DEAS Asset Management A/S

Dirch Passers Allé 76,

2000 Frederiksberg

CVR No. 43181114

Annual Report 2023

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 27 June 2024

Bjørn Allentoft
Chairman

Contents

Company details

Company	DEAS Asset Management A/S Dirch Passers Allé 76, 2000 Frederiksberg
Telephone	70302020
Website	www.deas-asset.com
CVR No.	43181114
Financial year	01.01.2023 - 31.12.2023
Supervisory Board	Mette Seifert Joakim Nordblad Sanna-Mari Johanna Puhakainen Thomas Riddervold Wolff
Executive Board	Anette Grotum
Auditors	Deloitte Statsautoriseret Revisionspartnesselskab Weidekampsgade 6 2300 Copenhagen CVR-no.: 33963556

Management's Review

Main business activity
DEAS Asset Management's main activity is to support the investors' investment strategy as an operational and value-creating partner. On behalf of our investors, we manage real estate investments in Denmark. The focus is on ensuring optimization of the return at portfolio and property level. This is achieved through advice on property strategies and the implementation of concrete business plans for each individual property.
DEAS Asset Management manages properties in all segments such as logistics-, office-, retail- and rental properties. Our focus is on identifying return potentials via the value chain, so that we ensure an optimization that is aligned with the investor's risk profile.

DEAS Asset Management offers strategic advice on ensuring efficiency at portfolio level with a view to achieving robust returns over the investment horizon, as well as market monitoring and sourcing.

DEAS Asset Management consists of the areas Fund-, Investment- & Asset Management, Transaction- & Advisory Services and Development, all of which can offer services from a comprehensive catalog.
The DEAS Asset Management group manages mandates for Danish and international institutional investors, foundations and family-owned companies and guarantees a systematic approach to management.

Please refer to www.deas-asset.com for further information.

Developments in the year
The year that went by and follow-up to the prior year's expected development
In 2023, revenue for DEAS Asset Management A/S decreased to DKK 46.5 million, compared with DKK 69.3 million in 2022, a decreased operating profit of DKK 0.4 million (2022: DKK 14.8 million), and a loss before taxes which amounted to DKK -3.4 million (2022: DKK +19.9 million).
The result for the year is DKK -3.1 million (2022: DKK +17.7 million).

Shareholder's equity at year-end 2023 amounts to DKK 87.0 million (2022: DKK 90.1 million) and total assets amount to DKK 243,4 million (2022: DKK 246.5 million).

The expectation for 2023 was an increase in revenue compared to 2022 as a result of organic growth and the expectation for operating profit was a positive result. However, the market conditions with a weak transaction market, low activity and decreasing valuations have opposed the result for 2023. In addition, an impairment loss of DKK 3.1 million was recognised as a result of Aberdeen Standard Investments' descision to in-house their asset management activities in 2024. The result of 2023 is considered satisfactory with the difficult market conditions and special circumstances in mind.

Expectations for 2024
The Management expects a decreased revenue in 2024 as the market conditions of 2023 are expected to persist.

Special risks
Business risks
The company's most significant business risk is linked to the ability to meet investors' requirements for expert property management, asset management and consulting while providing excellent service.

Financial risks
Based on the current capital resources, the company only has limited exposure to changes in the interest rates.

Liquidity risks
The Company's ability to generate capital and raising of funds is centrally managed and the required cash resources are ensured on an ongoing basis.

Management's Review

Knowledge resources

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

A continuous development and improvement of services to investors, both in scope and in professional depth are in focus. It requires training and development of employees, and the requisite skills and a high level of expertise of the employees.

Statutory Corporate Responsibility Report

At DEAS Asset Management A/S, we aim to operate the business activities based on the needs of investors as well as on a profitable and sustainable foundation.

The ambition is that the core services of property 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 Asset Management A/S to contribute to the society and community that the Group is part of. DEAS Asset Management A/S regards it as an investment in the future to take responsibility for the social and environmental effects of the business activities.

DEAS Asset Management A/S operates a business based on maintaining a high level of business ethics and integrity. It is a fundamental part of the culture to exhibit propriety and professionalism in behaviour and attitudes in both internal and external relationships.

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

On DEAS Group's website www.deasgroup.com/csrreport , descriptions of the policies, actions and results achieved around each CSR topic can be found.

Share of the under-represented gender

DEAS Group is of the view that a balanced distribution of gender will result in increased employee satisfaction. The genders have different ways of handling professional and personal situations, and the discussions that this generates open up different ways of solving problems and produce better results. Reference is made to a detailed explanation of the share of the underrepresented gender in the group report for DEAS Holding A/S, Dane BidCo ApS and in the overlying group report for Dane TopCo ApS.

Reference is made to the consolidated Group Report for DEAS Holding A/S, Dane Bidco ApS and Dane TopCo ApS where a more detailed description of the proportion of the underrepresented gender is provided.

Management's Statement

The board of directors and the executive board have considered and adopted the Annual Report of DEAS Asset Management A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31.12.2023 and of the results of the Company's operations for the financial year 01.01.2023 - 31.12.2023.

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, 27 June 2024

Executive Board

Anette Grotum
Man. Director

Supervisory Board

Mette Seifert
Chairman

Joakim Nordblad
Member

Sanna-Mari Johanna Puhakainen
Member

Thomas Riddervold Wolff
Member

Independent Auditors' Report

To the shareholders of DEAS Asset Management A/S

Opinion
We have audited the financial statements of DEAS Asset Management A/S for the financial year 01.01.2023 - 31.12.2023, which is comprised of an income statement, a balance sheet, a statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the “Auditors' responsibility for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

The auditor's responsibility for the audit of the financial statements
Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISA's and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISA's and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit.
We also:

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

Independent Auditors' Report

* Obtain an understanding of internal controls 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 Company's internal controls.

* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

* Conclude on whether the Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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 controls which we identify during our audit.

Statement on Management's Review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.
Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the relevant law and regulations.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. In our opinion, the Management's review is not materially misstated.

Copenhagen, 27 June 2024
Deloitte Statsautoriseret Revisionspartnesselskab
CVR-no. 33963556

Tim Kjær-Hansen
State Authorised Public Accountant
MNE-nr. mne23295

Rasmus Christiansen
State Authorised Public Accountant
MNE-nr. mne50632

Income Statement

	Note	2023 tDKK	2022 tDKK
Revenue		46.515	69.294
Cost of sales		-4.331	-3.823
Other external expenses		-6.269	-15.882
Employee benefits expense	2	-31.589	-33.932
Depreciation and amortisation	3	-3.953	-845
Profit from ordinary operating activities		**373**	**14.812**
Income from investments in group enterprises and associates		0	12.084
Other finance income	4	6.678	5.924
Finance expenses	5	-10.450	-12.919
Profit from ordinary activities before tax		**-3.399**	**19.901**
Tax expense on ordinary activities	6	296	-2.217
Profit		**-3.103**	**17.684**

Proposed distribution of results			
Retained earnings		-3.103	17.684
Distribution of profit		**-3.103**	**17.684**

Balance Sheet as of 31 December

	Note	2023 tDKK	2022 tDKK
Assets			
Acquired intangible assets	7	1.746	5.508
Goodwill	8	1.417	1.608
Intangible assets		**3.163**	**7.116**
Long-term investments in group enterprises	9, 10	40.995	40.995
Long-term receivables from group enterprises		142.058	109.498
Investments		**183.053**	**150.493**
Fixed assets		**186.216**	**157.609**
Short-term trade receivables		7.641	7.151
Contract work in progress		400	0
Short-term receivables from group enterprises	11	43.349	71.357
Current deferred tax	12	2.454	1.850
Other short-term receivables		527	3.287
Deferred income		0	45
Receivables		**54.371**	**83.690**
Cash and cash equivalents		**2.759**	**5.193**
Current assets		**57.130**	**88.883**
Assets		**243.346**	**246.492**

Balance Sheet as of 31 December

	Note	2023 tDKK	2022 tDKK
Liabilities and equity			
Contributed capital		400	400
Retained earnings		86.584	89.687
Equity		**86.984**	**90.087**
Other provisions	13	9.325	9.325
Provisions		**9.325**	**9.325**
Payables to group enterprises		0	132.668
Other payables		1.954	1.911
Long-term liabilities other than provisions	14	**1.954**	**134.579**
Trade payables		1.446	543
Payables to group enterprises		139.716	74
Tax payables		308	4.386
Other payables		3.613	7.498
Short-term liabilities other than provisions		**145.083**	**12.501**
Liabilities other than provisions within the business		**147.037**	**147.080**
Liabilities and equity		**243.346**	**246.492**

Uncertainty connected with recognition or measurement	1
Significant events occurring after end of reporting period	15
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 01.01.2023	400	89.687	90.087
Profit (loss)	0	-3.103	-3.103
Equity 31.12.2023	**400**	**86.584**	**86.984**

Notes

1. Uncertainty connected with recognition and measurements

When calculating the accounting value of certain assets and liabilities, an estimate of how future events affect the value of these assets and liabilities on the balance sheet date is required. Estimates that are significant for the presentation of the accounts are made, among other things, when calculating depreciation and write-downs as well as contingent liabilities and assets.

The estimates used are based on assumptions that Management deem reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate as unexpected events or circumstances may occur. Furthermore, the Company is subject to risks and uncertainties which may lead to the actual results deviating from these estimates.

The main accounting areas where the recognition and measurement can be affected by estimates and subject to uncertainty are:

Revenue related to contract work in progress (projects) is recognised at the selling price of work performed, based on the stage of completion of the work.

Provisions for disputes are measured at the best estimate of the related costs to settle liabilities as of the balance sheet date.

The stage of completion, provision for disputes, and expected earnings are based on estimates and expected future events, making them subject to uncertainty.

	2023	**2022**
2. Employee benefits expense		
Wages and salaries	28.938	31.391
Pensions	2.203	2.223
Social security contributions	306	105
Other employee expenses	142	213
	31.589	**33.932**
Average number of employees	34	22

3. Depreciation and amortisation

Patents, licenses and other rights	655	654
Goodwill	191	191
Impairment of patents, licenses and other rights	3.107	0
	3.953	**845**

4. Other finance income

Interests group companies	6.673	5.924
Capital gain bonds	5	0
	6.678	**5.924**

5. Finance expenses

Exchange rate adjustments	3.704	6.437
Interests group companies	6.694	6.431
Other finance expenses	52	51
	10.450	**12.919**

Notes

	2023	2022
6. Tax expense		
Current tax for the year	308	4.387
Deferred tax for the year	-604	-2.007
Adjustment to prior year	0	-163
	-296	**2.217**

7. Acquired intangible assets

Cost at the beginning of the year	6.544	6.544
Cost at the end of the year	**6.544**	**6.544**
Depreciation and amortisation at the beginning of the year	-1.036	-382
Amortisation for the year	-655	-654
Impairment losses for the year	-3.107	0
Impairment losses and amortisation at the end of the year	**-4.798**	**-1.036**
Carrying amount at the end of the year	**1.746**	**5.508**

Acquired intangible assets relate to customer contracts obtained in connection with the acquisition of Aberdeen Standard Investments' Nordic real estate asset management business. Aberdeen Standard Investments has chosen to in-house its asset management activities as of 01.07.2024. The expected useful life of the Company's customer relationships has thus been reduced from the assessed 10 to 3 years, causing an impairment of their value.

8. Goodwill

Cost at the beginning of the year	1.910	1.910
Cost at the end of the year	**1.910**	**1.910**
Depreciation and amortisation at the beginning of the year	-302	-111
Amortisation for the year	-191	-191
Impairment losses and amortisation at the end of the year	**-493**	**-302**
Carrying amount at the end of the year	**1.417**	**1.608**

Goodwill arising from business combinations is at the time of acquisition allocated to the cash-generating units within DEAS Asset Management A/S. The expected useful life of the Company's goodwill is assessed to be 10 years based on the historical turnover of administration agreements.

9. Long-term investments in group enterprises

Cost at the beginning of the year	40.995	37.120
Addition during the year incl. improvements	0	3.875
Cost at the end of the year	**40.995**	**40.995**
Carrying amount at the end of the year	**40.995**	**40.995**

Notes

10. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %	Equity	Profit
DEAS Fund Management DK A/S	Frederiksberg	100,00	41.018	7.455
DEAS Asset Management Invest I ApS	Frederiksberg	100,00	-156	-386
DEAS Asset Management Norway BidCo AS	Oslo	100,00	37.513	12.916
DEAS Asset Management Sweden AB	Stockholm	100,00	18.801	7.860
DEAS Asset Management Finland Oy	Helsinki	100,00	11.832	2.539
			109.008	**30.384**

11. Short-term receivables from group enterprises

The DEAS Group has entered into a cash pool agreement with Danske Bank. The parent company DEAS A/S is the owner of the account and the Group's subsidiaries are sub-account owners. Danske Bank can settle withdrawals and deposits against each other, and the net amount constitutes a balance between Danske Bank and DEAS A/S.
DEAS Asset Management A/S's balance in the cash pool scheme amounts to a total of DKK 9.6 million as of 31.12.2023 and is presented as receivables from affiliated companies.

12. Provisions for deferred tax

	2023	2022
Deferred tax at the beginning of the year	1.850	-157
Deferred tax for the year	604	2.007
Balance at the end of the year	**2.454**	**1.850**
Deferred tax relates to:		
Intangible assets	367	-237
Current assets	35	2.087
Provisions	2.052	0
	2.454	**1.850**

13. Other provisions

Other provisions include liabilities to cover claims made against the Company. DKK 0 (2022: DKK 0) is expected to be settled within the next 12 months.

14. Long-term liabilities

	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Other payables	0	48	1.906
	0	**48**	**1.906**

15. Significant events occurring after end of reporting period

No circumstances have occurred after the balance sheet date which have a significant impact on the assessment of the Annual Report.

Notes

16. Collaterals and securities

The Company is part of a Danish joint taxation with Dane TopCo ApS as the management company. The Company is therefore liable in accordance with the rules of the Corporation Tax Act from and including the financial year 2013 for income taxes etc. for the jointly taxed companies and from 01.01.2012 as well as for any obligations to withhold tax on interest, royalties and dividends for the jointly taxed companies.

The Company's bank accounts with a carrying amount of DKK 2.8 million is pledged as security for Dane BidCo ApS' debt to other credit institutions, amounting to DKK 570.0 million.

The Company has submitted a letter of support for the 100% owned subsidiary
DEAS Asset Management Invest DK I ApS applicable until 31.12.2024.

17. Related parties

The Company is included in the Consolidated Financial Statements of the immediate parent company
DEAS Holding A/S, Frederiksberg as well as the Consolidated Financial Statements of the intermediate parent company Dane TopCo ApS, Frederiksberg.

Accounting Policies

Reporting Class
The annual report of DEAS Asset Management A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year. In the current year, service contracts have been recognised, as per the percentage of completion method according to IAS 18.
According to The Danish Financial Statement Act § 80; activities which are supposed to be sold are to be presented separately in the profit and loss statement, and in the balance sheet. Account balances are to be presented in one line and disclosed in a note. Due to divestment of the DRES activities in 2024 and that the DAM activities, which have been for sale, and now await a new strategy that has to be developed, which can entail a future sale, management has assessed that § 80 should be disregarded, as a presentation according to § 80 (moving the the profit and loss and balance presentation into the notes) does not provide new material information to the Financial Statement.

Consolidated Financial Statements
With reference to § 112 of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises are subsidiaries of a higher-ranking group.

Translation policies
Transactions in foreign currencies are converted into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are converted into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised currency gains and losses are included in the income statement under financial income and expenses.

General information

Basis of recognition and measurement
The financial statement have been prepared under the historical cost principle.

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 amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 or deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, currency 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 financial statement, i.e. losses and risks which prove or disprove matters existing on the balance sheet date.

Accounting Policies

Income statement

Revenue

Revenue is recognised in the income statement if the services have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible assets, property, plant and equipment 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
Acquired intangible assets	10 years
Goodwill	10 years

Income from investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

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, financial expenses 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 advance-payment of tax scheme.

Tax on net profit for the year

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

Goodwill is on initial recognition measured as the postive difference between the total fair value of the consideration transferred and fair value of previously equity interest, compared to the fair value of the acquired identifiable assets, liabilities and contingent liabilities adjusted for deferred tax. The recognised goodwill amount is allocated to the activities of the aquired business.

Goodwill is amortised according to the expected useful life which is assessed by Management. In the event where it is not possible to provide a reliable assessment, the useful lifetime is set at 10 years.

Accounting Policies

The estimated useful lifetime is reassed on a yearly basis.

Goodwill is impairment tested when circumstances indicate that the carrying amout may be impaired. Impairment losses are recognised if the recoverable amount is lower then the booked amount.

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

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the Group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

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.

Supply of services in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the reporting date and total expected income from the work in progress.

Where it is difficult to determine a reliable selling price, the selling price is measured at the lower of costs incurred and the net realizable value.

Work in progress is recognised in the balance sheet under receivables or payables depending on the net value of the selling price less invoicing on account.

Prepayments from customers are recognised under liabilities.

Advertising from promotional costs and costs of negotiating contracts are expensed incurred.

Accrued income, assets

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

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.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Other provisions cover legal demands or assertion related to existing, as well as a already delivered, projects.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the 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

Accounting Policies

applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Other payables
Other payables are measured at amortised cost, which usually corresponds to the nominal value.