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Gefion Group A/S
Østergade 1, 1.
1100 København K
Central Business Registration
No 37042560

Annual report 2019

The Annual General Meeting adopted the annual report on 31.08.2020

Chairman of the General Meeting

Name: Jacob Kruse Rasmussen

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Entity details

Entity

Gefion Group A/S
Østergade 1, 1.
1100 København K

Central Business Registration No (CVR): 37042560
Registered in: København
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Morten Bach Gaardboe
Per Mikael Jensen
Jens-Erik Corvinius

Executive Board

Thomas Færch, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Gefion Group A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 02.07.2020

Executive Board

Thomas Færch
CEO

Board of Directors

Morten Bach Gaardboe

Per Mikael Jensen

Jens-Erik Corvinus

Independent auditor's report

To the shareholders of Gefion Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Gefion Group A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent 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

Independent auditor's report

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.
- 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.

Independent auditor's report

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, 02.07.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Andersen
State Authorised Public Accountant
Identification No (MNE) mne27762

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000
Financial highlights			
Key figures			
Revenue	358.392	482.988	5.238
Gross profit/loss	15.586	206.757	(9.416)
Operating profit/loss	(45.460)	166.064	(12.670)
Net financials	(41.094)	(63.090)	3.926
Profit/loss for the year	(78.765)	79.898	(10.602)
Profit/loss excl minority interests	(78.765)	79.898	(10.602)
Total assets	2.287.085	1.875.880	1.473.946
Investments in property, plant and equipment	-	309.161	26.727
Equity	(22.925)	55.840	(24.058)
Cash flows from (used in) operating activities	(510.623)	(183.492)	#####
Cash flows from (used in) investing activities	315.438	(32.097)	(26.754)
Cash flows from (used in) financing activities	303.012	223.825	1.233.764

Ratios

Gross margin (%)	4,3	42,8	(179,8)
Net margin (%)	(22,0)	16,5	(202,4)
Return on equity (%)	(478,6)	502,8	-
Equity ratio (%)	(1,0)	3,0	(1,6)

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

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The primary activities of the group are project development within real estate and related activities.

Development in activities and finances

Financials

2019 has been a year with significant progress in Gefion Group's development projects. Most of the existing projects are expected to be completed in 2020-2022.

The gross profit for 2019 is largely in accordance with our expectations as set out in the 2018 annual report (realized DKK 16m versus expected DKK 20-50m). The profit for the year was negative with DKK 78.8m mainly impacted by staff costs, other external costs and write-down on projects amounting to DKK 16m.

In accordance with our expectations from 2018, we still believe that the existing project pipeline will contribute an amount of app. DKK 400m over the lifetime of the pipeline with no additional projects assumed. Changes to interest, macro-economic factors etc. can however result in variations to this.

The main transactions in 2019 were the completion in April 2019 of the disposal of the Niels Juels Gade property (described in the 2018 financial statements) and the partial disposal of the Rødovre project in December 2019 when Goldman Sachs acquired 80% of the share capital and entered into a joint venture with Gefion Group with the aim to develop and sell more than 500 residential units over the next 2-3 years.

In 2020, Gefion Group expects to report revenue from sales transactions in the range DKK 1,500m to DKK 2,000m from the completion of several projects resulting in a two-digit profit after tax (DKKm), a reestablished equity and a strong cash position.

In accordance with the Danish Financial Statements Act, revenue from a development project is recognized when the project is sold, and all risks and rewards are transferred to the buyer. Therefore, the Group's revenue will fluctuate from year to year depending on the delivery schedule for the projects.

Selected projects

Amager Strandvej

The Amager Strandvej project is well under way and the first partial disposal (a commercial building) was completed in January 2020 with a sales value of DKK 163m.

The remaining part is under construction and we expect the project to be completed in steps with the last part being completed in first half of 2021.

A part of the project with a sales value of app. DKK 300m has been sold to groups of investors for completion and delivery late 2020. For information about events in 2020, please refer to the section about subsequent events.

Management commentary

Engvej

The Engvej project consists of student housing, hotel and commercial buildings. The project is under construction with expected completion late 2021. The hotel has been leased out to Guldsmeden Hotels and a supermarket has been leased out to a large Danish supermarket chain. Further, a number of student housing units has been sold to the Danish housing organization AAB.

Hans Knudsens Plads / Ryparkenkollegiet

The project comprises 133 studio units and 13 hotel apartments. The project was planned for completion mid 2020, but due to an unforeseen default with the turnkey contractor, the completion has been postponed until late 2020. The studio part has been sold to a group of investors for an amount of app. DKK 256m with expected completion and delivery in the last half of 2020.

New projects

We have acquired one new project in 2019; Kanalgaden, which is an 8,386 sqm senior-friendly project with an estimated 88 units in Albertslund.

Financing

The initial investments in many of our projects are based on corporate bonds and partnerships with investors. Later in the development process, the acquisition financing is replaced by construction financing from banks, pension funds etc.

During 2019 we have repaid or refinanced debt amounting to more than DKK 900m to be replaced by more than DKK 1,200m new debt to fund the construction and development of our projects.

Uncertainty relating to recognition and measurement

Due to the nature of our business, there are uncertainties in various areas.

All development projects are subject to recurring budget reviews to assess the need for potential write downs for financial reporting purposes. In 2019 we have written down the value of one project with DKK 16m.

Depending on the contractual details, some of our projects may be classified as a financial instrument for financial reporting purposes and accordingly measured at fair value. The fair value is dependent on several assumptions such as maturity, construction budget etc. which may change over time.

By 31 December 2019 the balance sheet does not include any fair value adjusted numbers and consequently all projects are measured at cost.

Management commentary

Outlook

The expectations for the coming years are based on our budgeted results for the existing projects in our pipeline. Changes may come to budgets, timing etc.

The profit from a development project is subject to recognition by the time of completion and therefore we will see natural fluctuations in the reported earnings from year to year. Whereas 2018 was a strong year and 2019 a poor year from a profit perspective, we expect two strong years in 2020 and 2021 with net revenue in 2020 in the range DKK 1,500-2,000m based on the existing portfolio of projects with no additional projects assumed.

The Group has lost more than half of the contributed capital and is therefore subject to the Danish Companies Act, section 119. The Group expects to restore the capital through future earnings.

Particular risks

Gefion Group is exposed to commercial risks associated with property development. The most significant specific risks relate to

- Delays in the development process because of internal or external matters
- Availability of financing for completion of projects
- Currency risks related to debt denominated in NOK, SEK or EUR
- Interest rate risk related to a part of the interest-bearing debt
- Buyers not being able to fulfil their contractual commitments
- Risk of contractors going bankrupt causing delays in the development projects
- Cyclic trends on the real estate market such as increasing yields in property valuations resulting in lower sales prices

Intellectual capital resources

During 2019 we have further developed the organization to secure strong competencies in our projects. In the beginning of 2020, we have furthermore strengthened the organization by recruiting a new General Counsel with significant experience from all aspects of project development and real estate legal matters.

Statutory report on corporate social responsibility

Gefion Group does not have a formalized corporate social responsibility policy due to amongst others the facts that we are a small company with less than 30 employees with all commercial activities in the Group taking place in Denmark.

For these reasons we do not have specific policies within human rights, environment social matters and anti-corruption. The Board of Directors regularly assess the need to adopt policies for this area.

Management commentary

The main elements in the Group's business model is to develop and sell real estate projects including related activities.

The main risks related to CSR are

- Safety matters on our construction sites
- Anti-corruption and bribery in connection with negotiations with suppliers and customers
- Environmental matters

These risks are mitigated by education of employees, company-paid social security for employees, monitoring of well-being / stress symptoms, collaboration with reputable, acknowledged advisors etc.

Based on the size and nature of our business, we believe that we are not exposed to significant risks regarding human rights, environment, social matters or anti-corruption.

Business model

Gefion Group specializes in developing residential properties in the Greater Copenhagen Area. Through our large network and our business associates we find unique properties and sites that we develop and sell, either on our own or in collaboration with investors.

Our focus is on developing properties with untapped potential that can prove good investments. We develop all types of residential properties – freehold units, cooperative units, rental units, student units, detached houses and terraced houses. In addition to developing residential units, we develop retail and office units, although on a smaller scale and often in combination with housing projects.

We primarily develop properties with the intention of selling them, either under pre-sale contracts direct to end-users or to investors on buy-to-let basis.

Statutory report on the underrepresented gender

Gefion Group believes in diversity and in appointing the best possible Board of Directors with no preferences for gender, age, sexual orientation, nationality or ethnic origin.

Gefion Group is subject to the requirements in the Danish Companies Act and we are in the process of establishing appropriate policies. The Board of Directors expect to have a policy in place before the announcement of the 2020 Annual Report.

Events after the balance sheet date

In January 2020 we completed the sale of the first part of our Amager Strandvej project with a sales value of DKK 163m. In May we have entered into an agreement about the disposal of a further share of Amager Strandvej with a sales value of DKK 553m partially to be completed in 2020 and partially in 2021.

Management commentary

In February 2020 we completed the sale of our student housing project on Rabarbarvej (Fuglebakkekollegiet).

The outbreak and the spreading of the COVID-19 disease in early 2020 have not had and are not expected to have any material impact on the Group's financial position.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Revenue	2	358.392	482.988
Fair value adjustments of investment property	3	1.639	3.630
Own work capitalised	4	21.847	14.924
Other operating income		441	113.240
Cost of sales		(342.437)	(361.952)
Other external expenses	5	(24.296)	(46.073)
Gross profit/loss		15.586	206.757
Staff costs	6	(44.423)	(40.116)
Depreciation, amortisation and impairment losses		(623)	(577)
Other operating expenses	7	(16.000)	0
Operating profit/loss		(45.460)	166.064
Other financial income	8	5.451	21.083
Other financial expenses	9	(46.545)	(84.173)
Profit/loss before tax		(86.554)	102.974
Tax on profit/loss for the year	10	7.789	(23.076)
Profit/loss for the year	11	(78.765)	79.898

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Land and buildings		20.552	20.635
Investment property		3.225	316.100
Other fixtures and fittings, tools and equipment		53	68
Leasehold improvements		1.573	2.097
Property, plant and equipment	12	<u>25.403</u>	<u>338.900</u>
Investments in group enterprises		26.812	26.716
Investments in associates		65.200	0
Other investments		3.240	4.240
Deposits		210	220
Other receivables		309	319
Fixed asset investments	13	<u>95.771</u>	<u>31.495</u>
Fixed assets		<u>121.174</u>	<u>370.395</u>
Work in progress		1.890.876	1.321.279
Inventories	15	<u>1.890.876</u>	<u>1.321.279</u>
Trade receivables		0	245
Receivables from associates		41	0
Other receivables		30.362	45.333
Income tax receivable		0	68
Prepayments		836	2.591
Receivables		<u>31.239</u>	<u>48.237</u>
Cash	16	<u>243.796</u>	<u>135.969</u>
Current assets		<u>2.165.911</u>	<u>1.505.485</u>
Assets		<u>2.287.085</u>	<u>1.875.880</u>

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		1.000	1.000
Retained earnings		(23.925)	54.840
Equity		(22.925)	55.840
Deferred tax		10.573	20.953
Provisions		10.573	20.953
Mortgage debt	17	9.800	12.202
Bank loans	18	73.501	0
Loans raised by the issuance of bonds	19	596.247	434.535
Debt to other credit institutions	20	822.210	208.114
Deposits		2.619	5.870
Other payables	21	867	0
Non-current liabilities other than provisions	22	1.505.244	660.721
Current portion of long-term liabilities other than provisions	22	1.340	0
Bank loans		41	2
Loans raised by the issuance of bonds		232.692	836.264
Payables to other credit institutions		412.259	242.384
Deposits		3.866	0
Trade payables		83.677	27.236
Payables to associates		3.552	0
Payables to shareholders and management		0	13.000
Joint taxation contribution payable		1.341	0
Other payables		55.425	19.480
Current liabilities other than provisions		794.193	1.138.366
Liabilities other than provisions		2.299.437	1.799.087
Equity and liabilities		2.287.085	1.875.880
Events after the balance sheet date	1		
Associates	14		
Unrecognised rental and lease commitments	24		
Contingent liabilities	25		
Assets charged and collateral	26		
Transactions with related parties	27		
Subsidiaries	28		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.000	54.840	55.840
Profit/loss for the year	0	(78.765)	(78.765)
Equity end of year	1.000	(23.925)	(22.925)

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Operating profit/loss		(45.459)	166.064
Amortisation, depreciation and impairment losses		623	578
Working capital changes	23	(340.946)	(103.008)
Value adjustment of investment properties		(1.639)	(3.630)
Other operating income		16.000	(112.854)
Cash flow from ordinary operating activities		(371.421)	(52.850)
Financial income received		1.216	4.226
Financial expenses paid		(139.168)	(137.372)
Income taxes refunded/(paid)		(1.250)	2.504
Cash flows from operating activities		(510.623)	(183.492)
Acquisition etc of property, plant and equipment		0	(1.161)
Sale of property, plant and equipment		314.514	0
Purchase of securities and investments		(96)	(30.936)
Sale of of securities and investments		20	0
Reclasisifications of investments		1.000	0
Cash flows from investing activities		315.438	(32.097)
Loans raised		1.457.280	811.205
Repayments of loans etc		(1.172.873)	(547.424)
Change in debt to shareholders and management		(13.000)	(39.956)
Other financing activities		31.605	0
Cash flows from financing activities		303.012	223.825
Increase/decrease in cash and cash equivalents		107.827	8.236
Cash and cash equivalents beginning of year		135.969	127.733
Cash and cash equivalents end of year		243.796	135.969

Notes to consolidated financial statements

1. Events after the balance sheet date

In January 2020 we completed the sale of the first part of our Amager Strandvej project with a sales value of DKK 163m. In May we have entered into an agreement about the disposal of a further share of Amager Strandvej with a sales value of DKK 553m partially to be completed in 2020 and partially in 2021.

In February 2020 we completed the sale of our student housing project on Rabarbarvej (Fuglebakkekollegiet).

2. Revenue

	2019	2018
	DKK'00	DK'000
Sales of projects	348.166	463.679
Rent income	9.032	15.811
Management fees	1.194	3.498
	358.392	482.988

3. Fair value adjustments of investment property

The fair value adjustment of investment property total DKK 1.639k, which represents the adjustment after the investment properties was transferred.

4. Own work capitalised

The own work capitalised consists of salaries etc. capitalised as inventory.

	2019	2018
	DKK'000	DKK'000
5. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	604	671
Other assurance engagements	191	258
Tax services	586	577
Other services	1.162	1.275
	2.543	2.781

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
6. Staff costs		
Wages and salaries	37.180	33.652
Pension costs	5.631	3.437
Other social security costs	80	78
Other staff costs	1.532	2.949
	44.423	40.116
Average number of employees	29	23

	Remunera- tion of manage- ment 2019 DKK'000	Remunera- tion of manage- ment 2018 DKK'000
Total amount for management categories	8.034	4.831
	8.034	4.831

7. Other operating expenses

Other operating expenses includes the following:

	2019 DKK'00
Fair value adjustment of purchase obligation of shares	16.000
	16.000

The Group has purchase obligation related to shares in an unlisted project development entity, where the Group is involved in the development of the project. The fair value was estimated by management, taking into consideration the estimated value at the time of the obligation, the risk associated with the underlying project and the amount was discounted. The amount is Management's best estimate, but there is an uncertainty related to the judgement and estimates made in the fair value chain.

	2019 DKK'000	2018 DKK'000
8. Other financial income		
Other interest income	755	798
Exchange rate adjustments	4.235	16.857
Other financial income	461	3.428
	5.451	21.083

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
9. Other financial expenses		
Other interest expenses	34.364	0
Exchange rate adjustments	0	2.772
Other financial expenses	12.181	81.401
	46.545	84.173
	2019 DKK'000	2018 DKK'000
10. Tax on profit/loss for the year		
Current tax	(17.560)	0
Change in deferred tax	10.380	23.076
Adjustment concerning previous years	(609)	0
	(7.789)	23.076
	2019 DKK'000	2018 DKK'000
11. Proposed distribution of profit/loss		
Retained earnings	(78.765)	79.898
	(78.765)	79.898

Notes to consolidated financial statements

	Land and buildings DKK'000	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
12. Property, plant and equipment				
Cost beginning of year	20.718	312.470	79	2.621
Disposals	0	(308.000)	0	0
Cost end of year	20.718	4.470	79	2.621
Depreciation and impairment losses beginning of year	(83)	0	(11)	(524)
Depreciation for the year	(83)	0	(15)	(524)
Depreciation and impairment losses end of year	(166)	0	(26)	(1.048)
Fair value adjustments beginning of year	0	3.630	0	0
Fair value adjustments for the year	0	125	0	0
Reversal regarding disposals	0	(5.000)	0	0
Fair value adjustments end of year	0	(1.245)	0	0
Carrying amount end of year	20.552	3.225	53	1.573

Investment properties consist of one property. The property is an apartment unit located centrally in Cannes of 48 m², leased 0% in 2019 due to renovation, however going forward leased for short-term contracts. The fair value is based on comparable apartment properties for sale in Cannes area and the listed sales prices on this market for real estate (31 December 2019). The property is valued at approximately 67,187 DKK/m².

Notes to consolidated financial statements

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000	Deposits DKK'000
13. Fixed asset investments				
Cost beginning of year	26.716	0	4.240	220
Additions	96	65.200	0	0
Disposals	0	0	(1.000)	(10)
Cost end of year	26.812	65.200	3.240	210
Carrying amount end of year	26.812	65.200	3.240	210

	Other receivables DKK'000
13. Fixed asset investments	
Cost beginning of year	319
Additions	(10)
Disposals	0
Cost end of year	309
Carrying amount end of year	309

Investment in Group enterprises of DKK 26.812k consists of the investment in Victoria Properties A/S. The subsidiary has not been consolidated in accordance with the Danish Accounts Act, section 114, as the intention is not to remain the controlling shareholder. Gefion Group's plan for Victoria Properties is that the capital increases in 2020 mentioned in the offer document will dilute the investment so Gefion Group no longer will be controlling Victoria Properties.

Investment in Group enterprises:

Subsidiaries	Equity interest %	Profit for the year DK'000	Equity DK'000
Victoria Properties A/S	70	(1.266)	10.773

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
14. Associates		
Rødovre JVCo ApS	Copenhagen	20,0

15. Inventories

Inventories includes capitalized interest expenses and financing costs of DKK 375.071k (2018: DKK 234.518k).

16. Cash and cash equivalents

Cash includes DKK 198.407k where the use is restricted to specific purposes, such as interest payments, project development or construction or pledged as security.

17. Long-term mortgage debt

	Outstanding debt after 5 years DKK'000	Debt in total 31 Dec 2019 DKK'000
Long-term mortgage debt	5.442	9.800
	5.442	9.800

18. Long-term bank loans

	Outstanding debt after 5 years DKK'000	Debt in total 31 Dec 2019 DKK'000
Long-term bank loans	0	73.501
	0	73.501

19. Loans raised by the issuance of bonds

	Outstanding debt after 5 years DKK'000	Debt in total 31 Dec 2019 DKK'000
Loans raised by the issuance of bonds	0	596.247
	0	596.247

Notes to consolidated financial statements

20. Long-term debt to other credit institutions

	Outstanding debt after 5 years DKK'000	Debt in total 31 Dec 2019 DKK'000
Long-term debt to other credit institutions	0	822.210
	0	822.210

Debt to other credit institutions consist of project financing loans.

	2019 DKK'000	2018 DKK'000
21. Other long-term payables		
Holiday pay obligation	867	0
	867	0

	Due within 12 months 2019 DKK'000	Due after more than 12 months 2019 DKK'000
22. Liabilities other than provisions		
Mortgage debt	1.340	9.800
Bank loans	0	73.501
Loans raised by the issuance of bonds	0	596.247
Debt to other credit institutions	0	822.210
Deposits	0	2.619
Other payables	0	867
	1.340	1.505.244

	2019 DKK'000	2018 DKK'000
23. Change in working capital		
Increase/decrease in inventories	(399.252)	(93.588)
Increase/decrease in receivables	998	47.849
Increase/decrease in trade payables etc	57.308	(57.269)
	(340.946)	(103.008)

Notes to consolidated financial statements

24. Unrecognised rental and lease commitments

The Company has entered into rental commitments, the rent contracts have an expected term of up to 24 months, and the total outstanding commitment is DKK 246k.

25. Contingent liabilities

The Group is involved in a few disputes and legal cases. None of those is expected to have a significant impact on the Group's financial position.

26. Assets charged and collateral

Mortgage debt, bank loans, loans raised by the issuance of bonds and debt to other credit institutions is secured by way of mortgage on projects (inventory) with a net book value of DKK 1.890.876k and mortgage on land and buildings with a net book value of DKK 20.552k, either directly, or through pledging of shares in the entity holding the projects. In addition debt is secured by pledging of shares in subsidiaries.

27. Transactions with related parties

The Group has had transactions with shareholders and entities controlled by the shareholders which comprises the following:

Loans and other payables is shown in the balance sheet

Other transactions with related parties:

Salaries to management is shown in note 6

Notes to consolidated financial statements

	Registered in	Corpo- rate form	Equity inte- rest %
28. Subsidiaries			
Roof Management A/S	København	A/S	100,0
Amager Strandvej I A/S	København	A/S	100,0
Gefion Amager Strandvej II A/S	København	A/S	100,0
Gefion Sejlhusene A/S	København	A/S	100,0
Gefion Amager Strandvej IV A/S	København	A/S	100,0
Gefion Group Holdco ApS	København	ApS	100,0
Rødovre Port Holding A/S	København	A/S	100,0
Rødovre Port Holdco ApS	København	ApS	100,0
GG Engvej 155 Holding 1 ApS	København	ApS	100,0
GG Engvej 155 Holding ApS	København	ApS	100,0
GG Engvej 155 Holdco ApS	København	ApS	100,0
GG Development 8 ApS	København	ApS	100,0
STK 100 & 106 Holding ApS	København	ApS	100,0
GG Development 3 ApS	København	ApS	100,0
GG St. Kongensgade 100 & 106 P/S	København	P/S	100,0
Komplementarselskabet GG St. Kongensgade 100 & 106 ApS	København	ApS	100,0
Oliebladsgade Holding 1 ApS	København	ApS	100,0
Oliebladsgade 8 Holding ApS	København	ApS	100,0
Oliebladsgade 8 ApS	København	ApS	100,0
GG AMS Holding 1 ApS	København	ApS	100,0
GG AMS Holding 2 ApS	København	ApS	100,0
GG Amager Strandvej Holding ApS	København	ApS	100,0
Amager Strandvej 60-64/Ved Amagerbanen 37 ApS	København	ApS	100,0
HKP 1A Holding ApS	København	ApS	100,0
K/S GG 6	København	K/S	100,0
Niels Juels Gade 9-13 Holding 1 ApS	København	ApS	100,0
Niels Juels Gade 9-13 Holding ApS	København	ApS	100,0
Niels Juels Gade 9-13 ApS	København	ApS	100,0
GG Development 20 A/S	København	A/S	100,0
Telegrafvej 5A Holding 1 ApS	København	ApS	100,0
Telegrafvej 5A Holding ApS	København	ApS	100,0
Telegrafvej 5A ApS	København	ApS	100,0
GG Development 19 A/S	København	A/S	100,0

Notes to consolidated financial statements

	Registered in	Corpo- rate form	Equity inte- rest %
28. Subsidiaries (continued)			
Ib Schønbergs Allé Holding ApS	København	ApS	100,0
GG Development 4 ApS	København	ApS	100,0
Vandværket 1 ApS	København	ApS	100,0
Gefion Fuglebakkekollegiet A/S	København	A/S	100,0
GG Østergade 1 ApS	København	ApS	100,0
GG 8 Petite Rue ApS	København	ApS	100,0
GG Development 17 A/S	København	A/S	100,0
Rødovre Komplementar A/S	København	ApS	100,0
GG development 5 ApS	København	ApS	100,0
Komplementarselskabet GG 6 ApS	København	ApS	100,0
Komplementarselskabet GG 10 ApS	København	ApS	100,0
Kanalgaden 3 Holding 1 ApS	København	ApS	100,0
Kanalgaden 3 Holding ApS	København	ApS	100,0
Kanalgaden 3 ApS	København	ApS	100,0

The following subsidiaries has been sold and are only consolidated for a period of 2019.

Rødovre City 2 P/S (Rødovre City 2 ApS)

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Revenue	1	22.922	21.572
Other operating income		0	16.000
Other external expenses		(13.840)	(30.991)
Gross profit/loss		9.082	6.581
Staff costs	2	(43.058)	(40.967)
Depreciation, amortisation and impairment losses		(540)	(495)
Writedowns of non-financial current assets		(51)	0
Other operating expenses		(16.000)	0
Operating profit/loss		(50.567)	(34.881)
Income from investments in group enterprises		34.000	41.401
Other financial income	3	28.025	2.563
Other financial expenses	4	(22.231)	(21.743)
Profit/loss before tax		(10.773)	(12.660)
Tax on profit/loss for the year	5	12.740	5.203
Profit/loss for the year	6	1.967	(7.457)

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Other fixtures and fittings, tools and equipment		53	68
Leasehold improvements		1.574	2.097
Property, plant and equipment	7	1.627	2.165
Investments in group enterprises		97.424	57.116
Receivables from group enterprises		0	5.501
Other investments		0	4.220
Deposits		560	570
Deferred tax	9	12.762	9.354
Fixed asset investments	8	110.746	76.761
Fixed assets		112.373	78.926
Receivables from group enterprises		47.771	0
Other receivables		1.261	25.810
Joint taxation contribution receivable		9.112	0
Prepayments	10	638	435
Receivables		58.782	26.245
Cash		8.733	14.003
Current assets		67.515	40.248
Assets		179.888	119.174

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		1.000	1.000
Retained earnings		(21.327)	(23.294)
Equity		(20.327)	(22.294)
Other payables	11	867	0
Non-current liabilities other than provisions		867	0
Bank loans		40	45
Payables to other credit institutions		0	28.471
Trade payables		688	4.218
Payables to group enterprises		109.453	96.267
Income tax payable		0	4
Joint taxation contribution payable		56.014	0
Other payables		33.153	12.463
Current liabilities other than provisions		199.348	141.468
Liabilities other than provisions		200.215	141.468
Equity and liabilities		179.888	119.174
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.000	(23.294)	(22.294)
Profit/loss for the year	0	1.967	1.967
Equity end of year	1.000	(21.327)	(20.327)

Notes to parent financial statements

1. Revenue

	2018 DKK'00	2017 DK'000
Management fees	21.572	3.745
	21.572	3.745

2. Staff costs

	2019 DKK'000	2018 DKK'000
Wages and salaries	35.814	34.427
Pension costs	5.631	3.437
Other social security costs	80	78
Other staff costs	1.533	3.025
	43.058	40.967
Average number of employees	28	23

	Remunera- tion of manage- ment 2019 DKK'000	Remunera- tion of manage- ment 2018 DKK'000
Total amount for management categories	8.034	4.831
	8.034	4.831

3. Other financial income

	2019 DKK'000	2018 DKK'000
Financial income arising from group enterprises	27.504	798
Other interest income	60	236
Other financial income	461	1.529
	28.025	2.563

Notes to parent financial statements

	2019 DKK'000	2018 DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	16.154	2.320
Other interest expenses	4.436	12.348
Exchange rate adjustments	27	11
Other financial expenses	1.614	7.064
	22.231	21.743
	2019 DKK'000	2018 DKK'000
5. Tax on profit/loss for the year		
Current tax	(7.372)	0
Change in deferred tax	(3.407)	(5.203)
Adjustment concerning previous years	(1.961)	0
	(12.740)	(5.203)
	2019 DKK'000	2018 DKK'000
6. Proposed distribution of profit/loss		
Retained earnings	1.967	(7.457)
	1.967	(7.457)
	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
7. Property, plant and equipment		
Cost beginning of year	79	2.621
Cost end of year	79	2.621
Depreciation and impairment losses beginning of year	(11)	(524)
Depreciation for the year	(15)	(523)
Depreciation and impairment losses end of year	(26)	(1.047)
Carrying amount end of year	53	1.574

Notes to parent financial statements

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Other investments DKK'000	Deposits DKK'000
8. Fixed asset investments				
Cost beginning of year	57.116	5.501	4.220	570
Additions	40.308	0	0	0
Disposals	0	(5.501)	(4.220)	(10)
Cost end of year	97.424	0	0	560
Carrying amount end of year	97.424	0	0	560

	Deferred tax DKK'000
8. Fixed asset investments	
Cost beginning of year	9.354
Additions	3.408
Disposals	0
Cost end of year	12.762
Carrying amount end of year	12.762

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9. Deferred tax

Deferred tax asset is expected to be utilized within the next years from the joint taxation with the subsidiaries. Management expects significant positive income in the subsidiaries from sale of projects.

10. Prepayments

Prepayments consists of prepaid expenses.

	2019 DKK'000	2018 DKK'000
11. Other long-term payables		
Holiday pay obligation	867	0
	867	0

12. Unrecognised rental and lease commitments

The Company has entered into rent contracts, the rent contracts have an expected term up to 36 months, and the total outstanding commitment is DKK 3.111k.

Notes to parent financial statements

13. Contingent liabilities

The Entity has issued guarantees or surety for subsidiaries' bond debt and debt to other credit institutions totaling DKK 1.146 million.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

14. Assets charged and collateral

Debt to other credit institutions are secured by receivables from group enterprises with a book value of DKK 48 million.

Shares in subsidiaries with a book value of DKK 87 million is pledged as security for debt in subsidiaries.

15. Related parties with controlling interest

The company has no related parties with controlling interest.

16. Transactions with related parties

The Entity had transactions with wholly-owned subsidiaries.

Apart from this, the Entity has had had transactions with shareholders and entities controlled by the shareholders which comprises the following:

Loans and other payables is shown in the balance sheet

Other transactions with related parties:

Salaries to management is shown in note 2

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

One subsidiary, Victoria Properties A/S was not consolidated. Please refer to note 13 to the consolidated F/S.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries determined to be businesses are offset at the pro rata share of such subsidiaries'

Accounting policies

net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

The sale method is used to recognize income on projects sold. Thus, profit are recognized once the project has been sold, construction completed and all essential elements of the sales agreement fulfilled, including delivery and transfer of risk to the buyer.

Where the Group is in charge of development, letting and construction management, etc. on behalf of investors and receives fee income for such services, the fee income is recognized as income on a continuous basis in step with the provision of services.

Where a sold project consist of several instalment deliveries that can be segregated and the financial effect can be assessed separately and measured reliably for each delivery, the profit on the individual instalment delivery is recognized when all essential elements of the agreement have been fulfilled.

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Rental income on completed projects and investment properties is accrued and recognized in accordance with the lease agreements concluded.

Fair value adjustments of investment property

Fair value adjustment of investment properties for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for inventory.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Accounting policies

Cost of sales

Project costs consist of all costs relating to projects incurred to generate the year's revenue and includes direct project costs, as well as interest during the construction period, and indirect costs, determined as a percentage of staff costs etc.

Moreover, this item includes any impairment losses on projects in progress or completed and the expensing of project development costs to the extent that the relevant projects are not expected to be realized.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets and project costs.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year, as well as gain and losses from the sale of subsidiaries.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by using the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable

Accounting policies

amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Other investments

Other investments comprise unlisted investments measured at the lower of cost and net realisable value.

Inventories

Work in progress consist of real property projects.

The project portfolio is recognized on the basis of the direct cost attributable to the projects, including interest during the project period. Where considered necessary, the projects have been written down to a lower value, and the capitalized amounts are subjected to impairment tests on a continuous basis to ensure that the assets are written down to the extent that the carrying amount exceeds the estimated net realizable value.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

Accounting policies

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

At the time of borrowing, loans are measured at cost which corresponds to the proceeds received less transaction costs incurred. Loans are subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions receivable or payable

Current joint taxation contributions receivable or joint taxation payable is recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.