153	1,078,663	0	1,078,663	1,173,816
2020/21					
Credit institutions	82,750	745,000	413,667	1,158,667	1,241,417
Capitalised loan costs	0	-19,751	0	-19,751	-19,751
	82,750	725,249	413,667	1,138,916	1,221,666

35 Interest bearing liabilities (continued)

The interest-bearing debt consists of senior facilities maturing end of 2025 and comprise a DKK 50 million revolving credit facility (cash pool facility) and DKK 731 million term loan facilities. The term loan facilities are partly subject to amortisation (TLA) and carries an interest rate of CIBOR + Margin paid quarterly. For the senior facilities certain terms and conditions apply regarding covenants, change of control and assets placed as collateral for the senior facilities debt, cf. note 37.

The junior facilities comprise a DKK 400 million PIK Toggle facility.

36 Contingent liabilities

All shares in subsidiaries with a carrying amount of DKK 1,896 million and a part of the intra-group receivable with a carrying amount of DKK 83 million (30 April 2021 DKK 85 million), have been provided as collateral for the company's senior credit institutions.

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

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.

Parent company financial statements 1 May 2021 – 30 April 2022

Notes

37 Related parties and ownership

Related parties	Basis
DSVM Invest A/S	Parent company
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

The company is included in the group annual report of the parent company DSVM Invest A/S.
The group annual report may be obtained at the following address:
DSVM Invest A/S
Østre Hedevej 2
4000 Roskilde, Denmark

Transactions

No agreements or other transactions have been entered with Board of Directors and the Executive Board.

Intragroup receivables of DKK 83 million (30 April 2021 DKK 92 million) carries interest of approximately 10%. Intra-group interest income amounts to DKK 9 million (2020/21 DKK 17 million).

Management fee amount to DKK 3 million (2020/21: DKK 3 million)

DKK'000	Parent Company 2021/22	Parent Company 2020/21
38 Proposed distribution of profit/loss		
Retained earnings	-25,580	16,333
	-25,580	16,333
39 Staff expenses		
Staff expenses are computed as follows:		
Wages and salaries	824	240
Pensions	107	0
Other social security	3	2
	934	242
Members of the Executive Board and Board of Directors did not receive remuneration in 2021/22 or 2020/21.		
Average number of employees	1	1

Peter Korsholm
Direktion
På vegne af: DSV Miljø Group A/S
Serienummer: PID:9208-2002-2-724247172494
IP: 77.241.xxx.xxx
2022-07-04 13:34:28 UTC
NEM ID

Robin Sune Basse
Bestyrelse
På vegne af: DSV Miljø Group A/S
Serienummer: PID:9208-2002-2-696122965205
IP: 83.90.xxx.xxx
2022-07-04 13:38:18 UTC
NEM ID

Peter Korsholm
Bestyrelse
På vegne af: DSV Miljø Group A/S
Serienummer: PID:9208-2002-2-724247172494
IP: 77.241.xxx.xxx
2022-07-04 13:48:04 UTC
NEM ID

Kent Arentoft
Formand
På vegne af: DSV Miljø Group A/S
Serienummer: c0009f5d-f9ed-4ecc-9bf0-b2b0c685c7aa
IP: 213.237.xxx.xxx
2022-07-04 14:13:22 UTC
MitID

Peter Jensen
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:60017354
IP: 145.62.xxx.xxx
2022-07-04 14:20:07 UTC
NEM ID

Jan C Olsen
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:28761615
IP: 165.225.xxx.xxx
2022-07-04 16:52:39 UTC
NEM ID

Robin Sune Basse
Dirigent
På vegne af: DSV Miljø Group A/S
Serienummer: PID:9208-2002-2-696122965205
IP: 83.90.xxx.xxx
2022-07-04 16:57:39 UTC
NEM ID