



DSV Miljø Group A/S

c/o Harbour House, Sundkrogsgade 21, 2100 Copenhagen

CVR no. 38 51 38 34

Interim Report

First Quarter 2020/21

(1 May - 31 July 2020)

Contents

Financial highlights	1
Company information	2
Legal entities in the DSV Miljø Group	3
Management's commentary	4
Consolidated financial statements	
Consolidated income statement	5
Consolidated statement of comprehensive income	5
Consolidated balance sheet	6-7
Consolidated statement on changes in equity	8
Consolidated cash flow statement	9
Notes	10-14
Management's Statement	15

Financial highlights

	mDKK	mDKK	mDKK
	Q1	Q1	FY
	2020/21	2019/20	2019/20
Income statement			
Revenue	1.006	1.081	4.254
Gross profit	195	212	866
Result before special items and other income (EBITDA before special items)	110	127	516
Result for the period	-16	1	-37
Cash flow			
Cash flow from operating activities bf. net financials and tax	99	160	554
Cash flow from operating activities	61	124	386
Investments in property, plant, equipment and intangibles	-38	-34	-82
Cash flow for the period	-8	53	132
Financial position			
Total equity	636	673	634
Net interest bearing debt (NIBD)	2.130	2.145	2.082
Total assets	3.998	4.068	4.064
Financial ratios			
Gross margin	19,4%	19,6%	20,4%
Profit Margin (EBITDA before special items margin)	10,9%	11,7%	12,1%
NIBD/EBITDA before special items*	4,3	N/A	4,0
Solvency ratio	15,9%	16,5%	15,6%

*) Accumulated EBITDA latest twelve months. Comparative numbers for 2018/19 have not been restated to reflect IFRS 16 as implemented in 2019/20.



Company information

Name	DSV Miljø Group A/S
Address, postal code, Town	c/o Harbour House, Sundkrogsgade 21, 2100 Copenhagen
CVR no.	38 51 38 34
Registered office	Copenhagen
Financial year	May 1 - April 30
Website	www.dsvm.dk
E-mail	post@dsvm.dk
Contact details	Robin Basse, CFO
Board of Directors	Kent Arentoft, Chairman of the Board Peter Korsholm Robin Basse
Executive Board	Peter Korsholm
Parent company	DSVM Invest A/S
Bankers	Nordea Danmark
Auditors	EY Godkendt Revisionspartnerselskab

Legal entities in the DSV Miljø Group

Company name	Country	Currency	Nominal capital ('000)	Ownership share
DSV Miljø Group A/S				
Nymølle Stenindustrier A/S	Denmark	DKK	32.000	100%
DSV Transport A/S	Denmark	DKK	2.410	100%
RGS Nordic A/S	Denmark	DKK	98.807	100%
RGS Nordic AB	Sweden	SEK	1.000	100%
RGS Nordic AS	Norway	NOK	1.350	100%
RGS Nordic Ltd.	UK	GBP	0	100%
RGS Nordic Rönnap AB	Sweden	SEK	100	100%
Stignæs Vandindvinding I/S	Denmark	DKK	-	31%
Totalleveranser Sverige AB	Sweden	SEK	50	100%
GDL Transport Holding AB	Sweden	SEK	400	100%
GDL Transport AB	Sweden	SEK	10.300	100%
Jalog AB	Sweden	SEK	200	51%
Industrisortering i Sydost AB	Sweden	SEK	1.000	100%
ÖF Fastigheter i Linköping AB	Sweden	SEK	100	100%
ÖF Fastigheter i Norrköping AB	Sweden	SEK	100	100%
GDL Transport Öst AB	Sweden	SEK	8.160	100%
C-R Utbildning AB	Sweden	SEK	110	100%

Management's commentary

Revenue in Q1 2020/21 was DKK 1.006m compared to DKK 1,081 in Q1 2019/20. Gross margin was 19.4% compared to 19.6% in Q1 2019/20. EBITDA before special items for Q1 2020/21 was DKK 110m compared to DKK 127m in Q1 2019/20. The period was characterised by improved performance in Transportation (in particular in the Swedish business) where EBITDA grew by DKK 8m, which however was more than offset by weaker performance in Raw Materials where EBITDA fell by DKK 2m and in particular in Soil, Waste & Water where EBITDA fell by DKK 23m.

The Soil, Waste and Water EBITDA was affected by delays in opening of new building sites, partly caused by longer governmental processing time for new building permits for new projects and partly due to general lower market activity level. In addition, in RGS Nordic's international Water Solution business had reduced volumes from a key customer due to scheduled maintenance and negative margin development caused by changes in mix.

Net financial expenses for Q1 2020/21 amounted to DKK 30m compared to DKK 35m in Q1 2019/20. The majority of the expenses relate to bond and lease interest expenses.

Cash flow from operating activities before net financials and tax amounted in Q1 to DKK 99m - a decrease of DKK 61m compared to Q1 2019/20 explained by lower EBITDA and less favorable working capital development compared to Q1 2019/20. Net cash flows amounted to DKK -8m in Q1 2020/21.

The net interest bearing debt to EBITDA ratio increased to 4.3 from 4.0 by end of 2019/20. The ratio increase is mainly driven by lower LTM EBITDA combined with an increase in lease liabilities.

Equity increased to DKK 636m from DKK 634m at end of 2019/20 following the Q1 net loss of DKK 16m more than offset by foreign exchange adjustments of DKK 18m as reflected in comprehensive income.

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

As a result the 2020/21 outlook was revised through press release No 19 on 26 August 2020. The level of visibility remains low due to Covid-19, therefore the range for expected Revenue and EBITDA is wider than under normal circumstances:

Revenue is expected to be in the range of 3,850m – 4,250m (previously DKK 4,000m - 4,400m)

EBITDA before special items is expected to be in the range of DKK 430m – 470m (previously DKK 500m – 540m)

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

The expectations are based on exchange rates similar to those realized in 2019/20.

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

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the interim financial report.

Consolidated income statement	mDKK	mDKK	mDKK
	Q1	Q1	FY
	2020/21	2019/20	2019/20
Revenue	1.006	1.081	4.254
Direct expenses	-811	-869	-3.388
Gross Profit	195	212	866
Other external expenses	-18	-20	-79
Staff expenses	-67	-65	-271
Result before special items and other income (EBITDA before special items)	110	127	516
Other income	1	0	3
Special items	0	0	-30
Result before depreciation, amortization, impairment, net financials and tax	111	127	489
Depreciation of right-of-use assets	-58	-48	-214
Depreciation of owned property, plant and equipment	-18	-20	-82
Amortisation of intangible assets	-19	-17	-71
Result before net financials (EBIT)	16	42	122
Financial expenses, lease liabilities	-10	-9	-36
Financial expenses, other net	-20	-26	-105
Result before tax	-14	7	-19
Tax for the period	-2	-6	-18
Result for the period	-16	1	-37

Consolidated statement of comprehensive income	mDKK	mDKK	mDKK
	Q1	Q1	FY
	2020/21	2019/20	2019/20
Result for the period	-16	1	-37
<i>Items that may be reclassified to the income statement:</i>			
Foreign exchange adjustments, foreign subsidiaries	18	-1	-2
Other comprehensive income after tax	18	-1	-2
Total comprehensive income for the period	2	0	-39
Appropriation:			
Shareholders in DSV Miljø Group A/S	2	0	-39
Total	2	0	-39

Consolidated balance sheet	mDKK 31 July 2020	mDKK 31 July 2019	mDKK 30 April 2020
Assets			
Goodwill	1.042	1.033	1.034
Other intangible assets	882	933	890
Intangible assets	<u>1.924</u>	<u>1.966</u>	<u>1.924</u>
Right-of-use assets	747	702	713
Land and buildings	329	349	322
Plant, equipment and machinery	151	149	153
Fixtures and fittings, tools and equipment	14	16	15
Property, plant and equipment under construction	8	31	7
Tangible fixed assets	<u>1.249</u>	<u>1.247</u>	<u>1.210</u>
Shares in associated companies	4	4	4
Other securities and investments	1	1	1
Other receivables	20	24	20
Financial assets	<u>25</u>	<u>29</u>	<u>25</u>
Total non-current assets	<u>3.198</u>	<u>3.242</u>	<u>3.159</u>
Inventories	<u>23</u>	<u>27</u>	<u>24</u>
Trade receivables	525	608	615
Other receivables	5	4	6
Prepayments	65	78	72
Total receivables	<u>595</u>	<u>690</u>	<u>693</u>
Cash	<u>182</u>	<u>109</u>	<u>188</u>
Total current assets	<u>800</u>	<u>826</u>	<u>905</u>
Total assets	<u>3.998</u>	<u>4.068</u>	<u>4.064</u>

Consolidated balance sheet

	mDKK 31 July 2020	mDKK 31 July 2019	mDKK 30 April 2020
Equity and liabilities			
Share capital	1	1	1
Share premium	712	712	712
Currency translation reserve	-38	-55	-56
Retained earnings	-40	14	-24
Share of equity attributable to the shareholders in DSV Miljø Group A/S	635	672	633
Non-controlling interests	1	1	1
Total equity	636	673	634
Bond debt	0	1.530	1.532
Deferred tax liabilities	206	219	206
Vendor loan	21	22	21
Lease liabilities	545	506	516
Corporate income tax	33	28	22
Provisions	53	51	52
Other payables	13	0	10
Total non-current liabilities	871	2.356	2.359
Bond debt	1.531	0	0
Provisions	5	6	9
Vendor loan	1	1	1
Lease liabilities	214	195	200
Trade payables	543	589	629
Corporate income tax	21	26	29
Other payables	141	183	167
Deferred income	35	39	36
Total current liabilities	2.491	1.039	1.071
Total liabilities	3.362	3.395	3.430
Total equity and liabilities	3.998	4.068	4.064



	mDKK	mDKK	mDKK	mDKK	mDKK	mDKK	mDKK
Consolidated statement on changes in equity	Share capital	Share premium	Currency translation reserve	Retained earnings	Equity attributable to Parent company	Non-controlling interests	Group Total equity
Equity at 1 May 2020	1	712	-56	-24	633	1	634
Result for the period YTD 2020/21	0	0	0	-16	-16	0	-16
Foreign exchange adjustments, foreign subsidiaries	0	0	18	0	18	0	18
Total comprehensive income for the period	0	0	18	-16	2	0	2
Total transactions with owners	0	0	0	0	0	0	0
Equity at 31 July 2020	1	712	-38	-40	635	1	636
Equity at 1 May 2019	1	712	-54	13	672	1	673
Result for the period YTD 2019/20	0	0	0	1	1	0	1
Foreign exchange adjustments, foreign subsidiaries	0	0	-1	0	-1	0	-1
Total comprehensive income for the period	0	0	-1	1	0	0	0
Total transactions with owners	0	0	0	0	0	0	0
Equity at 31 July 2019	1	712	-55	14	672	1	673

Consolidated cash flow statement	mDKK	mDKK	mDKK
	Q1 2020/21	Q1 2019/20	FY 2019/20
Result before net financials (EBIT)	16	42	122
Depreciation and gains/losses on sold assets	76	68	293
Amortisation of intangible assets	19	17	71
Exchange rate adjustments	0	0	0
Change in Working capital	-12	33	68
Cash flow from operating activities before net financials and tax	99	160	554
Interest payments made and received, net	-25	-25	-101
Interest paid on lease liabilities	-10	-9	-36
Payment of corporate income tax	-3	-2	-31
Cash flow from operating activities	61	124	386
Acquisition of property, plant, equipment and other intangibles	-38	-34	-82
Disposal of property, plant, equipment	2	0	39
Acquisition of activities and group entities	0	0	0
Cash flows from investing activities	-36	-34	-43
Bond repurchase	0	0	0
Reductions/increases in credit institutions (debt)	0	0	0
Repayment of lease liabilities	-49	-37	-210
Other Reductions/increases in interest bearing debt, net	16	0	-1
Cash flows from financing activities	-33	-37	-211
Change in cash and cash equivalents	-8	53	132
Cash and cash equivalents			
Cash and cash equivalents beginning of period	188	56	56
Net cash flows	-8	53	132
Value adjustment of cash and cash equivalents	2	0	0
Cash and cash equivalents end of period	182	109	188

1. Accounting Policies

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

The interim financial report has been prepared in accordance with IAS 34 on interim reporting as adopted by the European Union and additional Danish disclosure requirements for interim financial reports of listed companies.

The consolidated interim financial statements have, besides the below mentioned, been prepared using the same accounting policies as set out in note 1 of the 2019/20 Annual Report which contains a full description of the accounting policies for the Group and the parent company.

Changes of accounting principles

DSV Miljø Group A/S has at 1 May 2020 adopted the following new or changed standards and interpretations:

- *Amendments to References to the Conceptual Framework in IFRS regarding the framework for IFRS
- *Amendments to IFRS 3 of the definition of a business combination
- *Amendments to IAS 1 and IAS 8 of the definition of materiality
- *Amendments to IFRS 9, IAS 39 and IFRS 7 of the IBOR-reform.

DSV Miljø Group A/S has adopted the standards and interpretations endorsed by the EU for 2020. Neither of these have affected recognition and measurement in 2020 or are expected to affect DSV Miljø Group A/S.

2. Accounting estimates and judgements

When preparing the financial statements, Management makes 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 significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 of the 2019/20 Annual Report which contains a full description of significant accounting judgements, estimates and assumptions.

Note 3: Segment information

	Soil, Waste & Water	Transpor- tation	Raw materials	Intra Group/ Other	Total
	Q1 2020/21	Q1 2020/21	Q1 2020/21	Q1 2020/21	Q1 2020/21
Revenue	240	719	68	-21	1.006
Direct costs	-170	-627	-36	21	-812
Gross profit	70	92	32	0	194
Other external expenses	-6	-9	-2	0	-17
Staff costs	-21	-42	-4	0	-67
EBITDA	43	41	26	0	110
	31 July 2020	31 July 2020	31 July 2020	31 July 2020	31 July 2020
Non-current assets	1.866	930	402	0	3.198
Current assets	163	376	83	178	800
Total Assets	2.029	1.306	485	178	3.998
Non-current liabilities	399	286	90	96	871
Current liabilities	376	481	50	1.584	2.491
Total liabilities	775	767	140	1.680	3.362
Total Net assets	1.254	539	345	-1.502	636
Total investments	4	3	31	0	38
	Q1 2019/20	Q1 2019/20	Q1 2019/20	Q1 2019/20	Q1 2019/20
Revenue	288	746	74	-27	1.081
Direct costs	-197	-660	-39	27	-869
Gross profit	91	86	35	0	212
Other external expenses	-7	-11	-2	0	-20
Staff costs	-18	-42	-5	0	-65
EBITDA	66	33	28	0	127
	31 July 2019	31 July 2019	31 July 2019	31 July 2019	31 July 2019
Non-current assets	1.919	884	412	27	3.242
Current assets	175	465	85	101	826
Total Assets	2.094	1.349	497	128	4.068
Non-current liabilities	406	242	87	1.621	2.356
Current liabilities	410	509	69	51	1.039
Total liabilities	816	751	156	1.672	3.395
Total Net assets	1.278	598	341	-1.544	673
Total investments	11	10	13	0	34

Segments are monitored at EBITDA level (EBITDA before special items). Intra Group transactions are priced applying the same principles as transactions with external customers (the arm's length principle).

Intra Group figures include intra group transactions and group costs.

	mDKK	mDKK	mDKK
Note 4: Cash & liquidity	July 31, 2020	July 31, 2019	April 30, 2020
Cash	182	109	188
Credit facilities	50	50	50
Liquidity reserve	<u>232</u>	<u>159</u>	<u>238</u>

Note 5: Business combinations

No acquisitions have taken place in the financial years 2019/20 and Q1 2020/21.

Note 6: Intangible assets

Impairment

Impairment test for goodwill has been carried out at 30 April 2020. The test revealed no impairment needs on goodwill and other intangible assets.

At 31 July 2020 management has assessed no indications of impairment on goodwill or other intangible assets. Therefore no impairment test on these segments is performed at 31 July 2020.

Note 7: Tangible fixed assets

Investment commitments

Nymølle Stenindustrier A/S has agreed to buy land with related payment due when the permit for excavation of gravel on the land is obtained. The total commitment is DKK 30m.

Note 8: Bond debt	mDKK 31 July 2020	mDKK 31 July 2019	mDKK 30 April 2020
Issued bond, EUR 210m, interest rate EURIBOR+5.9%	1.563	1.568	1.566
Repurchase	-28	-28	-28
Capitalized loan costs	-4	-10	-6
Total bond debt	1.531	1.530	1.532

	mDKK 31 July 2020	mDKK 31 July 2020	mDKK 31 July 2019	mDKK 31 July 2019	mDKK 30 April 2019	mDKK 30 April 2019
	<i>Cash flow</i>	<i>Carrying</i>	<i>Cash flow</i>	<i>Carrying</i>	<i>Cash flow</i>	<i>Carrying</i>
	*	amount	*	amount	*	amount
Bond debt and interests falling due within 1 year	1.626	1.535	91	0	91	0
Bond debt and interests falling due between 1 and 3 years	0	0	1.631	1.540	1.560	1.538
Bond debt and interests falling due between 3 and 5 years	0	0	0	0	0	0
Bond debt and interests falling due after more than 5 years	0	0	0	0	0	0
Total bond debt	1.626	1.535	1.722	1.540	1.651	1.538

On 10 May 2017 DSV Miljø Group A/S issued senior secured floating rate bonds of EUR 210 million at an interest rate of EURIBOR+5.9%. Borrowing costs of DKK 21 million were paid in 2017 and are amortized until 2021. In Q2 2018/19, the Group repurchased EUR 3.8m of the total EUR 210m company bonds.

Interests are paid quarterly and the bond debt must be repaid in May 2021. The Group is preparing a refinancing process related to the bond debt maturing in May 2021. For the issued bonds certain terms and conditions apply regarding negative pledge redemption, change of control and incurrence test.

The company bond was listed on the Nasdaq Stock Exchange in Stockholm in May 2018.

*) Based on current interest level.

Note 9: Contingencies and other financial commitments	mDKK 31 July 2020	mDKK 31 July 2019	mDKK 30 April 2020
---	-------------------------	-------------------------	--------------------------

The Group has entered into external agreements:

Minimum payments

After 5 years	0	0	0
Between 1 and 5 years	1	1	1
Long-term portion	1	1	1
Short-term portion	1	1	1
Total minimum payments	2	2	2

Payment guarantees have been provided in respect of restoration of gravel pits and third party guarantees

271	242	266
-----	-----	-----

For 2019/20 and 2020/21, IFRS16 incurs that most agreements previously disclosed above are now recognised in the Group's balance sheet.

Management's statement

The Board of Directors and Executive Management have today considered and approved the interim financial report of DSV Miljø Group A/S for the first quarter of 2020/21 ended 31 July 2020 and the period 1 May 2020 - 31 July 2020.

The financial report has been prepared in accordance with IAS 34 on interim reporting as adopted by the European Union and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed by the Company's auditor.

In our opinion the interim financial report give a true and fair view of the Group's assets, liabilities and financial position at 31 July 2020 and of the results of the Group's operations and consolidated cash flows for the financial period 1 May 2020 - 31 July 2020.

Further, in our opinion we find that the Management's commentary describes the significant risks and uncertainties faced by the Group and gives a fair review of the development and performance of the Group's activities and of the Group's results for the period and the financial position taken as a whole.

Copenhagen, 30 September 2020

Executive Management:

A blue ink signature of Peter Korsholm, consisting of a stylized, cursive 'PK'.

Peter Korsholm

CEO

Board of Directors:

A blue ink signature of Kent Arentoft, appearing as 'Kent Arentoft' in a cursive script.

Kent Arentoft

Chairman

A blue ink signature of Peter Korsholm, identical to the one above.

Peter Korsholm

A blue ink signature of Robin Basse, consisting of a stylized, cursive 'RB'.

Robin Basse