



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 2019

The annual report was submitted and approved by the general meeting on the 19 June 2020.


Per Barke Nevermann
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

Today, the board of directors and the managing director have presented the annual report of Danica Corporation Holding A/S for the financial year 1 January - 31 December 2019 of Danica Corporation Holding A/S.

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

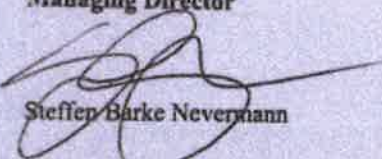
We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2019, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January - 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

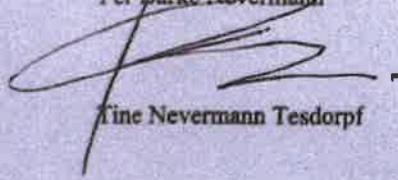

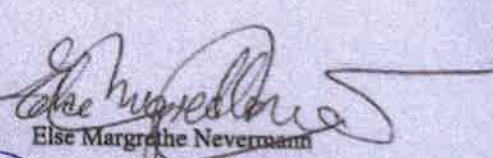
We recommend that the annual report be approved by the general meeting.

Slangerup, 19 June 2020

Managing Director


Steffen Barke Nevermann

Board of directors


Per Barke Nevermann
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

Qualified opinion

We have audited the consolidated financial statements and the financial statements of Danica Corporation Holding A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, consolidated and of the company, respectively and consolidated statement of cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the paragraph "Basis for qualified opinion", the consolidated financial statements and the financial statements give a true and fair view of the assets, equity and liabilities, and financial position, consolidated and for the company, respectively, at 31 December 2019 and of the profit of operations, consolidated and for the company, respectively and of consolidated cash flows, for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

The annual report and consolidated financial statements for 2019 for the associated company Danica Capital Inverimentos Ltda. are qualified due to the financial statements of the subsidiary Danica Business Park Chile S.A. were not audited by independent auditors. Due to the lack of auditing of the associated company's subsidiary's financial statements, it was not possible to determine the existence of any adjustments and their consequent effects on the investment in Danica Capital Inverimentos Ltda. As mentioned in note 5, Danica Capital Inverimentos Ltda. has a booked value of DKK 10,4 mio., and the investment valued by the equity method in Danica Business Park Chile S.A. amounts to DKK 1,4 mio. The management have not been able to obtain the information.

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 section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

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

Independent auditor's report

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- Conclude on the appropriateness of management's preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on 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 financial statements and 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 group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.
- 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 financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Independent auditor's report

Based on the work we have performed, we believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Hillerød, 19 June 2020

Grant Thornton

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



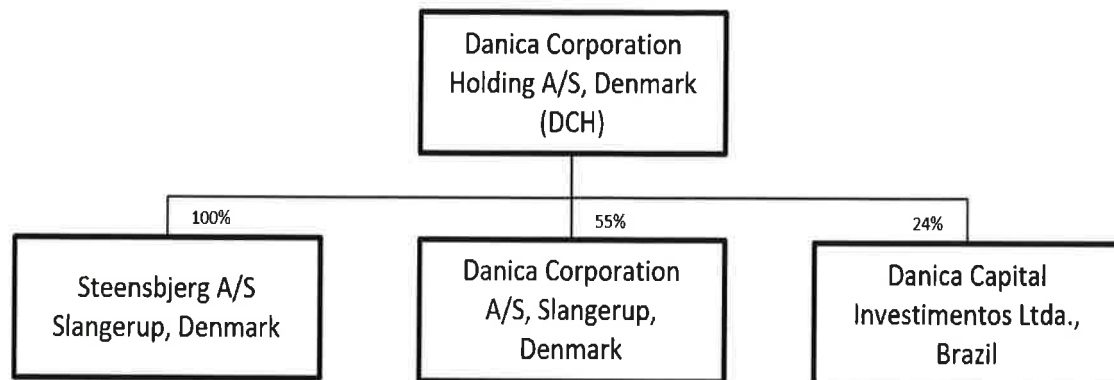
Claus Koskelin

State Authorised Public Accountant
mnc30140

Company information

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 Steffen Barke Nevermann Else Margrethe Nevermann Tine Nevermann Tesdorpf Nikolas Barke Nevermann
Managing Director	Steffen Barke Nevermann
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Nordstensvej 11 3400 Hillerød
Bankers	Handelsbanken A/S Banco Santander (Brazil) S.A. Bradesco S/A
Lawyer	Adlex Advokater Partnerselskab, Købmagergade 60, 1150 Copenhagen
Subsidiaries	Danica Corporation A/S, Slangerup, Denmark Steensbjerg A/S, Slangerup, Denmark
Associated enterprise	Danica Capital Investimentos Ltda., Brasil

Koncernoversigt



Consolidated financial highlights

DKK in thousands.	2019	2018	2017	2016	2015
Income statement:					
Revenue	4.765	7.581	7.485	7.997	349.894
Gross profit	2.469	4.355	4.725	7.467	63.473
Profit from ordinary operating activities	1.918	3.192	3.646	4.035	25.990
Net financials	975	-890	15.093	-27.889	-21.655
Net profit or loss for the year	2.298	1.530	17.706	-24.814	18.337
Statement of financial position:					
Balance sheet total	131.739	153.577	171.199	151.489	158.056
Investments in property, plant and equipment	340	1.658	-19.308	-8.693	-1.323
Equity	76.444	83.865	95.290	89.045	106.243
Cash flows:					
Operating activities	-765	5.782	16.487	10.691	28.576
Investing activities	-2.741	-10.612	-16.123	-41.785	17.358
Financing activities	-425	-6.407	14.061	14.333	-48.256
Employees:					
Average number of full-time employees	1	2	0	0	735
Key figures in %:					
Profit margin (EBIT-margin)	40,3	42,1	48,7	50,5	7,4
Solvency ratio	56,6	51,9	47,8	53,9	53,4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management commentary

The principal activities of the group

The main activities of the group are real estate investments in Denmark and Latin America and private equity investments in Brazil.

Development in activities and financial matters

The revenue for the year totals t.DKK 5.108 against t.DKK 7.581 last year. Income or loss from ordinary activities after tax totals t.DKK 2.298 against t.DKK 1.530 last year. Management considers the results for the year satisfactory.

Events occurring after the end of the financial year

In March 2020, the World Health Organization officially designated COVID-19 as a pandemic, and as a result, businesses across the country and world have had to take steps to protect their employees, and employees of companies with whom they do business. The associated business disruption has ranged from limited to significant, depending on the nature of the business being impacted. Management is presently unable to predict what short-term and long-term impact this level of disruption will have on the Company, and there can be no assurances that a significant impact to the business will not take place. There have been no adjustments to these financial statements as a result of this uncertainty.

There have been no other events subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report and the consolidated financial statements for Danica Corporation Holding A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company and group has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

Accounting policies

If the foreign group enterprises and associates meet the criteria for independent entities, their income statements are translated using an average exchange rate for the period in question and the balance sheet items are translated using the closing rate. Differences arising from translating the equity of foreign group enterprises at the beginning of the year using the closing rate are recognised directly in equity. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with foreign group enterprises considered part of the total investment in group enterprises are recognised directly in equity. Likewise, foreign exchange gains and losses on loans and derivatives for the currency hedging of independent foreign group enterprises are recognised directly in equity.

	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
DKK/BRL (Brazil)	2.2978	1.7559	2.1671	1.8733	1.6775	1.6552
DKK/USD (USA)	6.1214	6.8561	7.0528	6.1901	6.5114	6.6759
DKK/EUR (Europe)	7.4436	7.4625	7.4344	7.4349	7.4761	7.4697

The consolidated financial statements

The consolidated income statements 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 exercise control. According to the group overview, enterprises in which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not dominant, control are considered associates.

In the consolidation process, intercompany income and expenses, shareholding, intercompany balances and dividends, and realised and unrealised profit and loss derived from transactions among the consolidated enterprises will be eliminated.

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

Minority interests

The items of the group enterprises are fully recognised in the consolidated financial statement. The proportionate share of non-controlling interests as regards the profit and equity of the group enterprises are adjusted annually and presented as a separate item at the end of the income statement and as a separate item under equity, respectively.

Accounting policies

Income statement

Revenue

Revenue is recognised in the income statement if 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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Rental income from investment property

Rental income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Cost of sales

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

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Other operating costs

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

Financial income and expenses

Financial income and expenses 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 income statement with the amounts concerning the financial year.

Results from equity investments in group enterprises and associate

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Accounting policies

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the associate is recognised in the income statement of both the group and the parent as a proportional share of the associates' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

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

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

Statement of financial position

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

Accounting policies

The cost comprises acquisition cost and costs directly associated with 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 when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Other plants, operating assets, fixtures and furnitures	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Impairment loss relating to non-current assets

The carrying amount of tangible assets as well as equity investments in subsidiaries and associates 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount 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 derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity in group enterprises and associate enterprises

Equity in group enterprises and associate enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Accounting policies

Group enterprises and associate with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associate are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises and associate.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises and associate are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase 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 pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations 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 associate and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Other financial instruments and equity investments

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accounting policies

Prepayments and accrued income

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

Securities and equity investments

Financial instruments and equity investments recognised as current assets are measured at fair value on the reporting date.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property. The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

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

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Accounting policies

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 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.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

Statement of cash flows

The statement of cash flows shows group cash flows for the year divided into cash flows derived from operating activities, investment activities, and financing activities, respectively, changes in cash and cash equivalents, and cash and cash equivalents at the beginning and end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Accounting policies

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit or loss for the year adjusted for noncash operating items, changes in the working capital, and income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and associated costs. Furthermore, cash flows comprise borrowings, repayments of interest-bearing payables, and payments of dividend to the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

Income statement 1 January - 31 December

DKK thousand.

Note	Group		Parent	
	2019	2018	2019	2018
Revenue	5.108	7.581	613	537
Other external costs	-2.639	-3.226	-601	-509
Gross profit	2.469	4.355	12	28
Depreciation and impairment of non-current assets	-551	-1.163	-168	-166
Operating profit	1.918	3.192	-156	-138
Income from equity investments in group enterprises	-1.802	-166	235	2.207
Income from equity investment in associate	1.444	0	912	0
Other financial income from group enterprises	0	0	0	92
Other financial income	2.592	1.482	1.853	180
1 Other financial costs	-1.259	-2.206	-1.175	-1.289
Pre-tax net profit or loss	2.893	2.302	1.669	1.052
Tax on net profit or loss for the year	-595	-772	0	0
Net profit or loss for the year	2.298	1.530	1.669	1.052
Break-down of the consolidated profit or loss:				
Shareholders in Danica Corporation Holding A/S	1.669	1.052		
Non-controlling interests	629	478		
	2.298	1.530		
Proposed appropriation of net profit:				
Transferred to retained earnings			1.669	1.052
Total allocations and transfers			1.669	1.052

Statement of financial position at 31 December

DKK thousand.

Assets				
<u>Note</u>	<u>Group</u>		<u>Parent</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Non-current assets				
2 Property	51.433	111.741	14.156	14.324
3 Other fixtures and fittings, tools and equipment	171	523	0	0
Under construction	86	0	0	0
Total property, plant, and equipment	<u>51.690</u>	<u>112.264</u>	<u>14.156</u>	<u>14.324</u>
4 Equity investments in group enterprises	0	0	12.833	59.966
Receivables from group enterprises	0	0	2.902	2.942
5 Equity investments in associate	10.400	0	10.400	0
Receivables from associates	691	0	691	0
Other financial instruments and equity investments	0	127	0	127
Total investments	<u>11.091</u>	<u>127</u>	<u>26.826</u>	<u>63.035</u>
Total non-current assets	<u>62.781</u>	<u>112.391</u>	<u>40.982</u>	<u>77.359</u>
Current assets				
Trade receivables	0	592	0	0
Receivables from group enterprises	0	0	6.465	1.962
Deferred tax assets	0	437	0	0
Income tax receivables	58	48	58	1
Other receivables	56.680	26.590	50.937	21.509
Prepayments and accrued income	12	183	12	12
Total receivables	<u>56.750</u>	<u>27.850</u>	<u>57.472</u>	<u>23.484</u>
Other financial instruments and equity investments	<u>11.631</u>	<u>8.827</u>	<u>11.631</u>	<u>7.052</u>
Total financial instruments	<u>11.631</u>	<u>8.827</u>	<u>11.631</u>	<u>7.052</u>
Cash on hand and demand deposits	<u>577</u>	<u>4.509</u>	<u>330</u>	<u>3.673</u>
Total current assets	<u>68.958</u>	<u>41.186</u>	<u>69.433</u>	<u>34.209</u>
Total assets	<u>131.739</u>	<u>153.577</u>	<u>110.415</u>	<u>111.568</u>

Statement of financial position at 31 December

DKK thousand.

Equity and liabilities				
Note	Group		Parent	
	2019	2018	2019	2018
Equity				
	Contributed capital	650	650	650
6	Revaluation reserve	0	4.739	0
	Retained earnings	73.919	74.258	78.997
	Equity before non-controlling interest.	74.569	79.647	79.647
	Non-controlling interests	1.875	4.218	0
	Total equity	76.444	83.865	79.647
Provisions				
7	Provisions for deferred tax	0	12.648	0
	Total provisions	0	12.648	0
Liabilities other than provisions				
	Subordinate loan capital	19.927	19.927	17.633
	Mortgage loans	24.039	24.398	10.543
	Other payables	0	40	0
8	Total long term liabilities other than provisions	43.966	44.365	28.176
8	Current portion of long term payables	361	358	52
	Trade payables	29	108	0
	Income tax payable	0	205	0
	Other payables	8.464	10.993	7.618
	Unpaid dividend	2.475	1.035	0
	Total short term liabilities other than provisions	11.329	12.699	7.670
	Total liabilities other than provisions	55.295	57.064	35.846
	Total equity and liabilities	131.739	153.577	111.568

Statement of financial position at 31 December

DKK thousand.

Equity and liabilities

Note	Group		Parent	
	2019	2018	2019	2018

9 Mortgage and securities

10 Contingencies

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital not paid	Revaluation reserve	Retained earnings	Non-controlling interests	Total
Equity 1					
January 2018	650	4.739	76.525	13.376	95.290
Retained earnings for the year	0	0	1.052	478	1.530
Currency adjustment	0	0	-3.319	-8	-3.327
Dividend paid	0	0	0	-9.628	-9.628
Equity 1 2019	650	4.739	74.258	4.218	83.865
Retained earnings for the year	0	0	1.669	629	2.298
Currency adjustment etc.	0	0	-2.008	-47	-2.055
Dividend paid	0	0	0	-2.925	-2.925
Value adjustment property	0	-4.739	0	0	-4.739
	650	0	73.919	1.875	76.444

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2018	650	81.264	81.914
Retained earnings for the year	0	1.052	1.052
Currency adjustment	0	-3.336	-3.336
Adjustment prior years	0	17	17
Equity 1 January 2019	650	78.997	79.647
Retained earnings for the year	0	1.669	1.669
Currency adjustment etc.	0	-2.051	-2.051
Writedown subsidiary	0	-4.696	-4.696
	650	73.919	74.569

Statement of cash flows 1 January - 31 December

DKK thousand.

Note	Group	
	2019	2018
Net profit or loss for the year	2.298	1.530
11 Adjustments	172	2.582
12 Change in working capital	-2.751	5.648
Cash flows from operating activities before net financials	-281	9.760
Interest received, etc.	1.005	1.482
Interest paid, etc.	-1.260	-2.206
Cash flows from ordinary activities	-536	9.036
Income tax paid	-230	-3.254
Cash flows from operating activities	-766	5.782
Purchase of tangible fixed assets	340	-1.658
Purchase of financial fixed assets	-3.081	-8.954
Cash flows from investment activities	-2.741	-10.612
Payments to/from other credit institutions	-354	-350
Payments to/from group debt/recivables	1.004	0
Currency adjustments	410	2.536
Dividend paid	-1.485	-8.593
Cash flows from investment activities	-425	-6.407
Change in cash and cash equivalents	-3.932	-11.237
Available funds opening balance	4.509	15.746
Cash and cash equivalents at end of period	577	4.509
Available funds		
Available funds	577	4.509
Cash and cash equivalents at end of period	577	4.509

Notes

DKK thousand.

	Group		Parent	
	2019	2018	2019	2018
1. Other financial costs				
Other financial costs	1.259	2.206	1.175	1.289
	1.259	2.206	1.175	1.289
2. Property				
Cost opening balance	113.889	118.597	15.103	15.078
Translation at the exchange rate at the balance sheet date end of period	1.283	-6.329	0	0
Additions during the year	127	1.621	0	25
Disposals during the year	-60.073	0	0	0
Cost end of period	55.226	113.889	15.103	15.103
Revaluation opening balance	6.075	6.075	0	0
Revaluations for the year	-6.075	0	0	0
Revaluation end of period	0	6.075	0	0
Depreciation and writedown opening balance	-8.223	-7.714	-779	-613
Translation at the exchange rate at the balance sheet date end of period	-107	510	0	0
Amortisation and depreciation for the year	-506	-1.019	-168	-166
Depreciation, amortisation and impairment loss for the year, assets disposed of	5.043	0	0	0
Depreciation and writedown end of period	-3.793	-8.223	-947	-779
Carrying amount, end of period	51.433	111.741	14.156	14.324

Notes

DKK thousand.

	Group	
	31/12 2019	31/12 2018
3. Other fixtures and fittings, tools and equipment		
Cost opening balance	2.079	2.243
Translation at the exchange rate at the balance sheet date end of period	36	-201
Additions during the year	43	37
Disposals during the year	-1.797	0
Cost end of period	361	2.079
Amortisation and writedown opening balance	-1.556	-1.647
Translation at the exchange rate at the balance sheet date end of period	-31	158
Amortisation and depreciation for the year	-43	-67
Depreciation, amortisation and impairment loss for the year, assets disposed of	1.440	0
Amortisation and writedown end of period	-190	-1.556
Carrying amount, end of period	171	523

Notes

DKK thousand.

	Parent	
	31/12 2019	31/12 2018
4. Equity investments in group enterprises		
Cost opening balance	157.890	157.890
Additions during the year	2.923	0
Disposals during the year	-89.722	0
Cost end of period	71.091	157.890
Revaluations, opening balance opening balance	-97.924	-78.442
Translation at the exchange rate at the balance sheet date	-1.603	-3.336
Net profit or loss for the year before amortisation of goodwill	2.155	2.207
Reversals for the year concerning disposals	48.709	0
Dividend	-3.575	-18.370
Writedown	-6.020	17
Revaluation end of period	-58.258	-97.924
Carrying amount, end of period	12.833	59.966

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	Equity interest	Equity	Results for the year	Carrying amount, Danica Corporation Holding A/S
Danica Corporation A/S, Slangerup, Denmark	55 %	4.089.201	1.399.286	2.249
Steensbjerg A/S, Slangerup, Denmark	99,09 %	8.557.273	-103.076	10.584
		12.646.474	1.296.210	12.833

Notes

DKK thousand.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
5. Equity investments in associate				
Cost opening balance	0	0	0	0
Transfers	21.533	0	21.533	0
Cost end of period	21.533	0	21.533	0
Transfers	-10.957	0	-11.690	0
Translation at the exchange rate at the balance sheet date	-381	0	-355	0
Net profit or loss for the year before amortisation of goodwill	205	0	912	0
Revaluation end of period	-11.133	0	-11.133	0
Carrying amount, end of period	10.400	0	10.400	0

Associated enterprise:

	Domicile	Equity interest
Danica Capital Investimentos Ltda.	Brasil	24 %

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
6. Revaluation reserve				
Revaluation reserve opening balance	4.739	4.739	0	0
Dissolution of previous revaluations	-4.739	0	0	0
	0	4.739	0	0

7. Provisions for deferred tax

Provisions for deferred tax opening balance	12.648	14.984	0	0
Deferred tax relating to the net profit or loss for the year	0	-2.336	0	0
Deferred tax relating to disposals	-12.648	0	0	0
	0	12.648	0	0

Notes

DKK thousand.

8. Liabilities other than provision

Group	Total payables 31 Dec 2019	Current portion of long term payables	Long term payables 31 Dec 2019	Outstanding payables after 5 years
Subordinate loan capital	19.927	0	19.927	0
Mortgage loans	24.400	361	24.039	0
	44.327	361	43.966	0
Parent				
Subordinate loan capital	17.633	0	17.633	0
Mortgage loans	10.595	52	10.543	0
	28.228	52	28.176	0

9. Mortgage and securities

As security for mortgage debts, t.DKK 24.402, mortgage has been granted on land and buildings representing a book value of t.DKK 52.770 at 31 December 2019.

10. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay 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 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 withholding taxes, etc., may result in changes in the company's liabilities.

Notes

DKK thousand.

	Group	
	2019	2018
11. Adjustments		
Depreciation, amortisation, and impairment	551	1.086
Result from sale of fixed assets	1.802	0
Income from equity investments in associated enterprises	-1.444	0
Other financial income	-2.592	-1.482
Other financial costs	1.260	2.206
Tax on net profit or loss for the year	595	772
	172	2.582
12. Change in working capital		
Change in receivables	-67	9.885
Change in trade payables and other payables	-2.684	-4.237
	-2.751	5.648