

Dane TopCo ApS

c/o DEAS A/S
Dirch Passers Allé 76
2000 Frederiksberg

CVR No. 36919612

Annual Report 2020

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 25 May 2021

Bjørn Allentoft
Chairman

Dane TopCo ApS

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Dane TopCo ApS

Company details

Company	Dane TopCo ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
CVR No. Registered office	36919612 Frederiksberg
Supervisory Board	Sonny Hoffmann Nielsen Matthieu Servant Julian Gudding Gresvig Henrik Dahl Jeppesen Thomas Colding-Jørgensen
Executive Board	Henrik Dahl Jeppesen Thomas Colding-Jørgensen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S CVR-no.: 33963556

Management's Review

Main business activity

DEAS Group is Denmark's leading provider of property administration, asset management and related services, with activities all over the country. DEAS offers customers two main service propositions: Property Management and Asset Management. The latter is provided via the company DEAS Asset Management A/S. The Group manages a property portfolio of more than 2,500 commercial and residential properties plus shopping centres. We are responsible for more than 82,000 leases in total. Our customers are Danish and foreign investors, consisting of institutional investors, private investors as well as residential ownership associations (in Danish "Andelsbolig- og ejerforeninger").

At DEAS, we are experts in all of the major property segments, including office properties, shopping centres, logistics and retail properties, hotels, and residential properties. In addition, we provide our customers with technical building consultancy services in connection with redevelopment and new construction, as well as interior build outs and remodelling of office and commercial premises. DEAS also offers energy consultancy services, operations & maintenance services, letting of commercial premises and residential leases, and facility management services. DEAS Asset Management A/S provides asset management services and activities and is approved as a manager of alternative investment funds (AIFM) by the Danish Financial Supervisory Authority.

Our approximately 1,000 customers are serviced by more than 800 dedicated employees, of which approximately 250 are caretakers and personnel with similar responsibilities who work locally on the properties we manage. In addition, we have employer responsibilities for an additional approx. 300 locally employed caretakers. We service our customers from our headquarters' offices in Frederiksberg and our two regional offices, one located in Aalborg and the other in Aarhus, however we can be found in almost all the major Danish cities.

Ambition and strategy

DEAS Group has the ambition to be a customer-oriented service company and we are driven by three core priorities: Customer service, quality, and efficiency. Customers and tenants must experience an excellent and responsive customer service. We must deliver an efficient and professional service with solid quality to all our customers. Our growth strategy is based on value creation by expanding our value-adding collaboration with existing customers as well as attracting new ones.

As a Group we aim to service investors and other property owners throughout the real estate value chain, from Fund Management, Investment Management and Asset Management in DEAS Asset Management A/S to Property Management, Technical Building Consultancy, Letting and Facility Management including Facility Services in DEAS A/S. Historically our focus has been on the Danish market. During 2020 we agreed to carve out and acquire the Nordic direct real estate activities of Aberdeen Standard Investments, broadening the Group's strategy to also include Sweden, Norway and Finland.

Quality assurance

DEAS' quality management system is certified according to the ISO Standard 9001:2015. This ensures our customers receive a high level of quality and uniform delivery of service across core services and key processes. We also have an ISAE 3402 IT Audit Statement, an ISAE 3000 GDPR Type II Statement on GDPR Processes, and an ISAE 3402 Type II Statement concerning controls in selected financial processes.

Digitalisation, research, and development

During 2020 DEAS has continued to focus on new digital solutions for the benefit of both customers and tenants. We have upgraded a number of internal systems, and integrated more customers on the rental portal Findbolig.nu. More customers have been added to our data cube with detailed property, unit and lease information, and Assetti has been introduced as a portfolio management tool to enable own analysis and provide insight to our customers. In addition, we are investing in a significant upgrade and improvement of the letting portal Findbolig.nu.

Management's Review

We will continue our focus on digitalisation during 2021, and we will continue to strengthen our digital organization. This is to ensure that DEAS leads digital Property and Asset Management in Denmark and provides digital solutions that create value for our customers, including further improvements in customer service quality, new solutions for our customers' tenants, as well as improved operational efficiency in delivering these services.

Environment and Sustainability

As the leading provider of property management services in Denmark, we have a great responsibility to promote sustainable development. As a property manager, we can through our actions, among other things, minimize the climate impact from our managed buildings.

At DEAS, we see it as our responsibility to nurture, develop and take care of our customers' properties, for the benefit of our customer as well as for the many companies and people who live and work in these properties. We also have a responsibility towards the broader community where our employees work and the buildings we manage are located.

We have already taken significant steps with our customers and tenants in the sustainable transformation of our business and managed properties, however we still believe there is more to be done, and we will set new, ambitious goals in the coming years for our sustainable development.

We want to do our part to strengthen the sustainability of the communities of which we are a part. This is an overall ambition for DEAS, and with a new sustainability strategy we dedicate our efforts to responsible resource consumption, provide a positive impact on the well-being of society and active community involvement.

DEAS is responsible for an average of 400 apartment modernisations (under regulations § 5.1 and § 5.2) per year on behalf of our customers. We follow a sustainable standard for modernisations where our customers want it. The standard ensures that modernization takes into account resource consumption, climate and the environment.

We advise our customers to make investments in energy optimization and CO2 reduction, by reducing energy consumption with, for example, insulation, new window types and energy supply from solar and wind, which again reduce costs for electricity, water, and heat consumption. The specific goal is that, in collaboration with our customers, we raise the average energy label in the properties we manage in Denmark to C by 2025.

In 2020, we entered into a collaboration with BetterHome, which is owned by Danfoss, Grundfos and Rockwool, with a view to screening owners associations, shared ownerships and other customers' properties for possible energy improvements. Through the screenings, we find benefits for both climate and economy: Only half a year into the collaboration, we have completed 900 energy screenings. On the basis of this, 92 associations have so far ordered a physical inspection of the property, after which the concrete improvement proposals are prepared.

Developments in the year

The year that went by and follow-up to the prior year's expected development

On 30 November 2020 DEAS announced that Aberdeen Standard Investments (ASI) has selected DEAS Group to acquire its Nordic direct real estate business, covering real estate in Sweden, Norway, Finland, and Denmark. By acquiring the Nordic direct real estate business from Aberdeen Standard Investments, the DEAS Group will be expanding into the Nordic market. DEAS Asset Management A/S, the independent subsidiary within the group, will manage the acquired fund and asset management activities, and approximately 60 employees will be taken over by the company. The agreement was signed end of December 2020 and the transaction is expected to complete during the first half of 2021, subject to regulatory approvals.

This transaction, combined with significant investments in the expansion of our property fund and asset management business area, will result in establishment of a significant player in the Nordic fund and asset management market which works in a professional and purposeful manner to provide our customers with the best possible risk adjusted returns.

Management's Review

Similarly, our existing property management and asset management activities grew in 2020, with a number of both Danish and foreign customers choosing to entrust DEAS with the management of their properties. This year's satisfaction survey among DEAS residential tenants also shows that the tenants are satisfied with DEAS' services.

The expectation for 2020 was an increase in revenue and operating profit compared to 2019 as a result of organic growth in the core business, however these expectations were also subject to some uncertainty due to influences from COVID-19 on certain of our activities.

In 2020, revenues for the Group decreased by DKK 2.2 million to DKK 657.5 million compared with DKK 659.7 million DKK in 2019. Despite winning new customers within both our property management and asset management business segments, revenue development was flat due to adverse effects from COVID-19 in parts of our business and the insourcing of commercial shopping centre management activities by Danske Shoppingcentre as per 1 October 2020. Adjusted for these, revenue grew in line with expectations.

Operating profit before depreciation and amortisation amounted to DKK 74.2 million compared with DKK 88.1 in 2019 and DKK 35.7 million DKK in 2018. Operating profit was impacted by one-off costs in connection with the acquisition of Aberdeen Standard Investments' Nordic real estate activities, and lower income in the last quarter of 2020 from the new agreement with Danske Shoppingcentre.

Profits before tax amounted to -DKK 15.9 million compared with -DKK 1.2 million in 2019.

Shareholder's equity at year-end 31 December 2020 amounts to DKK 202.8 million DKK compared with DKK 226.9 million as per 31 December 2019.

This year's financial results are regarded as being satisfactory.

Expectations for 2021

For 2021, The Group expects an increase in revenue due to both organic growth within the core businesses areas of Property Management and Asset Management, as well as growth from acquired companies and activities. As a result of the increase in revenue, an increase in operating profits for 2021 is also expected, adjusted for one-off costs in connection with acquired activities.

Capital resources

The liquidity resources as at 31 December 2020 amounts to DKK 221.8 million compared with DKK 174.4 million as at 31 December 2019. The management considers the capital resources to be adequate and sufficient.

Special risks

Business risks

DEAS' most significant business risk is linked to the ability to meet customers' requirements for expert property management, asset management and consulting while providing excellent service.

Financial risks

Credit risks related to financial assets correspond to the values recognised in the balance sheet. The Group does not have any significant risks related to individual customers or business partners.

Liquidity risks

The Group's generation of capital and raising of funds is centrally managed and the required cash resources are ensured on an ongoing basis.

Knowledge resources

DEAS' most important knowledge resources are its employees, know-how, technology, and processes. The Group's continued development and high level of service is ensured by a continuous updating of the employees' knowledge and skills, as well as investment in business development and extensive use of information technology.

Management's Review

We constantly work on developing and improving our services to customers, both in scope and in professional depth. This places demands on the training and development of employees, and requires that employees in general have the requisite skills and a high level of expertise.

We comply with EjendomDanmark's "Ethical Guidelines for Property Management," and it is required that all employees become familiar with and comply with these guidelines and act accordingly.

Statutory Corporate Responsibility Report

At DEAS, it is our aim to operate our business activities on the basis of the needs of our customers as well as on a profitable and sustainable foundation. Our ambition is that the core services of property management and asset management, and the many additional related services, are provided in the best possible way, including in a socially responsible manner. It is the desire of DEAS to contribute to the society and community that the Group is part of. The Group regards it as an investment in the future to take responsibility for the social and environmental effects of the Group's business activities.

The Group operates a business based on maintaining a high level of business ethics and integrity. It is a fundamental part of the Group's culture to exhibit propriety and professionalism in behaviour and attitudes in both internal and external relationships.

It is the Group's policy to comply with applicable legislation and regulations, as well as ethical standards and regulations that apply to property management and asset management activities and the many additional services offered in connection with this.

Refer to the following link www.deas.dk/csr2020 at the Group's website, which describes the policies, actions and results achieved around each CSR topic.

Share of the under-represented gender

Target for the Supervisory Board

Dane TopCo ApS is a private limited company and the Supervisory Board consists of five members. Currently none of the five Supervisory Board members are female. It is the company's objective to provide an equal representation of gender among the top management.

Gender equality in other management levels of the Group

It is the Supervisory Board's assessment that members from the top management must be selected based upon management experience, strategy experience, knowledge of corporate governance, social responsibility and, for the company, an appropriate network.

It is the Group's assessment that a balanced gender ratio leads to increased employee satisfaction. The Group works to increase the number of the under-represented gender in all management levels within the organisation by recruitment and promotion, if candidates with the right qualifications can be found.

By the end of 2020, the under-represented gender, here female, is 28% in the management group, a decrease of 5% points compared to the end of 2019. The target for the under-represented gender in all management levels in the organisation is an equal 50/50 distribution.

Key Figures and Financial Ratios

The development in the group's key figures and financial ratios can be described as follows:
Key figures are in DKK Thousands.

	2020	2019	2018	2017	2016
Net turnover	657.508	659.711	550.813	525.690	501.141
Operating profit/loss	14.990	29.804	-8.036	-6.397	4.038
Net financial income and expenses	-34.618	-34.336	-23.134	-24.162	-26.836
Profit/loss for the year	-24.069	-9.705	-31.728	-37.747	-24.816
Invested capital including intangible assets	686.436	746.447	793.064	595.146	631.190
Invested capital excluding intangible assets	-110.274	-91.745	-93.465	-25.221	-17.141
Investments in tangible assets	5.228	3.429	3.882	4.209	5.134
Total assets	1.105.348	1.102.390	1.103.920	749.893	760.977
Total equity	202.843	226.912	236.617	270.095	306.342
Long-term liabilities	703.558	699.439	687.729	381.508	379.451
Short-term liabilities	195.530	172.569	170.217	90.656	75.184
Profit margin (%)	2,28	4,52	-1,46	-1,22	0,81
Return on equity (ROE) (%)	-11,20	-4,19	-12,52	-13,10	-12,86
Solvency ratio (%)	18,35	20,58	21,43	36,02	40,26
Avg. number of full-time employees	774	785	715	683	669

Explanation of financial ratios

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

The ratios in the financial highlights have been calculated as follows:

Invested capital is defined as the sum of operating tangible and intangible non-current assets and net working capital.

Net working capital is defined as accounts receivable and other current operating assets less trade payables, other payables and other operating short-term liabilities.

Profit margin (%)	=	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on equity (ROE) (%)	=	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$

Management's Statement

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of Dane TopCo ApS for the financial year 1 January 2020 - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the group's and the company's operations and the group's cash flows for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 26 March 2021

Executive Board

Henrik Dahl Jeppesen

Thomas Colding-Jørgensen

Supervisory Board

Sonny Hoffmann Nielsen
Chairman

Matthieu Servant
Member

Julian Gudding Gresvig
Member

Henrik Dahl Jeppesen
Member

Thomas Colding-Jørgensen
Member

Independent Auditors' Report

To the shareholder of Dane TopCo ApS

Opinion

We have audited the consolidated financial statements and the financial statements of Dane TopCo ApS for the financial year 1 January 2020 - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity, cash flows and notes. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2020 and of the results of its operations and cash flows for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of consolidated financial statements and financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the financial statements, Management is responsible for assessing the Group's and the 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 consolidated financial statements and the financial statements unless Management either intends to either liquidate the Group and the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the consolidated financial statements and the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

- * Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report

- * 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's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- * Obtain sufficient 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.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 26 March 2021

Dane TopCo ApS

Independent Auditors' Report

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Lars Kronow

State-Authorised Public Accountant

MNE No.: mne19708

Tim Kjær-Hansen

State-Authorised Public Accountant

MNE No.: mne23295

Income Statement

		Group		Parent	
	Note	2020	2019	2020	2019
		tkr.	tkr.	tkr.	tkr.
Revenue		657.508	659.711	0	0
Cost of sales		-25.717	-29.356	0	0
Other external expenses		-101.314	-97.375	-764	-52
Employee benefits expense	2	-456.294	-444.850	-272	-200
Depreciation and amortisation	3	-59.193	-58.326	0	0
Profit from ordinary operating activities		14.990	29.804	-1.036	-252
Income from investments in group enterprises and associates	4	3.694	3.351	-14.008	752
Other finance income	5	427	279	13	0
Finance expences	6	-35.045	-34.615	-11.832	-10.585
Profit from ordinary activities before tax		-15.934	-1.181	-26.863	-10.085
Tax expense on ordinary activities	7	-8.135	-8.524	2.794	380
Profit		-24.069	-9.705	-24.069	-9.705
Proposed distribution of results	8				

Balance Sheet as of 31 December

	Note	Group 2020 tkr.	2019 tkr.	Parent 2020 tkr.	2019 tkr.
Assets					
Completed development projects	9	11.172	12.794	0	0
Acquired intangible assets	10	328.630	349.137	0	0
Goodwill	11	448.501	476.261	0	0
Development projects in progress	12	8.407	0	0	0
Intangible assets		796.710	838.192	0	0
Fixtures, fittings, tools and equipment	13	7.703	6.555	0	0
Leasehold improvements	14	2.627	3.735	0	0
Property, plant and equipment		10.330	10.290	0	0
Long-term investments in group enterprises	15, 16	0	0	392.537	406.545
Long-term investments in associates	16, 17	6.430	5.737	0	0
Long-term receivables from associates	18	0	4.000	0	0
Long-term receivables from owners and management	19	11.028	0	0	0
Deposits, investments	20	7.770	8.096	0	0
Investments		25.228	17.833	392.537	406.545
Fixed assets		832.268	866.315	392.537	406.545
Short-term trade receivables		32.218	32.952	0	0
Short-term receivables from group enterprises		0	0	751	1.227
Short-term tax receivables		0	0	2.559	1.280
Other short-term receivables		7.396	15.542	0	0
Prepaid expenses	21	3.878	4.207	0	0
Receivables		43.492	52.701	3.310	2.507
Other short-term investments		7.834	8.931	0	0
Short-term investments		7.834	8.931	0	0
Cash and cash equivalents		221.754	174.443	462	34
Current assets		273.080	236.075	3.772	2.541
Assets		1.105.348	1.102.390	396.309	409.086

Balance Sheet as of 31 December

	Note	Group 2020 tkr.	2019 tkr.	Parent 2020 tkr.	2019 tkr.
Liabilities and equity					
Contributed capital		283.083	283.083	283.083	283.083
Reserve for loans and collaterals		11.028	0	0	0
Retained earnings		-91.268	-56.171	-80.240	-56.171
Equity	22	202.843	226.912	202.843	226.912
Provisions for deferred tax	23	2.862	3.470	0	0
Other provisions	24	555	0	0	0
Provisions		3.417	3.470	0	0
Other credit institutions		472.942	503.336	0	0
Other payables		37.330	14.050	0	0
Payables to shareholders		193.286	182.053	193.286	182.053
Long-term liabilities other than provisions	25	703.558	699.439	193.286	182.053
Short-term part of long-term liabilities other than provisions	25	21.685	12.919	0	0
Trade payables		10.788	10.088	0	0
Tax payables		9.990	14.860	0	0
Other payables	25	153.067	134.702	180	121
Short-term liabilities other than provisions		195.530	172.569	180	121
Liabilities other than provisions within the business		899.088	872.008	193.466	182.174
Liabilities and equity		1.105.348	1.102.390	396.309	409.086
Significant events occurring after end of reporting period	26				
Collaterals and securities	27				
Rental- and leasing contracts	28				
Related parties	29				

Dane TopCo ApS

Statement of changes in Equity

Parent

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	283.083	65.067	-121.238	226.912
Profit (loss)	0	0	-24.069	-24.069
Equity 31 December 2020	283.083	65.067	-145.307	202.843

Group

	Contributed capital	Share premium	Reserve for loans and collaterals	Retained earnings	Total
Equity 1 January 2020	283.083	65.067	0	-121.238	226.912
Equity transfers to reserves	0	0	11.028	-11.028	0
Profit (loss)	0	0	0	-24.069	-24.069
Equity 31 December 2020	283.083	65.067	11.028	-156.335	202.843

Cash Flow Statement

Group

	2020 tkr.	2019 tkr.
Profit/Loss for the year	-24.069	-9.705
Depreciation and amortisation	59.193	58.326
Profit from associates after tax	-3.694	-3.351
Interest and similar incomes	-427	-279
Interest and similar expenses	35.045	34.615
Tax	8.135	8.524
Other changes in working capital	52.042	-10.193
Cash flow from operating activities before financial items	126.225	77.937
Interest received	168	279
Interest paid	-21.929	-21.859
Cash flow from ordinary operating activities	104.464	56.357
Income taxes paid/received	-13.494	-1.971
Cash flows from operating activities	90.970	54.386
Purchase of intangible assets	-11.184	-6.451
Investment in tangible fixed assets	-5.228	-3.429
Sale of tangible fixed assets	67	572
Repayment of subordinated loan to associates	4.000	0
Dividends	3.760	5.555
Business combinations	-578	0
Cash flows from investing activities	-9.163	-3.753
Repayment of debt to other credit institutions	-23.708	-7.500
Purchase of bonds	0	-1.982
Shareholder loan	-10.788	0
Cash flows from financing activities	-34.496	-9.482
Net increase (decrease) in cash and cash equivalents	47.311	41.151
Cash and cash equivalents, beginning balance	174.443	133.292
Cash and cash equivalents, ending balance	221.754	174.443
Cash and cash equivalents specified:		
Cash and cash equivalents	221.754	174.443
Cash and cash equivalents in total	221.754	174.443

Notes

	Group		Parent	
	2020	2019	2020	2019
	tkr.	tkr.	tkr.	tkr.
1. Fees to auditors				
Statutory audit	608	581	14	14
Other assurance reports	75	131	0	0
Tax consultancy	125	409	125	0
Other services	440	347	0	0
	1.248	1.468	139	14
2. Employee benefits expense				
Wages and salaries	415.898	403.348	272	200
Pensions	30.012	30.714	0	0
Social security contributions	6.004	5.985	0	0
Other employee expense	4.380	4.803	0	0
	456.294	444.850	272	200
<i>Hereof remuneration to Supervisory and Executive Board</i>				
Supervisory Board	2.610	2.733	1.186	668
Executive Board	5.472	5.266	302	294
	8.082	7.999	1.488	962
The amount contains the value of free cars.				
Avg. number of employees	774	785	1	1
3. Depreciations and amortisations				
Development projects	4.399	3.635	0	0
Acquired intangible assets	20.507	20.412	0	0
Goodwill	29.168	29.207	0	0
Fixtures, fittings, tools and equipment	4.015	4.272	0	0
Leasehold improvements	1.108	1.108	0	0
Profit on sale of equipments	-4	-308	0	0
	59.193	58.326	0	0
4. Income from investments in group enterprises and associates				
Share of profit in associations	3.694	3.351	0	0
Share of profit in subsidiaries	0	0	-14.008	752
	3.694	3.351	-14.008	752
5. Other finance income				
Interests from associates	107	240	0	0
Interests from shareholderloan	240	0	0	0
Securities adjustments	0	0	0	0
Interests group companies	0	0	13	0
Other finance income	80	39	0	0
	427	279	13	0

Notes

	Group 2020 tkr.	2019 tkr.	Parent 2020 tkr.	2019 tkr.
6. Finance expenses				
Securities adjustments	37	38	11.832	10.585
Borrowing costs	2.094	2.139	0	0
Other finance expenses	32.914	32.438	0	0
	35.045	34.615	11.832	10.585
7. Tax expense				
Current tax for the year	10.533	14.009	-2.039	-379
Adjustment to prior year	-1.912	754	-755	0
Adjustment to prior year deferred tax	60	-1.316	0	-1
Deferred tax for the year	-546	-4.923	0	0
	8.135	8.524	-2.794	-380
8. Proposed distribution of profit				
Retained earnings	-24.069	-9.705	-24.069	-9.705
	-24.069	-9.705	-24.069	-9.705
9. Completed development projects				
Cost at the beginning of the year	20.930	16.379	0	0
Addition during the year	2.777	4.551	0	0
Cost at the end of the year	23.707	20.930	0	0
Amortisation at the beginning of the year	-8.136	-4.501	0	0
Amortisation for the year	-4.399	-3.635	0	0
Amortisation at the end of the year	-12.535	-8.136	0	0
Carrying amount at the end of the year	11.172	12.794	0	0
10. Acquired intangible assets				
Cost at the beginning of the year	410.122	408.222	0	0
Addition during the year	0	1.900	0	0
Cost at the end of the year	410.122	410.122	0	0
Amortisation at the beginning of the year	-60.985	-40.573	0	0
Amortisation for the year	-20.507	-20.412	0	0
Amortisation at the end of the year	-81.492	-60.985	0	0
Carrying amount at the end of the year	328.630	349.137	0	0

Acquired intangible assets relate to customer contracts in DEAS A/S obtained in connection with the acquisition of DEAS Holding A/S, the activity in REC Administration A/S, Nordea Ejendomsinvestering A/S and contracts from Administrera ApS. The expected life of the company's customer relationships is assessed to be 20 years based on the historical data.

Notes

	Group		Parent	
	2020 tkr.	2019 tkr.	2020 tkr.	2019 tkr.
11. Goodwill				
Cost at the beginning of the year	582.651	584.185	0	0
Addition during the year	1.408	770	0	0
Disposal during the year	0	-2.304	0	0
Cost at the end of the year	584.059	582.651	0	0
Amortisation at the beginning of the year	-106.390	-77.183	0	0
Amortisation for the year	-29.168	-29.207	0	0
Amortisation at the end of the year	-135.558	-106.390	0	0
Carrying amount at the end of the year	448.501	476.261	0	0
Goodwill relates to customer contracts in DEAS A/S obtained in connection with the acquisition of DEAS Holding A/S, the activity in REC Administration A/S, Nordea Ejendomsinvestering A/S and Driftsselskabet OPP Svendborg A/S. Goodwill arising from previous years' business combination is at the date of acquisition allocated to the cash-generating units in DEAS Holding A/S. The expected life of the company's goodwill is assessed to be 20 years according to the developments in the historical data.				
12. Development projects in progress				
Cost at the beginning of the year	0	0	0	0
Addition during the year	8.407	0	0	0
Cost at the end of the year	8.407	0	0	0
Carrying amount at the end of the year	8.407	0	0	0
13. Fixtures, fittings, tools and equipment				
Cost at the beginning of the year	20.728	19.107	0	0
Addition during the year	5.228	3.429	0	0
Disposal during the year	-124	-1.808	0	0
Cost at the end of the year	25.832	20.728	0	0
Depreciation at the beginning of the year	-14.173	-11.445	0	0
Depreciation for the year	-4.015	-4.272	0	0
Reversal of depreciation of disposed assets	59	1.544	0	0
Depreciation at the end of the year	-18.129	-14.173	0	0
Carrying amount at the end of the year	7.703	6.555	0	0

Notes

	Group		Parent	
	2020	2019	2020	2019
	tkr.	tkr.	tkr.	tkr.
14. Leasehold improvements				
Cost at the beginning of the year	8.528	8.528	0	0
Cost at the end of the year	8.528	8.528	0	0
Depreciation at the beginning of the year	-4.793	-3.685	0	0
Depreciation for the year	-1.108	-1.108	0	0
Depreciation at the end of the year	-5.901	-4.793	0	0
Carrying amount at the end of the year	2.627	3.735	0	0

15. Long-term investments in group enterprises

Cost at the beginning of the year		472.856	472.856
Cost at the end of the year		472.856	472.856
Value adjustments at the beginning of the year		-66.311	-67.063
Share of profit in subsidiaries		-14.008	752
Value adjustments at the end of the year		-80.319	-66.311
Carrying amount at the end of the year		392.537	406.545

16. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in %	Equity	Profit
Dane MidCo ApS	Frederiksberg	100,00	392.537	-14.008
			392.537	-14.008

Associates

Name	Registered office	Share held in %	Equity	Profit
OPS Frederikshavn Byskole A/S	Frederiksberg	50,00	5.891	3.029
Driftsselskabet OPP Vejle A/S	Frederiksberg	50,00	3.791	2.657
OPS Skovbakkeskolen A/S	Frederiksberg	50,00	2.021	1.443
Driftsselskabet OPP Slagelse Sygehus A/S	Frederiksberg	50,00	702	179
OPS Østerbro Skøjtehal A/S	Frederiksberg	50,00	452	-17
			12.857	7.291

Notes

	Group		Parent	
	2020	2019	2020	2019
	tkr.	tkr.	tkr.	tkr.
17. Long-term investments in associates				
Cost at the beginning of the year	3.793	3.793	0	0
Addition during the year	-302	0	0	0
Cost at the end of the year	3.491	3.793	0	0
Value adjustments at the beginning of the year	1.944	3.788	0	0
Share of profit in subsidiaries	3.695	3.351	0	0
Dividend	-2.700	-5.195	0	0
Value adjustments at the end of the year	2.939	1.944	0	0
Carrying amount at the end of the year	6.430	5.737	0	0
18. Long-term receivables from associates				
Cost at the beginning of the year	4.000	4.000	0	0
Disposal during the year	-4.000	0	0	0
Cost at the end of the year	0	4.000	0	0
Carrying amount at the end of the year	0	4.000	0	0
19. Long-term receivables from owners and management				
Costs at the beginning of the year	0	0	0	0
Addition during the year	11.028	0	0	0
Cost at the end of the year	11.028	0	0	0
Carrying amount at the end of the year	11.028	0	0	0
20. Deposits, investments				
Cost at the beginning of the year	8.096	9.051	0	0
Addition during the year	58	74	0	0
Disposal during the year	-384	-1.029	0	0
Cost at the end of the year	7.770	8.096	0	0
Carrying amount at the end of the year	7.770	8.096	0	0
21. Prepaid expenses				

Prepaid expenses are regarding rent, insurance premiums, subscriptions, education, cars and service agreements.

Notes

22. Statement of changes in equity

By establishment of the company 11th June 2015 the share capital showed tkr. 50. In 2015 a capital increase of tkr. 32.283, in 2016 a capital increase of tkr. 500 and conversion of debt of tkr. 250.000, in 2017 a capital increase of tkr. 250 results in a share capital of tkr. 283.083 as of 31st December 2020.

The company's share capital consists of nominally tkr. 283.083 divided into 33.083.333 A-shares of nominally tkr. 33.083 and 250.000.000 B-shares of nominally tkr. 250.000.

	Group		Parent	
	2020	2019	2020	2019
	tkr.	tkr.	tkr.	tkr.
23. Provisions for deferred tax				
Deferred tax at the beginning of the year	-3.470	-9.357	0	2.125
Acquisition of enterprise	122	0	0	0
Deferred tax for the year	546	1.316	0	0
Adjustment to prior year	-60	4.571	0	-2.125
Balance at the end of the year	-2.862	-3.470	0	0
Deferred tax relates to:				
Intangible assets	-2.611	-2.629	0	0
Property, plant and equipment	-566	-573	0	0
Current assets	-600	-778	0	0
Long-term debt	122	0	0	0
Short-term debt	793	510	0	0
	-2.862	-3.470	0	0

24. Other provisions

Other provisions include expected costs for 1 and 5 years review of delivered property.

25. Long-term liabilities

Principal repayments due within 1 year are included under current liabilities. Other liabilities are recognized in long-term liabilities. Payables are due in the following order.

Group

	Due		
	Due within 1 year	between 1 and 5 years	Due after 5 years
Other credit institutions	23.708	480.083	0
Borrowing costs	-2.023	-7.142	0
Other payables	1.774	4.650	32.680
Payables to shareholders	0	193.286	0
	23.459	670.877	32.680

Parent

	Due		
	Due within 1 year	between 1 and 5 years	Due after 5 years
Payables to shareholders	0	193.286	0
	0	193.286	0

Notes

26. Significant events occurring after end of reporting period

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

27. Collaterals and securities

Parent Company

The company is part of a Danish joint taxation as the administrative company. The company is therefore held liable in accordance with the Danish Corporation Tax Act.

Besides this the company has not entered into any surety, warranty or other obligations.

Group

The group's shares in Dane BidCo ApS, DEAS Holding A/S, DEAS A/S and DEAS Asset Management A/S have been provided as security for Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 503.8.

The group's bank accounts with a carrying amount of tkr. 3,683 is pledged as security for Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 503.8.

The group's receivables at group companies with a carrying amount of tkr. 0 are pledged as security for Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 503.8.

Dane BidCo ApS has given security in its share transfer agreement to Danske Bank A/S.

DEAS A/S has provided a guarantee for the landlord amounting to tkr. 75.

DEAS A/S has given suretyship statement for Tryg Garanti amounting to mio.kr. 5.3 regarding guarantee of operation provided by Tryg Garanti for Frederikshavn Municipality.

DEAS A/S has given suretyship statement for Driftsselskabet OPP Svendborg A/S regarding this company's fulfillment of its obligations to OPP Retten i Svendborg P/S.

DEAS A/S has in course of fulfillment of OPP Driftsselskabet Vejle A/S' obligations given suretyship statement for Tryg Garanti amounting to mio.kr. 20 regarding guarantee of operation provided by Tryg Garanti for OPP Vejle P/S. The company has in course of fulfillment of OPP Driftsselskabet Vejle A/S' obligations given suretyship statement for OPP Vejle P/S amounting mio.kr. 10.

DEAS A/S has in course of fulfillment of OPS Skovbakkeskolen A/S' obligations given suretyship statement for Tryg Garanti amounting mio.kr. 6.5 regarding guarantee of operation provided by Tryg Garanti for Odder Kommune.

DEAS A/S has in course of fulfillment of Driftsselskabet OPP Slagelse Sygehus A/S' obligations given suretyship statement for Euler Hermes to mio.kr. 0.6 regarding guarantee of operation provided by Euler Hermes for OPP Slagelse Sygehus P/S.

Notes

28. Rental- and leasing contracts

	Group		Parent	
	2020	2019	2020	2019
	tkr.	tkr.	tkr.	tkr.
Within 1 year	19.432	20.084	0	0
Between 1 and 5 yoers	27.951	29.790	0	0
After 5 years	52	23	0	0
	47.435	49.897	0	0

The liability above includes rent commitments at the company's office lease. The rental agreement may be terminated at 12 months' notice, but not earlier than vacating September 1, 2022.

The company and the group leases operating equipment concluded under operating leases. The lease term for operating equipment is typically 3-5 years. None of the leases include contingent rent.

29. Related parties

	Group		Parent	
	Parent	Other related parties	Parent	Other related parties
	tkr.	tkr.	tkr.	tkr.
Consultant	0	-5.497	0	0
Interest	240	-11.233	0	-11.220
Receivables	10.788	0	0	751
Liabilities other than provisions	0	196.725	0	193.286

Related parties with control over Dane TopCo ApS: The company's ultimate parent company Dane Luxco S.ár.l., Luxembourg.

Accounting Policies

Reporting Class

The Annual Report of Dane TopCo ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Consolidated Financial Statements

The Consolidated Financial Statements comprise the parent company Dane TopCo ApS and subsidiaries in which Dane TopCo ApS directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Revenue

Income from delivery of services is recognised as revenue as the service is delivered.

Cost of sales

Costs of sales comprise expenses incurred to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses regarding administration.

Employee benefits expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Completed development projects	5 years
Acquired intangible assets	20 years
Goodwill	20 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Result of equity investments in subsidiaries and associates

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss.

The proportionate shares of the associates' profit/loss after tax are recognised in both the group's and parent company's Income Statement after elimination of the proportionate share of intercompany profit/loss.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit/loss for the year

The parent company is subjected to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statement until they leave the consolidation.

The parent company is the administration company of the joint taxation and therefore settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is distributed by settling the joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In this connection, enterprises with tax losses receive joint

Accounting Policies

taxation contributions from enterprises that have been able to use these losses to reduce their own tax profit.

Tax for the year which comprises the current corporation tax for the year and any changes in deferred tax, including as a consequence of a change to the tax rate, is recognised by the part attributable to the profit/loss for the year and directly in equity by the part attributable to items directly in equity.

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets

Acquired goodwill is measured at cost on initial recognition and subsequently at cost less accumulated amortisation and impairment losses.

Other intangible assets, including licenses and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Capitalised development costs are calculated at the costs directly incurred.

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Equity investments in group enterprises and associates

Investments in group enterprises and associates are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Accounting Policies

Subsidiaries having a negative equity value are recognised at tkr. 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Equity investments in subsidiaries and associates are measured by the equity method.

Equity investments in subsidiaries and associates are measured at the proportionate share of the enterprises' equity value determined according to the group's accounting policies with deduction or addition of unrealised intercompany profit or loss and with the addition or deduction of the residual value of positive or negative goodwill determined according to the acquisition method.

Equity investments in subsidiaries and associates with a negative equity value are measured at DKK 0, and any receivable from these enterprises are written down in so far as the receivable is uncollectible. In so far as the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable, the residual amount is recognised in provisions.

Net revaluation of equity investments in subsidiaries and associates is tied up as reserve for net revaluation by the equity method in equity, in so far as the carrying amount exceeds the cost. Dividends from subsidiaries that are expected to be adopted before the annual report for Dane TopCo ApS is approved are not tied up in the revaluation reserve.

The acquisition method is used to purchase enterprises, cf. the above description under determination of goodwill.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Other short-term investments

Other securities and equity investments that are listed are measured at market value at the balance sheet date. Other securities are measured at cost.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other provisions

Other provisions include expected costs for 1 and 5 years review of delivered property. Provisions are recognised when the company has a legal or actual obligation and it is probable that redemption will result in a consumption

Accounting Policies

of the company financial resources.

Provisions that are expected to be settled later than one year from the balance sheet date are measured at the present value of the expected payments. Other provisions are measured at net realisable value.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Leasing

Lease commitments are classified as financial leasing when the agreement substantially transfers all the risk and rewards of the ownership of the leased asset. Other lease agreements are classified as operating leasing..

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.