

Danica Corporation Holding A/S

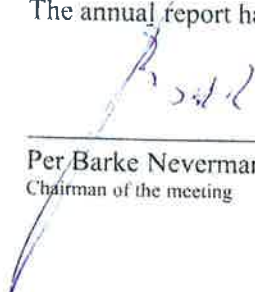
Steensbjerg Industri Park, Påstrupvej 1, 3550 Slangerup

Company reg. no. 31 76 43 86

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 23/3 2018



Per Barke Nevermann
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Danica Corporation Holding A/S for the financial year 1 January to 31 December 2017.

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

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 December 2017, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Slangerup,

Managing Director

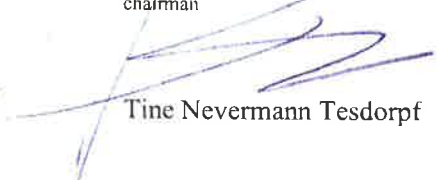


Steffen Barke Nevermann
managing director

Board of directors



Per Barke Nevermann
chairman



Tine Nevermann Tesdorpf



Steffen Barke Nevermann

Nikolas Barke Nevermann



Else Margrethe Nevermann

Independent auditor's report

To the shareholders of Danica Corporation Holding A/S

Opinion

We have audited the consolidated annual accounts and the annual accounts of Danica Corporation Holding A/S for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2017 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

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

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group's and 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 consolidated annual accounts and the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts and the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the consolidated annual accounts or the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Hillerød,



Grant Thornton

State Authorized Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin

State Authorised Public Accountant
MNE-nr. 30140



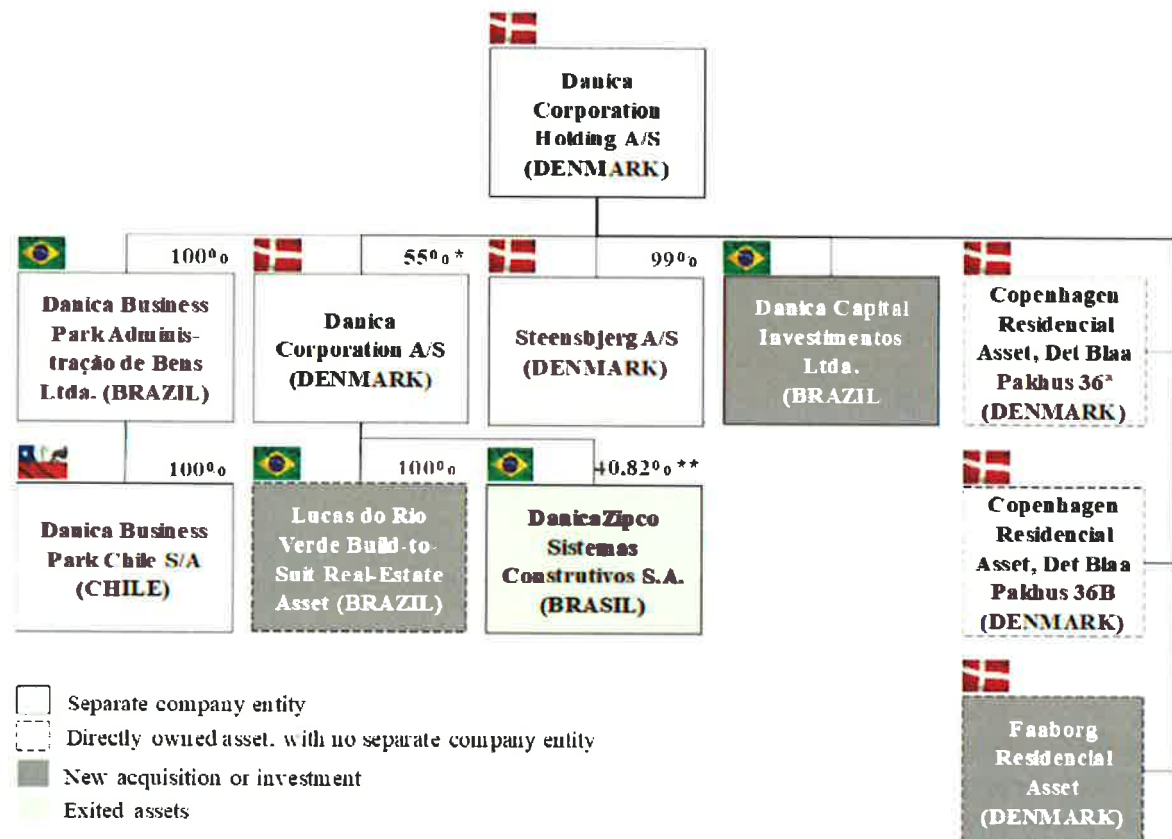
Maibritt Nygaard Jensen

State Authorised Public Accountant
MNE-nr. 42813

Company data

The company	Danica Corporation Holding A/S Steensbjerg Industri Park Påstrupvej 1 3550 Slangerup Company reg. no. 31 76 43 86 Established: 1 July 2008 Domicile: Slangerup Financial year: 1 January - 31 December
Board of directors	Per Barke Nevermann, chairman Steffen Barke Nevermann Else Margrethe Nevermann Tine Nevermann Tesdorpf Nikolas Barke Nevermann
Managing Director	Steffen Barke Nevermann, managing director
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Nordstensvej 11 3400 Hillerød
Bankers	Handelsbanken A/S Banco do Brasil S/A Bradesco S/A
Lawyer	Adlex Advokater Partnerselskab, Frederiksborggade 5A, 1360 Copenhagen
Subsidiaries	Danica Corporation A/S, Slangerup, Denmark Steensbjerg A/S, Slangerup, Denmark Danica Business Park Administracao de Bens Ltda., Brasil
Associated enterprise	DanicaZipco Sistemas Constructivos S.A., Brasil

Koncernoversigt



* 45% of Danica Corporation A/S, Denmark, is owned equally by S.B.Nevermann Invest Aps, N.B.Nevermann Invest Aps, and T.B.Nevermann Invest Aps, Denmark.

** In addition to Danica Corporation A/S 40,82% share in DanicaZipco Sistemas Construtivos S.A., the Nevermann family held 2,7% personally totaling 43,5%.

Highlights of the year:

- The outstanding shares of DanicaZipco Sistemas Construtivos S.A. were sold to Pátria Investimentos / Blackstone.
- The build-to-suit industrial real estate asset in Lucas do Rio Verde, Mato Grosso State, in Brazil was acquired by Danica Corporation A/S.
- The residential asset in Faaborg, Fyn, in Denmark was acquired by Danica Corporation Holding A/S.
- Danica Capital Investimentos Ltda. is a private equity investment firm under establishment focused on the mid-low sector buyouts in Brazil.

Consolidated financial highlights

DKK in thousands.	2017	2016	2015	2014	2013
Profit and loss account:					
Net turnover	7.485	7.997	-349.894	906.435	778.269
Gross profit	7.015	7.467	63.473	216.219	115.486
Results from operating activities	3.646	4.035	25.990	83.469	14.352
Net financials	15.093	-27.889	-21.655	-53.618	-50.193
Results for the year	17.706	-24.814	18.337	36.165	-17.550
Balance sheet:					
Balance sheet sum	171.199	151.489	158.056	687.907	647.532
Investments in tangible fixed assets represent	-19.308	-8.693	-1.323	-4.965	-7.729
Equity	95.290	89.045	106.243	133.505	115.742
Cash flow:					
Operating activities	16.487	10.691	28.576	22.419	35.800
Investment activities	-16.123	-41.785	17.358	3.534	-7.729
Financing activities	14.061	14.333	-48.256	-24.352	-43.982
Employees:					
Average number of full time employees	0	735	735	757	805
Key figures in %:					
Profit margin	48,7	50,5	-7,4	9,2	1,8
Solvency ratio	47,8	53,9	53,4	19,4	17,9

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management's review

The principal activities of the group

The main activity of the company are private equity investments (mainly 55% share participation in Danica Corporation A/S) and real estate investments (mainly 100% share participation in Danica Business Park Adm. De Bens Ltda) in Latin America.

Development in activities and financial matters

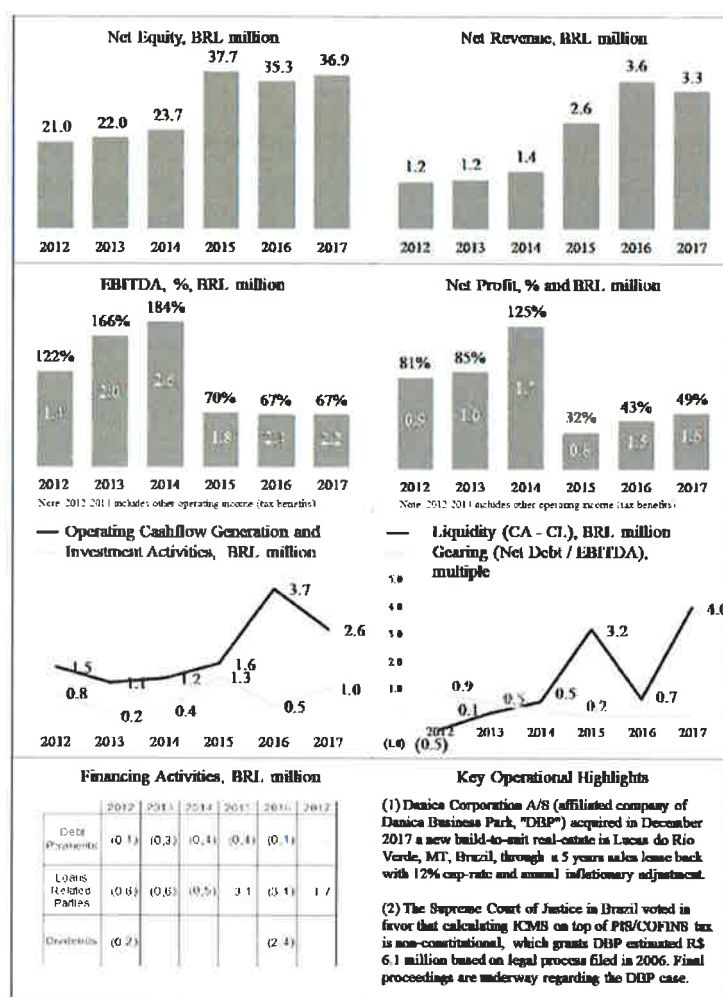
The results from ordinary activities after tax are t.DKK 10.813 against t.DKK -11.645 last year.

The outstanding shares of DanicaZipco Sistemas Construtivos S.A. were sold to Pátria Investimentos / Blackstone.

Summary of Danica Business Park Administração de Bens Ltda.

Company website: www.danicabusinesspark.com

Financial Highlights: Dānica Business Park Administração de Bens Ltda. presents its results for 31/12/2017.



Management's review

Mission Statement

The mission of Danica Business Park is to provide attractive industrial and warehousing solutions for the mid-low business sector in attractive regions in South America.

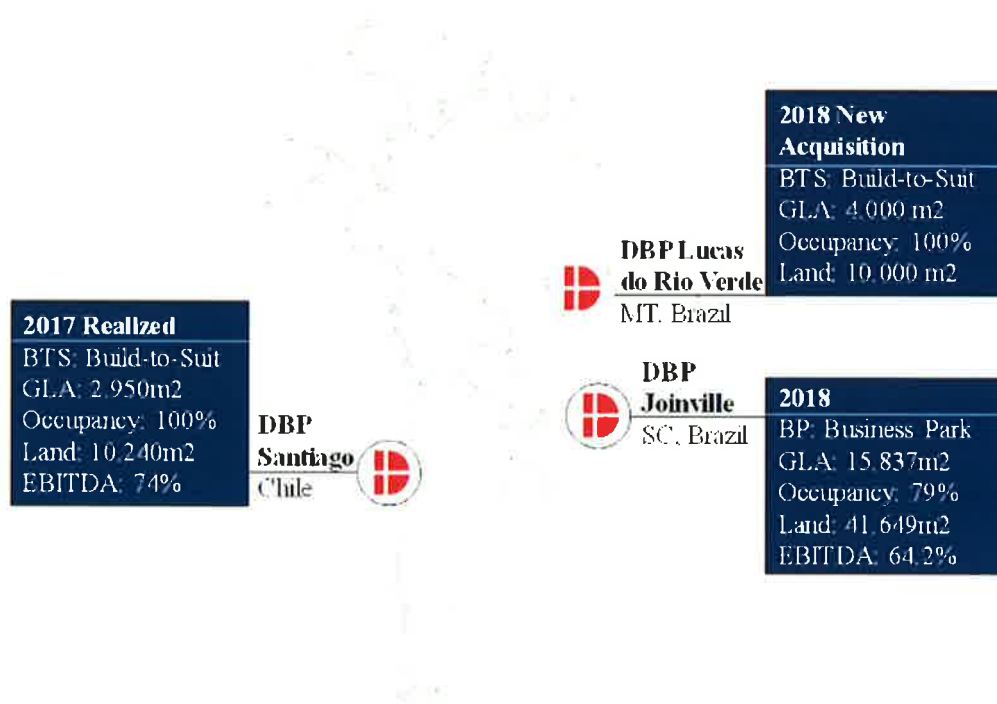
The mid-low mid-tech engineering business sector in Brazil seek secure, competitive and tailored real-estate solutions to attend their particular needs in terms size, price and infrastructure.


The unique business characteristics and locations tailored for the mid-low sector enables an attractive business model with opportunity for best-in-class return to investors.


The mid-low sector likewise enables attractive opportunities to diversify tenant portfolios.

Portfolio of Real Estate Assets

Danica Business Park ("DBP") has 2 real-estate assets; DBP Joinville, SC, Brazil and DBP Santiago, Chile with a consolidated GLA occupancy rate of 82%. In December 2017, DBP's affiliated real-estate investment firm (Danica Corporation A/S) acquired DBP Lucas do Rio Verde, MT, Brazil.



 Incorporated in the Annual Report of Danica Business Park Adm. de Bens Ltda. (Owned by Danica Corporation Holding A/S, Denmark)

 Incorporated in the Annual Report of Danica Corporation A/S (Owned by Danica Corporation A/S, Denmark)

GLA: Gross Leasable Area

Note1: All contracts include annual inflationary price adjustments.

Note2: DBP Santiago, Chile, is a subsidiary of DBP Joinville, SC, Brazil.

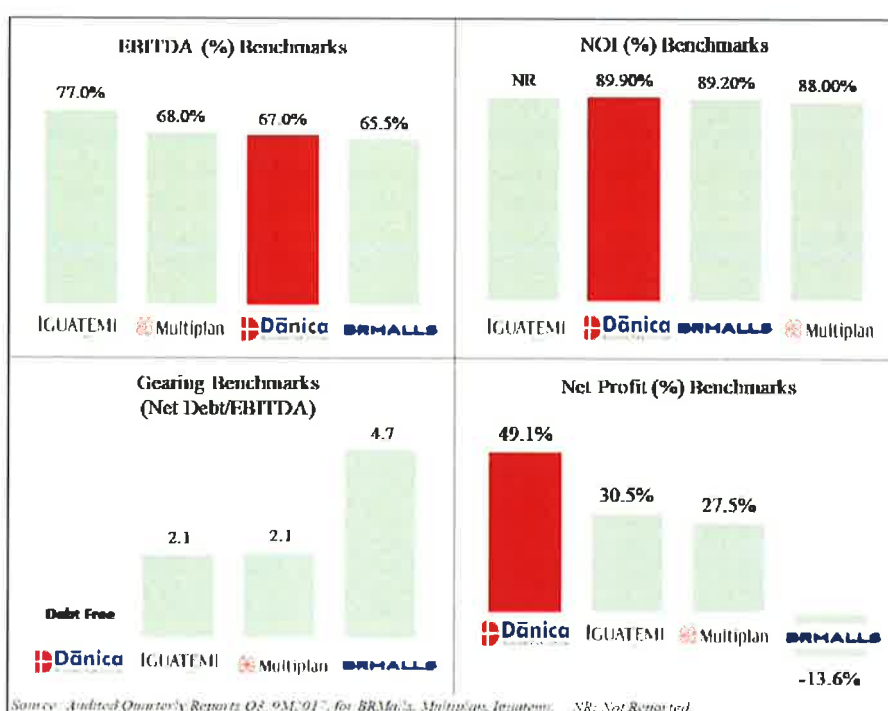
Management's review

Our Expertise

Mid low Niche Focus	Rent: Pricing and Fit	Return Management
<p>Expertise to identify unique business characteristics and locations tailored for the local mid-low sector</p> <p>Customer-centric focus to attend particular customer needs in terms of size, price and infrastructure</p>	<p>Effective revitalization enabling pricing in compliance with DBP's business model</p> <p>Effective management of occupation</p>	<p>Effective operations management</p> <p>Diligent pipeline screening for adequate tenant fit</p> <p>Diligent auditing process</p> <p>Solid tax management in Brazil backed by diligent legal team</p>

Industry Benchmarks

DBP demonstrates solid performance in % compared to the three largest real estate players in Brazil. The firm also differentiates itself through its debt free balance sheet. Despite of the differences in size between DBP and the benchmarks, DBP closely monitors the performance of industry leaders to ensure best-in-class returns to its investors.



DBP's asset management focus to take proactive advantage of legal tax opportunities in Brazil, explaining DBP's EBITDA between 2012-2014 being greater than 100%. In 2017, the Supreme Court of Justice in Brazil voted in favor of tax rules that directly benefit a legal process DBP claimed in 2006, which grants an estimated R\$ +6,1 million cash gain for DBP. Final proceedings are underway and DBP's legal team is working to appropriately ensure this benefit to the company. DBP Chile also has income tax deductible benefits of R\$ +1,1 million, resulting in added cash opportunities to operations.

Management's review

DBP Joinville, SC, Brazil (part of Danica Business Administração de Bens Ltda.)

Joinville is the third largest municipality in southern Brazil and is a major hub for mid-tech, engineering industry, and IT in Brazil. The city is known for its solid urban development, infrastructure and large supply of high-quality and cost-effective labor.

DBP is an attractive business park for mid-low industrial and service firms seeking excellent logistical location, high-quality and cost-effective labor, low work-to-home transit times and/or service providers of the neighboring engineering conglomerate Tupy Group. DBP is also uniquely located adjacent to Joinville's largest middle-lower class residential areas and is fully equipped with facilities for tenants and its employees. The business park currently has 15 active tenants and a GLA occupancy rate of 79%.



Management's review



Management's review

DBP Santiago, Chile (part of Danica Business Administração de Bens Ltda.)

Santiago, Chile is the most developed business hub on the Western Coast of South America.

DBP Santiago is located at the “Parque Industrial Los Libertadores”, one of the major industrial parks in Santiago, home to the regional headquarters of many multinational corporations. The business park is located adjacent to the Pan-American highway and is a high-quality fully thermal insulated business unit. The real estate is a build-to-suit asset and is currently rented by 1 tenant and has an occupancy rate of 100%.

Santiago, Chile
Brief Profile
<ul style="list-style-type: none"> • Largest city in Chile. • Population: 5.15 million. • Highly diversified business hub in Latin America. • Major center for events and business conferences. • Amongst highest standard of living in Latin America.
Infrastructure:
<ul style="list-style-type: none"> • Best-in-class infrastructure on the West Coast of South America.



Management's review

Summary of Danica Corporation A/S: New Asset Acquired

DBP Lucas do Rio Verde, Mato Grosso, Brazil.

In December 2017, Danica Corporation A/S purchased an attractive debt-free asset in Lucas do Rio Verde, MT, with a long-term contract, annually adjusted for inflation.

This asset is attractive because Brazil is responsible for 25% of the world's food production (sugar, soybeans, tobacco, coffee, cotton and orange juice) and Lucas do Rio Verde, MT, is in the heart of the global and Brazilian soybean production, with solid historical growth rates (13% CAGR).

Lucas Do Rio Verde, MT, Brazil	
Description of Economic Attractiveness <ul style="list-style-type: none"> • Major agrobusiness hub globally • Brazil produces 25% of global food demand. • Brazil produces 30% of the global soybean demand. • MT is the largest soybean producing state in Brazil supplying 30% of Brazil's total supply. • Lucas do Rio Verde is geographically in the heart of Brazil's soybean production. • Lucas do Rio Verde has 13% CAGR in GDP, driven by agrobusiness and the local service industry 	<p>Lucas do Rio Verde is located in the <i>heart</i> of the global and Brazilian soybean production</p> 
Location of DBP in Lucas do Rio Verde <ul style="list-style-type: none"> • Neighbors BRF's major production unit (BRF is one of the biggest food companies in the world). • DBP neighbors a large regional industrial complex • Ideal access to national agrobusiness highways. 	

Within Lucas do Rio Verde, DBP is strategically located, neighboring BRF's major production facility and a large regional industrial complex, with easy access to local highways and local regional airport. DBP is a fully thermal insulated business unit to attend to the very high temperatures in the region. This build-to-suit real estate is currently rented by 1 tenant and has an occupancy rate of 100%.



Management's review

Summary of Steensbjerg A/S

Steensbjerg A/S invested in a new Manor House of 424m² to its farm, making it one of the most beautiful estates located at Nørre Zeland, 30km from Copenhagen, which is the head office of the Danica group. The income is coming from renting out the land, hunting, moto cross and building facilities, mostly on 5 years contracts.



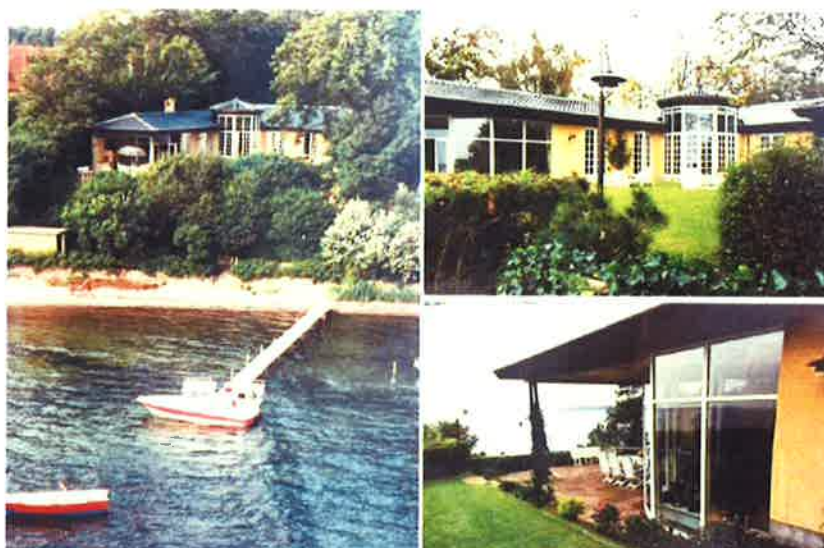
Management's review

Summary of directly owned real estate assets by Danica Corporation Holding A/S

Danica Corporation Holding A/S owns directly 2 apartments of 172m² and 135m² respectively at “Det Blå Pakhus” at Toldbodgade 36, Copenhagen, located at the water front. The building was originally built as a warehouse in 1780 and is today a preserved apartment building. The apartments are rented out until 2021 and 2020 respectively.



In 2017, Danica Corporation Holding A/S acquired a real estate asset in Faaborg, Fyn, in Denmark. The asset has 232m² and is situated on a 2000m² land with own private beach. Faaborg is one of the most charming and old waterfront cities in Denmark. The asset is rented out on temporal conditions.



Management's review

Summary of Danica Capital Investimentos Ltda.: New investment

Company websites: www.danicacapital.com and www.danicacapital.com.br

Danica Capital is a newly established private equity investment fund in São Paulo, Brazil.

Danica Capital:

- Buys healthy mid-low businesses in Brazil operating in sectors with wide productivity gaps and with potential for engineered innovation.
- Offers investors ready-to-sign independent sponsor transactions structured with downside protection and upside potential.
- Offers entrepreneurs a liquidity event and resources to scale the business.



Why is Brazil attractive?

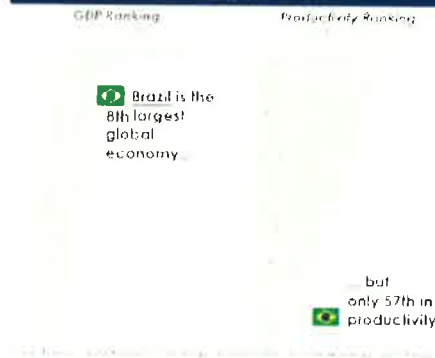
Brazil has a very large self-sufficient domestic market and "several subsectors and industries continue to expand at double-digit rates due to strong underlying trends." According to the Boston Consulting Group 2017 Report on Private Equity in Brazil, "this combination of factors makes Brazil one of the preeminent countries for general partners (GPs) and limited partners (LPs) looking to diversify in emerging markets." "Firms that understand the market [and develop a clear strategy] can position themselves to win." Below are some statistics on Brazil:

- 8th largest economy globally and huge domestic market (PPP): Total population = 208M; Middle class population = 140M; Urban population = 80M; 4th largest internet user base globally with 139M users (66% penetration);
- Global Food Superpower: produces 25% of the global demand for food, e.g. meat, poultry, soybeans, sugar, coffee, orange juice, amongst others;
- Private sector-led and highly diversified industrial base;
- Opportunity for PE growth, 0,3% penetration of GDP vs. 1,45-1,90% of developed countries;
- Strong reform agenda: During the last 36 months, more reforms have been implemented by the newer government than in the last 13 years.

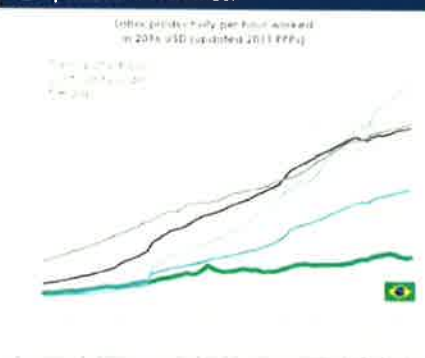
Management's review

Why is Brazil attractive for Danica Capital?

1 OPPORTUNITY: Brazil has a wide productivity gap for private equity to address



2 MEGA-TREND: The productivity gap will likely persist and even widen



3 Labor costs have risen sharply during the last 15 years intensifying the gap's significance and the opportunity to address it



4 Danica Capital has first hand experience in closing productivity gaps in the mid-low sector in Brazil



"Many industries in Brazil are relatively immature and fragmented, with players that have low market penetration and sparse coverage in terms of locations, channels, segments, or expertise." Many industries are "ripe for strategies to generate economies of scale and enhance their bargaining power with suppliers, clients, and the government, increasing the asset's valuation multiple." "There are opportunities to improve operations, finance, and management."

Note: The quotations on this page are from the Boston Consulting Group's 2017 Report on Private Equity Strategies for Brazil's New Economic Reality.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Management's review

Statement of corporate social responsibility

Danica has a centrally determined policy covering corporate social responsibility, including human rights and climate impact. The Corporate Social Responsibility includes amongst others:

- Profit participation scheme to all employees;
- Health insurance to all employees and their families at private doctors and on private hospitals;
- 80% lunch subsidy;
- 100% transport subsidy;
- Career planning and scholarships;
- Development of the society in developing States in corporation with the State Council;
- Target figures and policies for the under-represented sex

Target figures and policies for the under-represented sex

It is the groups policy to strive for an increased representation of the under-represented gender in connection with recruitment and promotion to managerial positions; however, always so that any position must be filled with the candidate best qualified, regardless of gender. The board of director's oversees the observance of the policy.

The board of director's has the responsibility for observing these policies when appointing members for the management.

The gender ratio in the board of director's are 40% / 60% and therefore considered to be balanced, cf. the law. The group have therefore not made target figures and policies for the under-represented gender for the board of directors.

Accounting policies used

The annual report for Danica Corporation Holding A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017
DKK / BRL (Brazil)	2.3241	2.2978	1.7559	2.1671	1.8733
DKK / USD (USA)	5.4127	6.1214	6.8561	7.0528	6.1901
DKK / EUR (Europe)	7.4603	7.4436	7.4625	7.4344	7.4349

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Danica Corporation Holding A/S and those group enterprises of which Danica Corporation Holding A/S directly or indirectly owns more than 50% of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20% and 50% of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Accounting policies used

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

In case of business combinations such as acquisition and sale of equity investments, mergers, demergers, addition of assets and exchange of shares etc. with participation of enterprises under the control of the parent company, the book-value method is applied, in which case the merger is considered implemented at the date of acquisition without any restatement of the comparative figures. Differences between the agreed consideration and the book value of the acquiree are recognised in the equity.

Minority interests

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Rental income from investment property'

Rental income comprises income from the lease of property and from charged joint costs, and it is recognised in the profit and loss account for the period relating to the lease payment. Income from the heating account is recognised in the balance sheet as a balance among the lessees.

Accounting policies used

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income and expenses

Other operating income and expenses comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investment is recognised in the financial year where the dividend is declared.

Results from equity investments in group enterprises and associated enterprise

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the associated enterprise is recognised in the profit and loss account at a proportional share of the associated enterprise's results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The parent enterprise and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent enterprise acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies used

The balance sheet

Tangible fixed assets

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

Land and buildings are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life :

	<i>Useful life</i>
<i>Buildings</i>	<i>50 years</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises and associated enterprise

Equity investments in group enterprises and associated enterprise are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Accounting policies used

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associated enterprise are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprise.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises and associated enterprise are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprise, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Accounting policies used

Available funds

Available funds comprise cash at bank and in hand.

Equity

Revaluation reserves

Revaluations of land and buildings with deduction of deferred tax are recognised under revaluation reserves. The reserves are reduced when the value of revalued buildings is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued book value of the buildings and depreciation based on the original cost of the buildings. The reserves are dissolved partly or totally in case of sale of land and buildings and reduced in case of writedown of land and property.

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates. It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Danica Corporation Holding A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Danica Corporation Holding A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Accounting policies used

Deferred tax assets, including the tax value of tax losses eligible for carryover, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

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

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Accounting policies used

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 January - 31 December

DKK in thousands.

Note	Group		Parent enterprise	
	2017	2016	2017	2016
Net turnover	7.485	7.997	443	442
Production costs	-470	-530	-155	-141
Gross results	7.015	7.467	288	301
Administration costs	-3.016	-2.940	-176	-124
Other operating costs	-353	-492	0	0
Operating profit	3.646	4.035	112	177
Income from equity investments in group enterprises	0	0	11.382	-11.722
Income from equity investment in associated enterprise	15.379	-27.254	0	0
Other financial income	1.629	359	306	137
Other financial costs	-1.915	-994	-987	-237
Results before tax	18.739	-23.854	10.813	-11.645
Tax on ordinary results	-1.033	-960	0	0
1 Results for the year	17.706	-24.814	10.813	-11.645
The group's results are as follows:				
Shareholders in Danica Corporation Holding A/S	10.813	-11.645		
Minority interests	6.893	-13.169		
	17.706	-24.814		

Balance sheet 31 December

DKK in thousands.

Assets				
Note	Group		Parent enterprise	
	2017	2016	2017	2016
Fixed assets				
2 Land and property	116.958	102.828	14.463	9.701
3 Other plants, operating assets, and fixtures and furniture	596	673	0	0
4 Tangible assets under construction and prepayments for tangible assets	0	7.937	0	0
Tangible fixed assets in total	117.554	111.438	14.463	9.701
5 Equity investments in group enterprises	0	0	79.448	79.843
Amounts owed by group enterprises	0	0	1.533	4.880
6 Equity investment in associated enterprise	0	26.672	0	0
Financial fixed assets in total	0	26.672	80.981	84.723
Fixed assets in total	117.554	138.110	95.444	94.424
Current assets				
Trade debtors	335	24	0	0
Amounts owed by group enterprises	0	0	0	8.945
Amounts owed by associated enterprises	0	4.655	0	0
7 Deferred tax assets	585	904	0	0
Receivable corporate tax	64	72	0	0
Other debtors	36.915	5.987	26.192	5.264
8 Accrued income and deferred expenses	0	416	0	0
Debtors in total	37.899	12.058	26.192	14.209
Available funds	15.746	1.321	8.208	74
Current assets in total	53.645	13.379	34.400	14.283
Assets in total	171.199	151.489	129.844	108.707

Balance sheet 31 December

DKK in thousands.

Equity and liabilities				
Note	Group		Parent enterprise	
	2017	2016	2017	2016
Equity				
	Contributed capital	650	650	650
9	Revaluation reserve	4.739	8.095	0
	Results brought forward	76.525	72.856	81.264
	Equity before non-controlling interest.	81.914	81.601	81.914
	Minority interests	13.376	7.444	0
	Equity in total	95.290	89.045	81.135
Provisions				
10	Provisions for deferred tax	14.984	17.755	0
	Provisions in total	14.984	17.755	0
Liabilities				
	Subordinate loan capital	19.927	19.927	17.633
	Mortgage debt	24.807	12.741	10.692
	Other debts	45	52	0
	Long-term liabilities in total	44.779	32.720	28.325
11	Liabilities	299	0	21
	Bank debts	0	611	0
	Trade creditors	473	154	0
	Debt to group enterprises	0	0	12.380
	Corporate tax	515	670	0
	Other debts	14.859	10.534	7.204
	Short-term liabilities in total	16.146	11.969	19.605
	Liabilities in total	60.925	44.689	47.930
	Equity and liabilities in total	171.199	151.489	129.844
12 Mortgage and securities				
13 Contingencies				

Consolidated statement of changes in equity

DKK in thousands.

	Contributed capital	Revaluation reserve	Results brought forward	Minority interests	In total
Equity 1 January 2016	650	8.095	75.680	21.818	106.243
Profit or loss for the year brought forward	0	0	-11.645	-13.169	-24.814
Equity adjustment	0	0	-1.591	-1.205	-2.796
Currency adjustment	0	0	10.412	0	10.412
Equity 1 January 2017	650	8.095	72.856	7.444	89.045
Profit or loss for the year brought forward	0	0	10.813	6.893	17.706
Currency adjustment	0	0	-7.144	-930	-8.074
Value regulation property	0	-3.356	0	-31	-3.387
	650	4.739	76.525	13.376	95.290

Statement of changes in equity of the parent enterprise

DKK in thousands.

	Contributed capital	Results brought forward	In total
Equity 1 January 2016	650	83.775	84.425
Profit or loss for the year brought forward	0	-11.645	-11.645
Equity adjustment	0	-943	-943
Currency adjustment	0	9.298	9.298
Equity 1 January 2017	650	80.485	81.135
Profit or loss for the year brought forward	0	10.813	10.813
Equity adjustment	0	8	8
Currency adjustment	0	-6.716	-6.716
	0	-3.326	-3.326
	650	81.264	81.914

Cash flow statement 1 January - 31 December

DKK in thousands.

Note	Group	
	2017	2016
Results for the year	17.706	-24.814
14 Adjustments	-12.971	29.276
15 Change in working capital	12.038	6.866
Cash flow from operating activities before net financials	16.773	11.328
Interest received and similar amounts	1.629	357
Interest paid and similar amounts	-1.915	-994
Cash flow from ordinary activities	16.487	10.691
Cash flow from operating activities	16.487	10.691
Purchase of tangible fixed assets	-19.308	-8.693
Purchase of financial fixed assets	0	-33.092
Dividend received from associated enterprises	3.185	0
Cash flow from investment activities	-16.123	-41.785
Payment to/from other credit institutions	11.754	321
Payments to/from group debt/receivables	4.655	11.785
Currency adjustments	-2.348	2.227
Cash flow from financing activities	14.061	14.333
Changes in available funds	14.425	-16.761
Available funds opening balance	1.321	18.082
Available funds closing balance	15.746	1.321
Available funds		
Available funds	15.746	1.321
Available funds closing balance	15.746	1.321

Notes

DKK in thousands.

	Parent enterprise	
	2017	2016
1. Proposed distribution of the results		
Allocated to results brought forward	10.813	0
Allocated from results brought forward	0	-11.645
Distribution in total	10.813	-11.645

	Group		Parent enterprise	
	31/12 2017	31/12 2016	31/12 2017	31/12 2016
2. Land and property				
Cost opening balance	100.055	87.589	10.209	10.142
Translation by use of the exchange rate valid on balance sheet date closing balance	-8.575	12.272	0	0
Additions during the year	19.180	839	4.868	68
Disposals during the year	0	-645	0	0
Transfers	7.937	0	0	0
Cost closing balance	118.597	100.055	15.077	10.210
Revaluation opening balance	10.180	10.180	0	0
Adjustment of previous revaluations	-4.105	0	0	0
Revaluation closing balance	6.075	10.180	0	0
Depreciation and writedown opening balance	-7.407	-6.189	-509	-405
Translation by use of the exchange rate valid on balance sheet date closing balance	653	-880	0	0
Depreciation for the year	-960	-338	-105	-104
Depreciation and writedown closing balance	-7.714	-7.407	-614	-509
Book value closing balance	116.958	102.828	14.463	9.701

Notes

DKK in thousands.

	Group	
	31/12 2017	31/12 2016
3. Other plants, operating assets, and fixtures and furniture		
Cost opening balance	2.412	1.722
Translation by use of the exchange rate valid on balance sheet date closing balance	-297	386
Additions during the year	128	304
Cost closing balance	2.243	2.412
Amortisation and writedown opening balance	-1.739	-1.360
Translation by use of the exchange rate valid on balance sheet date closing balance	221	-290
Depreciation for the year	-129	-89
Amortisation and writedown closing balance	-1.647	-1.739
Book value closing balance	596	673
4. Tangible assets under construction and prepayments for tangible assets		
Cost opening balance	7.937	387
Additions during the year	0	7.550
Transfers	-7.937	0
Cost closing balance	0	7.937
Book value closing balance	0	7.937

Notes

DKK in thousands.

	Parent enterprise	
	31/12 2017	31/12 2016
5. Equity investments in group enterprises		
Acquisition sum, opening balance opening balance	157.890	152.890
Additions during the year	0	5.000
Cost closing balance	157.890	157.890
Revaluations, opening balance opening balance	-78.047	-70.217
Translation by use of the exchange rate valid on b	-6.716	9.298
Results for the year before goodwill amortisation	11.382	-12.370
Dividend	-1.742	-4.463
Other movements in capital	7	-295
Value regulation property	-3.326	0
Revaluation closing balance	-78.442	-78.047
Book value closing balance	79.448	79.843

The financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	Share of ownership	Equity	Results for the year	Book value at Danica Corporation Holding A/S
Danica Corporation A/S, Slangerup, Denmark	55 %	29.515	15.319	16.234
Steensbjerg A/S, Slangerup, Denmark	99,09 %	8.973	-300	15.692
Danica Business Park Administracao de Bens Ltda., Brasil	99,99 %	47.528	3.256	47.523
		86.016	18.275	79.449

Notes

DKK in thousands.

	Group	
	31/12 2017	31/12 2016
6. Equity investment in associated enterprise		
Acquisition sum, opening balance opening balance	55.365	22.273
Additions during the year	0	33.092
Disposals during the year	-55.365	0
Cost closing balance	0	55.365
Revaluation, opening balance opening balance	-28.693	146
Translation by use of the exchange rate valid on balance sheet date	0	129
Results for the year before goodwill amortisation	0	-27.254
Reversals for the year concerning disposals	28.693	0
Other movements in capital	0	-1.714
Revaluation closing balance	0	-28.693
Book value closing balance	0	26.672

Associated enterprise:

	Domicile	Share of ownership
DanicaZipco Sistemas Constructivos S.A.	Brasil	0 %

7. Deferred tax assets

The group has a deferred tax asset in 2017 on t.DKK 585 (2016: t.DKK 904). The deferred tax asset regards the subsidiary Danica Business Park Administracao de Bens Ltda.

The management believes that the deferred tax asset arising from temporary differences will be realized in the final resolution of contingencies and events. Still, based on projections of taxable income, the company and its subsidiaries expect to recover the deferred tax asset on a tax loss carry forward in future years.

	Group	
	31/12 2017	31/12 2016
8. Accrued income and deferred expenses		
Advanced payments suppliers	0	416
	0	416

Notes

DKK in thousands.

	Group	
	31/12 2017	31/12 2016
9. Revaluation reserve		
Revaluation reserve opening balance	8.095	8.095
Dissolution of revaluations of previous years	-3.356	0
	4.739	8.095

10. Provisions for deferred tax		
Provisions for deferred tax opening balance	17.755	14.972
Deferred tax of the results for the year	-2.771	2.783
	14.984	17.755

11. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 31 Dec 2017	Debt in total 31 Dec 2016
Subordinate loan capital	0	0	17.633	17.633
Mortgage debt	21	10.588	10.714	6.744
	21	10.588	28.347	24.377

12. Mortgage and securities

As security for mortgage debts, t.DKK 25.106, mortgage has been granted on land and buildings representing a book value of t.DKK 102.828 at 31 December 2017

13. Contingencies

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

Notes

DKK in thousands.

Contingencies (continued)

Joint taxation (continued)

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

	Group	
	2017	2016
14. Adjustments		
Depreciation and amortisation	1.089	427
Income from equity investment in associated enterprise	-15.379	27.254
Other financial income	-1.629	-359
Other financial costs	1.915	994
Tax on ordinary results	1.033	960
	-12.971	29.276
15. Change in working capital		
Change in debtors	10.284	-346
Change in trade creditors and other liabilities	1.754	7.212
	12.038	6.866