

DEAS A/S

Bellidavej 20

2500 Valby

CVR No. 20283416

Annual Report 2024

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2025

Steen Amstrup
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of DEAS A/S for the financial year 1 January 2024 - 31 December 2024.

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 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

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.

Valby, 30 June 2025

Executive Board

Steen Amstrup

Board of Directors

Ville Valtteri Rantala
Chairman

Kasper Rosted Bygholm
Member

Petri Pellonmaa
Member

Jesper Westphal Hartvig
Employee Representative

Independent auditors' report

To the shareholders of DEAS A/S

Opinion

We have audited the financial statements of DEAS A/S for the financial year 1 January 31 December 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 31 December 2024 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 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these 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 company 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 Company's internal control.
- * evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

Independent auditors' report

related disclosures made by Management.

- * conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- * plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Statement on 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2025

KPMG

Statsautoriseret Revisionspartnerselskab
CVR-no. 25578198

Henrik Y. Jensen
State Authorised Public Accountant
mne35442

DEAS A/S

Company details

Company	DEAS A/S Bellidavej 20 2500 Valby
CVR No.	20283416
Financial year	1 January 2024 - 31 December 2024
Board of Directors	Ville Valtteri Rantala Kasper Rosted Bygholm Petri Pellonmaa Jesper Westphal Hartvig
Executive Board	Steen Amstrup
Auditors	KPMG P/S Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

Main business activity

DEAS A/S is a market-leading Nordic real estate partner offering clients access to property management and further adjacent services in all market segments including administration, operation and maintenance; technical, energy, climate and sustainability advisory services; facility management & services; letting; as well as public-private partnerships (PPPs).

DEAS A/S cooperates with a wide range of international and domestic investors, but the primary market is the Danish market as well as tenants and residents.

DEAS A/S has experts in all main real estate asset classes: office, logistics, retail and residential. Real estate investments from approximately 1,000 property investors are managed by a dedicated team of more than 600 real estate specialists who have deep insight into the local markets and offer advice on real estate services.

Uncertainty connected with recognition and measurements

When calculating the accounting value of certain assets and liabilities, an estimate is required of how future events affect the value of these assets and liabilities on the balance sheet date. Significant estimates for the presentation of the financial statements are made in areas such as the calculation of depreciation, impairment losses, and contingent liabilities and assets.

The estimates used are based on assumptions that the management deems reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate and 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.

Significant areas of estimation uncertainty and critical accounting judgments are described in note 1 to the financial statements.

Development in the year

In 2024, revenue for the DEAS A/S decreased by DKK 35.4 million to DKK 638.5 million, compared with DKK 673.9 million in 2023.

Operating profit/loss before depreciation and amortisation amounted to -DKK 7.0 million compared with DKK 22.5 million in 2023.

Profits before tax amounted to DKK 30.5 million, compared with DKK 6.7 million in 2023.

Equity at December 31st 2024 amounted to DKK 130.4 million, compared with DKK 493.4 million as per December 31st 2023.

During 2024 the overall revenue decreased 35.4 million DKK due to toughened conditions in the property management and letting market. The operation loss before depreciations and amortization amounts to -DKK 7.0 million which includes one-off cost of DKK 38.4 million mostly related to the sale of DEAS and relocation to new premises.

The expectations for 2024 were a slight increase in revenue, driven by organic growth within the core business segments. The operating profit for 2024 was also expected to increase, adjusted for any one-off expenses. However, both revenue and operating profit declined in 2024. This deviation from expectations should be considered in the context of significant events during 2024, which are described below.

In August 2024, the company was sold and became a part of the PHM Group, which is a group of service providers with activities in the Nordics, Germany, Switzerland and the UK. This is expected to add value to DEAS through access to a range of competencies, agreements, systems, scale effects etc. Upon the sale, all shares in DEAS A/S were transferred to PHM Danmark ApS.

In June 2024, DEAS A/S divested all its shares in DEAS Asset Management A/S as a preparation for the sale to PHM Group. This has resulted in an extraordinary capital gain of DKK 162.9 million recognized in 2024 and a significant decrease in investments in group enterprises compared to previous year.

Management's Review

Additionally, on October 1, 2024, a tender for property management services for a key customer, Velliv Ejendomme, was announced. The tender resulted in a subsequent event where DKK 84,9 million has been recorded as a write-down due to a reassessment of the future economic benefits associated with the affected cash-generating unit. For further details, please refer to the section for subsequent events.

With the difficult market conditions and special circumstances in mind, the year's result is considered satisfactory.

Correction of material errors regarding previous year

A material error to the financial statements for 2023 was identified. This regards revenue recognition of two customer contracts that were fully recognized in 2023 that should have been accrued over several years. The error has been corrected directly in the opening equity and adjusted in the comparative figures.

The adjustment to the comparative figures is stated below:

The revenue has decreased by DKK 9,5 million and increased other payables by the same amount. The tax has decreased by DKK 2,1 million with a counter posting on deferred tax.

As a result of above, the result after taxes and the equity has decreased by DKK 7,4 million.

Expectations for 2025

After DEAS A/S became part of PHM Group, synergy effects are expected and therefore the result from operating activities is expected to be significantly better than in 2024. The operating result is still expected to be negative in 2025, but within a range of -DKK 10 million and -DKK 30 million. The expectation is contingent to stable market conditions in the real estate sector.

Capital resources

The liquidity resources as per December 31st 2024 amounted to DKK 13.2 million compared with DKK 9.1 million as per December 31st 2023 and is considered to be adequate as capital resources.

Special risks

Business risks

DEAS A/S most significant business risk is linked to the ability to meet investors' requirements for expert property management and consulting while providing excellent service.

Financial risks

Credit risks related to financial assets correspond to the values recognised in the balance sheet. DEAS A/S does not have any significant risks related to individual investors or business partners.

Liquidity risks

The DEAS A/S capital and raising of funds is centrally managed and the required cash resources are ensured on an ongoing basis.

Knowledge resources

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

A continuous development and improvement of the 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.

DEAS A/S complies with The Danish Property Federation's (EjendomDanmark) "Ethical Guidelines for Property

Management's Review

Management,” and it is required that all employees become familiar with and comply with these guidelines and act accordingly.

Research and development activities

During the financial year 2024, DKK 18.4 million was incurred on development activities. The amount relates to software aimed at internal use as well as applications developed for use by the company's customers. One of the systems was still under development as of December 31, 2024, while the remaining systems were either completed or fully impaired during 2024.

Data ethics

All data collection and development of new digital concepts in DEAS A/S aim to provide greater knowledge about the business and improve the value for tenants, residents and investors. DEAS A/S has the ambition to have a high standard for using data responsibly and sustainably.

The policy is an integral part of the employees work as well as in the relations with suppliers, tenants, residents and investors. The policy ensures that the same high demands on orderliness and integrity in the work with data which we place on other aspects of the business. DEAS A/S does this by applying recognized guiding principles for the use of data in a data-driven world.

DEAS A/S's data ethics policy is owned and enforced by the Executive Board. In accordance with the Danish Financial Statements Act §99 d, the Company's data ethics is published on the Company's website:
<https://deas.dk/da/privatlivspolitik>

All employees are encouraged to be positively involved in data ethics issues and to raise the concerns and observations they may have in this work, so that a relevant and continuous development of our data ethics policy can be ensured in line with societal developments and the ongoing observations and experiences made in the work with data ethics.

Statutory Corporate Responsibility Report

At DEAS A/S, we aim to base the business activities on the needs of our investors as well as on a profitable and sustainable foundation. The ambition is that the core services of property 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 A/S to contribute to the society and community environments that Deas A/S operates in.

DEAS A/S operates the 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.

DEAS A/S managed a variety of real estate asset classes, and in this way impacted people's everyday lives and well-being. The most important undertaking has been to create value for our investors, tenants and residents: Not only economic value, but also in relation to environmental sustainability. DEAS A/S has promoted long-term sustainability in the individual asset as well as in a national and global context. With the sustainability strategy, a framework and direction have been set to promote sustainable change.

It is DEAS A/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.

Pursuant to the Danish Financial Statements Act §99a(7) the company refers to the PHM Group Sustainability report for additional information on the company's corporate responsibility. The report can be found at:
<https://www.phmgroup.com/wp-content/uploads/2025/04/PHM-Group-Holding-Oyj-Report-by-the-Board-of-Directors-and-Financial-Statements-2024.pdf>

Events after the balance sheet date

As of December 31st, 2024, the tender process for property management services for a key customer, Velliv Ejendomme, was known by the company. On April 9th, 2025, it was publicly announced that DEAS A/S did not

Management's Review

re-win the tender for property management services for a key customer, Velliv Ejendomme. The existing contract, which was a part of the acquisition of Nordea Ejendomsinvestering A/S, is set to expire during the third quarter of 2025. As the tender was known prior to the reporting date, the subsequent loss of the contract constitutes an adjusting event after the reporting period.

As of December 31st, 2024, the related customer contracts and goodwill as well as other terminated customer contracts in 2024 and related goodwill were recognised in the balance sheet under intangible assets with a total carrying amount of DKK 84.9 million. Following the loss of the contracts and a reassessment of the future economic benefits associated with the affected cash-generating unit, a full impairment loss has been recognised.

Besides above, no further circumstances have occurred after the balance sheet date which have a significant impact on the assessment of the Annual Report.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in thousands

	2024	2023	2022	2021	2020
Revenue	638.511	673.898	654.985	597.394	598.920
Operating profit/loss	-138.447	-980	12.829	35.987	45.541
Net financial income and expenses	168.924	7.705	3.368	45.662	5.952
Profit/loss for the year	31.954	5.090	16.918	71.822	51.290
Total assets	304.915	776.743	751.895	700.302	1.013.881
Investment in property, plant and equipment	17.033	5.546	12.252	9.493	5.228
Total equity	130.397	493.380	488.283	471.365	703.854
Profit margin (%)	-21,68	-0,15	1,96	6,02	7,60
Acid test ratio	0,77	0,99	0,66	0,55	2,05
Solvency ratio (%)	42,77	63,52	64,94	67,31	69,42
Return on equity (ROE) (%)	10,25	1,04	3,53	12,22	7,29
Avg. number of full-time employees	738	796	780	743	745

DEAS A/S has completed a merger with Good Monday by DEAS ApS with DEAS A/S as the continuing company. The merger was completed with accounting effect from 1 January 2023. The pooling of interest was only incorporated in the comparative figures for 2022 and hence no changes to 2020 and 2021 are made.

The Company's key figures and financial ratios have been corrected in 2024 due to the material prior year error in 2023. For further details of the error, please refer to Management's review and the Company's accounting policies from which the error has been explained.

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

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

Profit margin (%):

$$(\text{Operating profit/loss} \times 100) / (\text{Revenue})$$

Acid test ratio:

$$(\text{Current assets}) / (\text{Short-term liabilities})$$

Solvency ratio (%):

$$(\text{Equity} \times 100) / (\text{Total assets})$$

Return on equity (%):

$$(\text{Profit/loss for the year} \times 100) / (\text{Avg. equity})$$

Income Statement

	Note	2024 kr.	2023 kr.
Revenue	2	638.510.600	673.898.253
Work performed by entity		6.881.295	19.411.968
Other operating income	3	11.167.755	8.928.253
Cost of sales		-53.116.106	-57.521.399
Other external expenses		-128.390.653	-124.452.524
Staff costs	4	-473.299.439	-497.754.019
Depreciation, amortisation and impairment losses	5	-131.479.530	-23.490.603
Other operating expenses		-8.720.905	0
Operating profit		-138.446.983	-980.071
Income from investments in group enterprises and associates	6	167.438.155	4.407.365
Other financial income	7	8.361.479	10.466.223
Other financial expenses	8	-6.876.064	-7.168.147
Profit before tax		30.476.587	6.725.370
Tax on profit of the year	9	1.477.759	-1.635.551
Profit		31.954.346	5.089.819
Proposed distribution of results	10		

Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
Assets			
Completed development projects	11	66.213.922	14.965.114
Acquired intangible assets	12	27.395.278	82.032.942
Goodwill	13	18.931.023	60.784.455
Development projects in progress	14	14.919.457	76.116.459
Intangible assets		127.459.680	233.898.970
Fixtures, fittings, tools and equipment	15	14.127.111	8.189.197
Leasehold improvements	16	6.724.371	2.698.141
Property, plant and equipment		20.851.482	10.887.338
Long-term investments in group enterprises	17, 18	51.005.609	274.132.609
Long-term investments in associates	18, 19	9.207.952	8.982.684
Long-term receivables from owners and management	20	0	12.226.936
Deposits, investments	21	875.023	8.671.719
Investments		61.088.584	304.013.948
Fixed assets		209.399.746	548.800.256
Short-term trade receivables		58.722.039	55.469.222
Contract work in progress	22	3.751.500	2.891.808
Short-term receivables from group enterprises	23	2.469.161	139.301.735
Short-term tax receivables		1.602.702	0
Short-term tax receivables from group enterprises		4.202.108	1.843.778
Other short-term receivables		6.968.952	9.924.299
Prepaid expenses	24	4.635.369	9.400.215
Receivables		82.351.831	218.831.057
Other short-term investments		7.312	7.312
Short-term investments		7.312	7.312
Cash and cash equivalents		13.155.713	9.103.924
Current assets		95.514.856	227.942.293
Assets		304.914.602	776.742.549

Balance Sheet as of 31 December

	Note	2024 kr.	2023 kr.
Liabilities and equity			
Contributed capital		10.000.000	10.000.000
Reserve for loans and collaterals		0	12.226.936
Reserve for development expenditure		63.284.036	71.088.392
Retained earnings		57.113.177	400.064.876
Equity		130.397.213	493.380.204
Provisions for deferred tax	25	13.201.327	10.123.650
Other provisions	26	5.458.458	12.006.158
Provisions		18.659.785	22.129.808
Other payables		29.819.725	30.151.751
Deposits, liabilities other than provisions		2.482.900	0
Long-term liabilities other than provisions	27	32.302.625	30.151.751
Short-term part of long-term liabilities other than provisions	27	1.068.247	360.629
Trade payables		18.945.734	25.495.167
Payables to group enterprises		22.251.690	101.458.967
Other payables		81.289.308	103.766.023
Short-term liabilities other than provisions		123.554.979	231.080.786
Liabilities other than provisions within the business		155.857.604	261.232.537
Liabilities and equity		304.914.602	776.742.549
Significant events occurring after end of reporting period	28		
Contingent assets	29		
Contingent liabilities	30		
Collaterals and assets pledges as security	31		
Liabilities under off-balance sheet leases	32		
Related parties	33		
Special items	34		
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Statement of changes in Equity

	Contributed capital	Reserve for loans and collaterals	Reserve for Development expenditure	Retained earnings	Total
Equity 1 January 2024	10.000.000	12.226.936	71.088.392	407.478.126	500.793.454
Changes of equity through corrections of errors in 2023	0	0	0	-7.413.250	-7.413.250
Adjusted equity 1 January 2024	10.000.000	12.226.936	71.088.392	400.064.876	493.380.204
Distributions	0	0	0	-394.937.337	-394.937.337
Profit (loss)	0	0	-7.804.356	39.758.702	31.954.346
Dissolution of reserves	0	-12.226.936	0	12.226.936	0
Equity 31 December 2024	10.000.000	0	63.284.036	57.113.177	130.397.213

Notes

2024

2023

1. Uncertainty connected with recognition and measurements

When calculating the accounting value of certain assets and liabilities, an estimate is required of how future events affect the value of these assets and liabilities on the balance sheet date. Significant estimates for the presentation of the financial statements are made in areas such as the calculation of depreciation, impairment losses, and contingent liabilities and assets.

The estimates used are based on assumptions that the management deems reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate and 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 notes state the assumptions about the future and other discretionary uncertainties at the balance sheet date, where there is a significant risk of changes that could lead to a significant adjustment of the accounting value of the assets or the liability within the next financial year.

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 recognized 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 including claims as disclosed as contingent liabilities.

* Development projects in progress includes internal resources used for the development, in which there is a significant estimate of their value. Development activities have decreased compared to last year due to closure of certain projects and impairment of these projects.

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

2. Revenue

Fixed contract revenue	436.239.529	448.515.238
Additional project sales	202.271.071	225.383.015
	638.510.600	673.898.253

The reported net revenue for the year was generated exclusively from activities in Denmark.

3. Other operating income

Salary reimbursement	11.167.755	8.928.253
	11.167.755	8.928.253

Notes

	2024	2023
4. Staff costs		
Wages and salaries	429.316.341	453.013.292
Post-employment benefit expense	35.455.710	35.993.514
Social security contributions	8.527.388	8.747.213
	473.299.439	497.754.019
<i>Hereof remuneration to management</i>		
Executive Management (and Board of Directors in 2023)	919.243	5.928.930
Board of Directors	2.466.406	0
	3.385.649	5.928.930
 Average number of employees	 738	 796
Referring to section 98b(3)i of the Danish Financial Statements Act, information about the Executive Management and Board of Directors remuneration is disclosed in total for 2023, as the information otherwise will lead to presentation of remuneration for a single member.		
5. Depreciations, amortisations and impairment losses		
Development projects	28.402.465	5.018.426
Acquired intangible assets	54.637.664	6.638.227
Goodwill	41.853.432	4.995.773
Fixtures, fittings, tools and equipment	5.528.022	6.286.619
Leasehold improvements	454.497	482.840
Profit/loss on sale of equipment	603.450	68.718
	131.479.530	23.490.603
6. Income from investments in group enterprises and associates		
Share of profit in subsidiaries	4.575.268	4.407.365
Profit on distribution of group enterprises	162.862.887	0
	167.438.155	4.407.365
7. Other financial income		
Interests group companies	5.918.274	8.660.454
Interests shareholder loan	210.405	413.471
Other financial income	2.232.800	1.392.298
	8.361.479	10.466.223

Notes

	2024	2023
8. Other financial expenses		
Interests group companies	4.055.753	4.299.757
Exchange rate adjustments	158.381	71.065
Borrowing costs	0	37.917
Other financial expenses	2.661.930	2.759.408
	6.876.064	7.168.147
9. Tax expenses		
Current tax	-4.202.108	-1.843.778
Adjustments for deferred tax	2.882.647	3.479.329
Adjustments of prior period	-158.298	0
	-1.477.759	1.635.551
10. Distribution of profit		
Transferred from reserve fund	-7.804.356	44.373.862
Retained earnings	39.758.702	-39.284.043
	31.954.346	5.089.819
11. Completed development projects		
Cost at the beginning of the year	41.557.619	33.741.100
Addition during the year	0	6.032.329
Disposal during the year	-20.149.678	-51.000
Transfers during the year from other items	79.594.225	1.835.190
Cost at the end of the year	101.002.166	41.557.619
Amortisation at the beginning of the year	-26.592.505	-21.523.078
Amortisation for the year	-16.047.137	-5.018.427
Impairment losses for the year	-12.355.328	-51.000
Reversal of impairment losses and amortisation of disposed assets	20.206.726	0
Impairment losses and amortisation at the end of the year	-34.788.244	-26.592.505
Carrying amount at the end of the year	66.213.922	14.965.114

During the financial year, certain development projects were discontinued as they are no longer expected to generate future economic benefits for the company. Consequently, a full impairment write-down has been recognized for the capitalized costs related to these projects.

Completed development projects consist of digital products. Costs relating to this include salaries and costs directly attributable to development of the digital products for internal and external use.

Salaries consist of internal hours based on hours spent on specific projects and a fixed hourly rate.

Costs consist of external consultancy services as invoiced.

Completed development projects are recorded when the project is ready for use, and they meet the general criteria for recognition in accordance with the accounting policy to which we refer for further details.

Notes

	2024	2023
12. Acquired intangible assets		
Cost at the beginning of the year	121.345.185	121.345.185
Cost at the end of the year	121.345.185	121.345.185
Amortisation at the beginning of the year	-39.312.243	-32.674.016
Amortisation for the year	-6.621.789	-6.638.227
Impairment losses for the year	-48.015.875	0
Impairment losses and amortisation at the end of the year	-93.949.907	-39.312.243
Carrying amount at the end of the year	27.395.278	82.032.942

Acquired intangible assets relates to customer contracts obtained in connection with the acquisition of Kuben Ejendomsadministration A/S, Nordea Ejendomsinvestering A/S, contracts from Administrea ApS, the activity in REC Administration A/S and certain assets and employees from PrivatBo a.m.b.a. The expected life of the company's customer relations is assessed to be 10-20 years according to the developments in the historical data.

As of December 31st, 2024, the tender process for property management services for a key customer, Velliv Ejendomme, was known by the company. On April 9th, 2025, it was publicly announced that DEAS A/S did not re-win the tender for property management services for a key customer, Velliv Ejendomme. The existing contract, which was part of the acquisition of Nordea Ejendomsinvestering A/S, is set to expire during the third quarter of 2025.

As of December 31st, 2024, the related customer contracts as well as other terminated customer contracts was recognised in the balance sheet under intangible assets with a total carrying amount of DKK 48.0 million. Following the loss of the contracts and a reassessment of the future economic benefits associated with the affected cash-generating unit, a full impairment loss has been recognised.

13. Goodwill

Cost at the beginning of the year	99.456.047	99.456.047
Cost at the end of the year	99.456.047	99.456.047
Amortisation at the beginning of the year	-38.671.592	-33.675.819
Amortisation for the year	-4.983.703	-4.995.773
Impairment losses for the year	-36.869.729	0
Impairment losses and amortisation at the end of the year	-80.525.024	-38.671.592
Carrying amount at the end of the year	18.931.023	60.784.455

Goodwill arising from previous years' business combination is at the date of acquisition allocated to the cash-generating units in DEAS A/S. The expected life of the company's goodwill is assessed to be 10-20 years according to the developments in the historical data.

As of December 31st, 2024, the tender process for property management services for a key customer, Velliv Ejendomme, was known by the company. On April 9th, 2025, it was publicly announced that DEAS A/S did not re-win the tender for property management services for a key customer, Velliv Ejendomme. The existing contract, which was part of the acquisition of Nordea Ejendomsinvestering A/S, is set to expire during the third quarter of 2025.

As of December 31st, 2024, the related goodwill, as well as goodwill related to other terminated customer contracts, was recognised in the balance sheet under intangible assets with a total carrying amount of DKK 36.9 million. Following the loss of the contracts and a reassessment of the future economic benefits associated with the affected cash-generating unit, a full impairment loss has been recognised.

Notes

	2024	2023
14. Development projects in progress		
Cost at the beginning of the year	76.116.459	22.562.478
Addition during the year	18.397.223	55.389.171
Transfers during the year to other items	-79.594.225	-1.835.190
Cost at the end of the year	14.919.457	76.116.459
Carrying amount at the end of the year	14.919.457	76.116.459
Development projects in progress consist of digital products. Costs relating to this include salaries and costs directly attributable to development of digital products for internal and external use. Salaries consist of internal hours based on hours spent on specific projects and a fixed hourly rate. Costs consist of external consultancy services as invoiced and capitalized monthly based on the belonging invoices. Development costs are expensed in the year they occur and in accordance with the criteria for capitalizing costs. In line with industry, capitalization of development costs does not begin until it is deemed realistic that the project can be completed. In addition, there must be sufficient certainty that the future earnings to the Company will cover not only production costs and administrative costs, but also the development costs.		
15. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	35.056.153	63.676.607
Addition during the year	11.861.443	3.687.312
Disposal during the year	-10.427.554	-32.307.766
Cost at the end of the year	36.490.042	35.056.153
Depreciation at the beginning of the year	-26.866.956	-52.863.819
Depreciation for the year	-5.528.022	-6.286.903
Reversal of depreciation of disposed assets	10.032.047	32.283.766
Depreciation at the end of the year	-22.362.931	-26.866.956
Carrying amount at the end of the year	14.127.111	8.189.197
16. Leasehold improvements		
Cost at the beginning of the year	13.816.731	11.957.578
Addition during the year	5.171.539	1.859.153
Disposal during the year	-11.200.040	0
Cost at the end of the year	7.788.230	13.816.731
Depreciation at the beginning of the year	-11.118.590	-10.519.549
Depreciation for the year	-454.497	-482.056
Impairment losses for the year	0	-535.214
Reversal of depreciation of disposed assets	10.509.228	418.229
Depreciation at the end of the year	-1.063.859	-11.118.590
Carrying amount at the end of the year	6.724.371	2.698.141

Notes

	2024	2023
17. Long-term investments in group enterprises		
Cost at the beginning of the year	274.132.609	244.132.609
Addition during the year	0	30.000.000
Disposal during the year	-223.127.000	0
Cost at the end of the year	51.005.609	274.132.609
 Carrying amount at the end of the year	 51.005.609	 274.132.609

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

Name	Registered office	Share held in %	Equity, DKKt	Profit, DKKt
Kuben Ejendomsadministration A/S	Valby	100,00	4.716	179
DEAS Ejendomsudvikling A/S	Valby	100,00	18.194	3.476
Driftsselskabet OPP Svendborg A/S	Valby	100,00	1.568	287
IQ Energy Nordic ApS	Valby	100,00	4.155	371
			28.633	4.313

Associates

Name	Registered office	Share held in %	Equity, DKKt	Profit, DKKt
OPS Frederikshavn Byskole A/S	Valby	50,00	8.398	3.655
Driftsselskabet OPP Vejle A/S	Valby	50,00	5.751	3.773
OPS Skovbakkeskolen A/S	Valby	50,00	1.711	1.242
Driftsselskabet OPP Slagelse Sygehus A/S	Valby	50,00	626	76
OPS Østerbro Skøjtehal A/S	Valby	50,00	1.457	431
Driftsselskabet OPP Svanemøllen A/S	Valby	50,00	427	-27
			18.370	9.150

19. Long-term investments in associates

Cost at the beginning of the year	2.198.000	1.948.000
Addition during the year	0	250.000
Cost at the end of the year	2.198.000	2.198.000
 Fair value adjustments at the beginning of the year	 6.784.684	 6.627.319
Share of profit in subsidiaries	4.575.268	4.407.365
Dividend	-4.350.000	-4.250.000
Fair value adjustments at the end of the year	7.009.952	6.784.684
 Carrying amount at the end of the year	 9.207.952	 8.982.684

Notes

	2024	2023
20. Long-term receivables from owners and management		
Cost at the beginning of the year	12.226.936	11.813.465
Addition during the year	210.405	413.471
Disposal during the year	-12.437.341	0
Cost at the end of the year	0	12.226.936
Carrying amount at the end of the year	0	12.226.936
21. Deposits		
Cost at the beginning of the year	8.671.719	8.004.365
Addition during the year	119.033	667.354
Disposal during the year	-7.915.729	0
Cost at the end of the year	875.023	8.671.719
Carrying amount at the end of the year	875.023	8.671.719
22. Contract work in progress		
Sales value of work	9.309.434	7.113.763
Progress billings on contracts in progress	-5.557.934	-4.221.955
Net value of contract work	3.751.500	2.891.808
<i>Contract work in progress are presented as follows in the balance sheet:</i>		
Net receivables	3.751.500	2.891.808
	3.751.500	2.891.808

23. Short-term receivables from group enterprises

PHM Group has entered into a cash pool agreement with Nordea, where PHM Group OY is the account holder and the group's subsidiaries are sub-account holders. Nordea can settle withdrawals and balances with each other, so that the net amount constitutes an outstanding balance between Nordea and PHM Group OY.

DEAS A/S' account in the cash pool arrangement, which is recognized under short-term receivables from group enterprises, show a balance of DKK 7 thousand as of December 31, 2024.

As of December 31, 2023 DEAS A/S was in a cash pool arrangement with Danske Bank, where DEAS A/S was the account holder and the group's subsidiaries was sub-account holders. In connection with the change of ownership in 2024, the agreement with Danske Bank was terminated.

24. Prepaid expenses

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

Notes

	2024	2023
25. Provisions for deferred tax		
Deferred tax at the beginning of the year	10.123.650	6.038.776
Acquisition of enterprise	0	605.545
Deferred tax for the year	2.882.647	3.479.329
Adjustments of prior period	195.030	0
Balance at the end of the year	13.201.327	10.123.650
Deferred tax relates to:		
Intangible assets	13.322.400	17.649.167
Property, plant and equipment	897.054	-338.721
Current assets	314.784	1.430.267
Other provisions	-1.200.861	-2.641.355
Tax loss carryforwards	-132.050	-5.975.708
	13.201.327	10.123.650

Deferred tax assets are recognised provided that the tax loss carryforwards are utilized within a period of 1-3 years.

26. Other provisions

Other provisions include obligations and liabilities due to claims made against the company. In 2023, the provision also included costs related to the re-establishment of the previous leasehold premises.

The expected timing of settlement of other provisions is as follows:

	2024	2023
Within 1 year	3.183.753	6.000.000
Between 1 and 5 years	2.274.705	6.006.158
	5.458.458	12.006.158

27. Long-term liabilities

	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Other payables	1.068.247	4.388.868	25.430.857
Deposits	0	0	2.482.900
	1.068.247	4.388.868	27.913.757

28. Significant events occurring after end of reporting period

As of December 31st, 2024, the tender process for property management services for a key customer, Velliv Ejendomme, was known by the company. On April 9th, 2025, it was publicly announced that DEAS A/S did not re-win the tender for property management services for a key customer, Velliv Ejendomme. The existing contract, which was a part of the acquisition of Nordea Ejendomsinvestering A/S, is set to expire during the third quarter of 2025. As the tender was known prior to the reporting date, the subsequent loss of the contract constitutes an adjusting event after the reporting period.

As of December 31st, 2024, the related customer contracts and goodwill as well as other terminated customer contracts in 2024 and related goodwill were recognised in the balance sheet under intangible assets with a total carrying amount of DKK 84.9 million. Following the loss of the contracts and a reassessment of the future economic benefits associated with the affected cash-generating unit, a full impairment loss has been recognised.

Besides above, no further circumstances have occurred after the balance sheet date which have a significant impact on the assessment of the Annual Report.

Notes

2024

2023

29. Contingent assets**Rental assets**

The company has a contingent asset related to rental income. The remaining lease term is 68 months, with a total outstanding lease receivable of DKK 28.949 thousand.

Deferred tax asset

As of the balance sheet date, the Company has tax loss carryforwards for which no deferred tax asset has been recognised. Due to uncertainty regarding the possibility of utilising these tax assets within a shorter time frame, the deferred tax asset has not been recognised in the financial statements. The unrecognised deferred tax asset amounts to DKK 9.3 million.

30. Contingent liabilities**Joint taxation**

With PHM Danmark Aps, company reg. no 42247154 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

The company has withdrawn from the joint taxation with the former management company Dane TopCo A/S as of 31. July 2024 and is liable for any tax claims against the other jointly taxed companies until the time of withdrawal from the joint taxation.

Claims

The company is involved in litigations for which no provision has been recognized, as it is not considered probable that they will result in a financial outflow. The potential exposure is estimated at up to DKK 7.7 million. Management continues to monitor the cases and will recognize provisions if required.

Other contingent liabilities

The company has three offices in Denmark (Valby, Aarhus, and Aalborg) and has an obligation to re-establish the offices to a predetermined level (contractually determined), but since no decisions have been made about vacating these locations (timing) and the uncertainty surrounding the calculation of the cost of vacating as well as how these negotiations will take place, it is not possible to calculate the obligation.

Notes

2024

2023

31. Collaterals and securities

DEAS A/S has given suretyship statement for Tryg Garanti amounting to DKK 6.4 million regarding guarantee of operation provided by Tryg Garanti for Frederikshavn Municipality.

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

DEAS A/S has in course of fulfillment of OPP Driftsselskabet Vejle A/S' obligations given suretyship statement for Tryg Garanti amounting to DKK 20.0 million regarding guarantee of operation provided by Tryg Garanti for OPP Vejle P/S. The company has in course of fulfillment of OPP Driftsselskabet Vejle A/S' obligations given suretyship statement for OPP Vejle P/S amounting DKK 10.0 million.

DEAS A/S has in course of fulfillment of OPS Skovbakkeskolen A/S' obligations given suretyship statement for Tryg Garanti amounting DKK 3.8 million regarding guarantee of operation provided by Tryg Garanti for Odder Kommune.

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

DEAS A/S has in course of fulfillment of OPS Østerbro Skøjtehal A/S' obligations given suretyship statement for Euler Hermes amounting DKK 5.0 million regarding guarantee provided by Euler Hermes for København Kommune.

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

The company's bank account, with an accounting value of DKK 8.9 million, has been pledged as collateral for the lease agreement concerning the property at Bellidavej 10, 2500 Valby.

	2024 DKKt	2023 DKKt
32. Liabilities under leases		
Within 1 year	21.251	22.449
Between 1 and 5 years	67.892	68.788
After 5 years	66.364	79.937
	155.507	171.174

The liability above includes rent commitments at the company's office lease. The rental agreement may be terminated at 12 months' notice, but not earlier than vacating September 1, 2034.

The company leases operating equipment concluded under operating leases. The lease term for operating equipment is typically 3-5 years. None of the lease agreements contain contingent lease payments.

Notes

2024

2023

33. Related parties

The parent of the company is PHM Danmark ApS, Bellidavej 20, 2500 Valby.

PHM Danmark ApS holds the majority of the contributed capital in the company.

The company is part of the consolidated financial statements of PHM Group Holding Oyj, Takomotie 1 00380, Helsinki, Uusimaa Finland, which is the smallest and largest group, in which the company is included as a subsidiary.

The consolidated financial statements of PHM Group Holding Oyj can be obtained by contacting the Company at the above address or on the following link:

<https://www.phmgroup.com/wp-content/uploads/2025/04/PHM-Group-Holding-Oyj-Report-by-the-Board-of-Directors-and-Financial-Statements-2024.pdf>

The company has the following related party transactions in the financial year 2024:

	Controlling parties	Other related parties
	DKKt	DKKt
Revenue	376	8.008
Direct costs	0	-331
Other external costs	-1.680	-438
Reimbursement of salaries	-1.695	3.470
Interests	1.791	282

The company has the following balances with related parties as of December 31, 2024:

	Controlling parties	Other related parties
	DKKt	DKKt
Receivables	0	2.469
Payables	-2.049	-20.202

Furthermore, remuneration has been paid to the management. Reference is made to note 4 for further details.

34. Special items

As mentioned in the Management's Review, the result for the year has been affected by impairment losses of acquired intangible assets and goodwill related to terminated customer contracts.

Special items for the year are specified below:

	2024
Impairment of acquired intangible assets	48.015.875
Impairment of goodwill	36.869.729
	84.885.604

Special items for the year are included under depreciation, amortisation and impairment losses in the income statement.

Accounting Policies

Reporting Class

The annual report of DEAS A/S for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Omission of consolidated financial statement

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.

Omission of cash flow statement

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of PHM Group Holding Oyj.

Omission of information on fees to auditors

In addition, with reference to the Danish Financial Statement Act section 96, subsection 3, information on fees to auditors decided on general meeting has been omitted. Reference is made to the consolidated financial statements of PHM Group Holding Oy for the financial year of 2024.

Correction of material errors regarding previous year

A material error to the financial statements for 2023 was identified. This regards revenue recognition of two customer contracts that were fully recognized in 2023 that should have been accrued over several years. The error has been corrected directly in the opening equity and adjusted in the comparative figures.

The adjustment to the comparative figures is stated below:

The revenue has decreased by DKK 9,5 million and increased other payables by the same amount. The tax has decreased by DKK 2,1 million with a counter posting on deferred tax. As a result of above, the result after taxes and the equity has decreased by DKK 7,4 million.

Apart from this, accounting policies remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The enterprise will be applying IAS 18 and IAS 11 as its basis of interpretation for the recognition of revenue.

Revenue from delivery of services is recognised on a straight-line basis in the income statement as the services are provided or when delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated.

Accounting Policies

Income from contract work in progress consisting of services. Income is recognised in line with the stage of completion, meaning that revenue corresponds to the sales value of work performed during the year. This method is applied when the total revenue and costs of the contract, as well as the stage of completion at the balance sheet date, can be measured reliably, and it is probable that the economic benefits will flow to the company. The stage of completion is determined based on the ratio of hours incurred to date to the total estimated hours.

If a contract is based on time spent, revenue will be recognised in revenue as the work is performed.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales

Work performed by entity

Work performed by entity regards salaries and related cost capitalised as development projects.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets and refunds from public authorities.

Cost of sales

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

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.

Depreciation, amortisation and impairment of tangible and intangible assets

Depreciation, amortization 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 amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

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

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

Profit or loss on disposal of intangible and tangible fixed assets is calculated as the difference between the selling price less selling expenses and the carrying amount at the date of sale and is recognized in the income statement.

Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprises.

Result of equity investments in associates

The proportionate shares of the associates' profit/loss after tax are recognised in both parent company's Income

Accounting Policies

Statement after elimination of the proportionate share of intercompany profit/loss.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at 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

Goodwill

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

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Development projects

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

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Other intangible assets

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

Property, plant and equipment

Property, plant and equipment consisting of fixtures, fittings, tools and equipment and leasehold improvements are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is

Accounting Policies

ready for use.

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

Depreciation period and residual value are reassessed annually. The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. Dividends that exceed accumulated earnings of the group enterprise 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.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount. The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realizable value, if this is lower. The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Accounting Policies

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Balances in the company's cash pool arrangement are, due to the nature of the arrangement, not considered as cash and cash equivalents but are included in short-term receivables from group enterprises.

Equity

Development cost reserve

Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividend or losses. The reserve is deducted or dissolved by depreciation of the recognized costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises".

According to the rules of joint taxation, DEAS A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Other provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, and it is likely that settlement will result in the Company spending financial resources.

Provisions are measured at capital value.

Liabilities other than provisions

Debt are measured at amortized cost, which usually corresponds to the nominal value.