

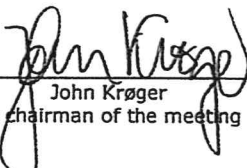
# Dane TopCo ApS

c/o DEAS A/S  
Dirch Passers Allé 76  
2000 Frederiksberg

CVR No. 36919612

## Annual Report 2016

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the company on 6 April 2017



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John Krøger  
As chairman of the meeting

## **Dane TopCo ApS**

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## **Dane TopCo ApS**

### **Company details**

<b>Company</b>	Dane TopCo ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
CVR No.	36919612
Registered office	Frederiksberg
Financial year	1 January 2016 - 31 December 2016
<b>Executive Board</b>	Carsten Nygaard Knudsen, Man. Director Sophie Elise Hoas Mads Peter Hansen Ole Markussen Henrik Dahl Jeppesen Bo Heide-Ottosen
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S CVR-no.: 33963556

## **Dane TopCo ApS**

### **Management's Review**

#### **Main activity**

The group is a 'Full Service Property House', which provides services to customers within real estate with five business lines Property Management, Property Asset Management, Facility Services, Real Estate Agency and Public Private Partnership (PPP).

The group provides services such as property management of residential commercial properties, owners associations/shared ownerships and management of shopping centers to domestic and international investors and owners associations. In addition to property management and the group provides technical building consultancy, client advisory services, energy management, operation and maintenance and rental of residential and commercial leases. Further the group offers Property Asset Management services.

Our services are provided by about 700 employees, of which about 450 are administrative staff and 250 are caretakers. Further we provide salary administration services for about 300 employees. The headquarter is located in Copenhagen with regional offices in Aalborg and Aarhus. The group manages approximately 2,000 properties with more than 70,000 leases in Denmark on behalf of professional investors, shared ownerships, owners associations, housing associations etc.

The parent company's activities are holding company activities and other hereby associated activities.

#### **Development in the year**

##### ***The year that went by and follow up the last year's expected development***

The company is established 11 June 2015 and the first financial period is 11 June-31 December 2015. The group is established 12 August 2015 by the acquisition of shares in Dane MidCo ApS, and from this date of acquisition the acquired is a part of the consolidated financial statement.

In 2016 the group realized revenue of DKK 501.1 million, operating profit of DKK 4.0 million, profit/loss before tax DKK -22.0 million and profit/loss for the year DKK -24.8 million.

The profit/loss for the year is considered to be in line with the expectations.

The total assets of the group per 31st December 2016 are DKK 761.0 million against DKK 773.4 million as of 31st December 2015.

The equity per 31st December is DKK 306.3 million against DKK 79.7 million as of 31st December 2015. As of 7th July 2016 shareholders has conducted a capital increase of DKK 250.0 million through conversion of debt to share capital. Furthermore a capital increase of DKK 1.5 million has been conducted as of 27th October 2016.

##### ***Capital resources***

In 2016 the cash flow from ordinary activities before financial items is DKK 57.7 million. The group's liquidity reserve per 31st December 2016 is DKK 42.2 million against DKK 15.1 million as at 31st December 2015. The management considers the capital resources to be sufficient.

##### **Special risks**

###### ***Business risks***

The main business risk is linked to the ability to meet the customers' requirements for competent property management, consulting and good service.

###### ***Financial risks***

The financial risks are related to the debt to other credit institutions in total DKK 240.0 million per 31st December 2016. This debt bears interest at Cibor plus fixed margin.

## **Dane TopCo ApS**

### **Management's Review**

Credit risks related to financial assets correspond to the values recognized in the balance sheet. The group has no significant risks related to individual customers or business partners.

#### ***Liquidity risks***

The capital raising is managed centrally and the required cash resources are ensured on an ongoing basis.

#### **Expectations for 2017**

For 2017 the group expects an increase in revenue and operating profit due to organic growth.

#### **Knowledge resources**

The main knowledge resources within the group are employees; knowhow, technology and processes.

The continued development of the company and the high service level provided by the company is secured by the continued training and development of employees, their knowledge and their competences, combined with a strong focus on development and a widespread use of information technology.

We continue to develop our services to customers both by offering new services and by developing our current offerings further. This requires education and development of the employees and a high level of competence. Approximately a quarter of the administrative staff has a higher education.

The group complies with 'The ethical guidelines for Property Management', produced by Ejendomsforeningen Danmark and it is required that all employees are familiar with these ethical guidelines and act accordingly.

#### **Statutory report on Corporate Social Responsibility**

The group wants to do business based on customer demands while retaining profitability and sustainability focus. The ambition is that the core business, Property Management and the associated services are delivered the best way - including a social responsible way. The group wishes to contribute to the society and community, the companies are a part of. The group considers it as an investment in the future, taking responsibility for the social and environmental effects of the company's operations.

The group's activities are based on high business ethics and integrity. It is a basic part of the group's culture to show decency and professional behavior and attitudes in both intern as well as extern relations.

It is the group's policy as a minimum to comply with all applicable laws and regulations, ethical guidelines and rules applicable to Property Management and associated services.

Refer to the following link [www.deas.dk/csr2016](http://www.deas.dk/csr2016) at the group's website, which describes the policies, action and results achieved for each area of action.

#### **Environment health and safety**

The group wants to reduce the environmental impact from the managed properties, own activities and external partners and suppliers. Therefore the group wants to promote environmental focus in close cooperation with both customers and users of the properties that are managed.

#### **Share of the under-represented gender**

##### ***Target for the Executive Board***

Dane TopCo ApS is a private limited company and the supervisory board is the Executive Board consisting of six members. It is the company's goal to provide a gender composition among the top management in 2020 of 33.33% of the under-represented gender (here female). The current status is that 16.66% of the six members are female.

**Management's Review**

It is the Executive Board's assessment that members from the top management must be selected based upon Board experiences, management experiences, strategy experiences, knowledge of corporate governance, social responsibility and, for the company, an appropriate network.

***Gender equality in other management levels of the group***

It is the group's assessment that a balanced gender ratio leads to increased employee satisfaction. The genders handle professional and personal situations in different ways, and the discussions that this leads to, open up for different ways of solving problems and will provide better results.

The group works to increase the number of the under-represented gender in all other management levels in the organisation. Target for the under-represented gender in all other management levels in the organisation is an equal 50/50 distribution. By the end of 2016, the under-represented gender is 22% in all levels of management beyond directors and boards.

By recruitment and promotion work is for increasing the under-represented gender ratio, provided that candidates with the right qualifications can be found.

## Dane TopCo ApS

### Key Figures and Financial Ratios

The development in the group's key figures and financial ratios can be described as follows:  
Key figures are in DKK Thousands.

Key figures and financial ratios for 2015 covers the period 11 June - 31 December 2015.

	2016	2015
Net turnover	501.141	209.473
Operating profit/loss	4.038	-5.366
Net financials	-26.836	-11.906
Profit/loss for the year	-24.816	-17.242
Invested capital including intangible assets	631.190	672.223
Invested capital excluding intangible assets	-17.141	-2.876
Investments in tangible fixed assets	5.134	969
Total assets	760.977	773.438
Total equity	306.342	79.658
Long-term liabilities	379.451	625.007
Short-term liabilities	75.184	68.773
Profit margin (%)	0,81	-2,56
Solvency ratio (%)	40,26	10,30
Return on equity (ROE) (%)	-12,86	-21,65
Avg. number of full-time employees	669	620

### Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

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

Invested capital is defined as the sum of operating tangible and intangible non-current assets and net working capital.

Net working capital is defined as accounts receivable and other current operating assets less trade payables, other payables and other operating short-term liabilities.

$$\text{Profit margin (\%)} = \frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Return on equity (\%)} = \frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

$$\text{Solvency ratio (\%)} = \frac{\text{Equity} \times 100}{\text{Total assets}}$$

**Management's Statement**

Today, the Executive Board have considered and adopted the Annual Report of Dane TopCo ApS for the financial year 1 January 2016 - 31 December 2016.

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

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2016 and of the results of the group's and the company's operations and the group's cash flows for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 6 April 2017

**Executive Board**

  
Carsten Nygaard Knudsen  
Man. Director

  
Ole Markussen

  
Sophie Elise Hoas

  
Henrik Dahl Jeppesen



Mads Peter Hansen



Bo Heide-Ottosen



**Independent auditor's report**

**To the shareholder of Dane TopCo ApS**

**Opinion**

We have audited the consolidated financial statements and the parent financial statements of Dane TopCo ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's responsibilities for the consolidated financial statements and the parent financial statements**

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

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

**The auditor's responsibility for the audit of the consolidated financial statements and the parent financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements 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 parent financial statements.

## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- \* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### **Statement on management's commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

**Dane TopCo ApS**

**Independent auditor's report**

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 06-04-2017

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33963556



Lars Kronow  
State Authorised Public Accountant



Tim Kjær Hansen  
State Authorised Public Accountant

Dane TopCo ApS

**Income Statement**

	Note	Group	11 Jun. - 31 Dec. 2015 tkr.	Parent	11 Jun. - 31 Dec. 2015 tkr.
Revenue		501.141	209.473	0	0
Cost of sales		-21.541	-7.357	0	0
Other external expenses		-78.138	-51.492	-36	-22
Employee benefits expense	2	-357.707	-140.914	-493	-143
Depreciation and amortisation	3	-39.717	-15.076	0	0
<b>Profit from ordinary operating activities</b>		<b>4.038</b>	<b>-5.366</b>	<b>-529</b>	<b>-165</b>
Income from investments in group enterprises and associates	4	828	-724	-13.206	-10.872
Finance income	5	191	160	3	50
Finance expences	6	-27.027	-12.065	-14.453	-8.052
<b>Profit from ordinary activities before tax</b>		<b>-21.970</b>	<b>-17.995</b>	<b>-28.185</b>	<b>-19.039</b>
Tax expense on ordinary activities	7	-2.846	753	3.369	1.797
<b>Profit</b>		<b>-24.816</b>	<b>-17.242</b>	<b>-24.816</b>	<b>-17.242</b>
<b>Proposed distribution of results</b>					
Retained earnings		-24.816	-17.242	-24.816	-17.242
<b>Distribution of profit</b>		<b>-24.816</b>	<b>-17.242</b>	<b>-24.816</b>	<b>-17.242</b>

## Balance Sheet as of 31. December

	Note	Group 2016 tkr.	2015 tkr.	Parent 2016 tkr.	2015 tkr.
<b>Assets</b>					
Completed development projects	8	7.635	0	0	0
Acquired intangible assets	9	217.814	229.514	0	0
Goodwill	10	422.882	445.585	0	0
<b>Intangible assets</b>		<b>648.331</b>	<b>675.099</b>	<b>0</b>	<b>0</b>
Fixtures, fittings, tools and equipment	11	8.443	7.692	0	0
Leasehold improvements	12	6.683	7.453	0	0
<b>Property, plant and equipment</b>		<b>15.126</b>	<b>15.145</b>	<b>0</b>	<b>0</b>
Long-term investments in group enterprises	13, 14	0	0	448.778	461.984
Long-term investments in associates	14, 15	2.732	2.654	0	0
Long-term receivables from associates		4.000	0	0	0
Non-current deferred tax assets	16	2.114	4.644	4.020	2.393
Deposits, investments		7.503	7.454	0	0
<b>Investments</b>		<b>16.349</b>	<b>14.752</b>	<b>452.798</b>	<b>464.377</b>
<b>Fixed assets</b>		<b>679.806</b>	<b>704.996</b>	<b>452.798</b>	<b>464.377</b>
Short-term trade receivables		17.299	25.112	0	0
Short-term receivables from group enterprises		0	0	3.044	0
Short-term tax receivables		0	1.652	0	0
Other short-term receivables		6.042	6.538	0	1.000
Prepaid expenses		3.227	2.698	0	0
<b>Receivables</b>		<b>26.568</b>	<b>36.000</b>	<b>3.044</b>	<b>1.000</b>
Other short-term investments		12.402	17.358	0	0
<b>Short-term investments</b>		<b>12.402</b>	<b>17.358</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents</b>		<b>42.201</b>	<b>15.084</b>	<b>1</b>	<b>0</b>
<b>Current assets</b>		<b>81.171</b>	<b>68.442</b>	<b>3.045</b>	<b>1.000</b>
<b>Assets</b>		<b>760.977</b>	<b>773.438</b>	<b>455.843</b>	<b>465.377</b>

Dane TopCo ApS

Balance Sheet as of 31. December

	Note	Group 2016 tkr.	2015 tkr.	Parent 2016 tkr.	2015 tkr.
<b>Liabilities and equity</b>					
Contributed capital		282.833	32.333	282.833	32.333
Retained earnings		23.509	47.325	23.509	47.325
<b>Equity</b>	17	<b>306.342</b>	<b>79.658</b>	<b>306.342</b>	<b>79.658</b>
Other credit institutions		230.000	240.000	0	0
Payables to shareholders		149.451	385.007	149.451	385.007
<b>Long-term liabilities other than provisions</b>	18	<b>379.451</b>	<b>625.007</b>	<b>149.451</b>	<b>385.007</b>
Short-term part of long-term liabilities other than provisions		10.000	10.000	0	0
Trade payables		7.542	5.016	0	0
Payables to group enterprises		0	0	0	690
Other payables		57.642	53.757	50	22
<b>Short-term liabilities other than provisions</b>		<b>75.184</b>	<b>68.773</b>	<b>50</b>	<b>712</b>
<b>Liabilities other than provisions within the business</b>		<b>454.635</b>	<b>693.780</b>	<b>149.501</b>	<b>385.719</b>
<b>Liabilities and equity</b>		<b>760.977</b>	<b>773.438</b>	<b>455.843</b>	<b>465.377</b>
Significant events occurring after end of reporting period	19				
Collaterals and securities	20				
Rental- and leasing contracts	21				
Activities acquired	22				

## Dane TopCo ApS

### Cash Flow Statement

#### Group

	2016	11 Jun. - 31
	tkr.	Dec. 2015
		tkr.
Profit/Loss for the year	-24.816	-17.242
Depreciation and amortisation	39.717	15.076
Profit from associates after tax	-828	724
Interest and similar incomes	-191	-159
Interest and similar expenses	27.027	12.065
Tax	2.846	-753
Other changes in working capital	13.932	-17.015
<b>Cash flow from operating activities before financial items</b>	<b>57.687</b>	<b>-7.304</b>
Interest received	191	159
Interest paid	-12.376	-3.955
<b>Cash flow from ordinary operating activities</b>	<b>45.502</b>	<b>-11.100</b>
Income taxes paid/received	1.339	8.381
<b>Cash flows from operating activities</b>	<b>46.841</b>	<b>-2.719</b>
Purchase of intangible assets	-7.942	0
Investment in tangible fixed assets	-5.134	-969
Sale of tangible fixed assets	146	1.829
Subordinated loan to associates	-4.000	0
Capital reduction in associates	0	2.000
Establishment of subsidiaries and associates	0	-13.436
Dividends	3.712	0
Acquisition of shares in subsidiary	0	-716.693
<b>Cash flows from investing activities</b>	<b>-13.218</b>	<b>-727.269</b>
Repayment of debt to other credit institutions	-10.000	0
Admission of debt in other credit institutions	0	250.000
Divestments of bonds	1.994	173
Loan from owner	0	376.956
Capital injection in Dane TopCo ApS	1.500	95.900
Intercompany accounts with customers	0	642
<b>Cash flows from financing activities</b>	<b>-6.506</b>	<b>723.671</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>27.117</b>	<b>-6.317</b>
Addition of cash by acquisition of activities	0	21.401
Cash and cash equivalents, beginning balance	15.084	0
<b>Cash and cash equivalents, ending balance</b>	<b>42.201</b>	<b>15.084</b>
<b>Cash and cash equivalents specified:</b>		
Cash and cash equivalents	42.201	15.084
<b>Cash and cash equivalents in total</b>	<b>42.201</b>	<b>15.084</b>

## **Dane TopCo ApS**

### **Accounting Policies**

#### **Reporting Class**

The Annual Report of Dane TopCo ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are as a result of changes in Danish Financial Statements Act, adapted hereto.

#### **Reporting currency**

The Annual Report is presented in Danish Kroner.

#### **Consolidated Financial Statements**

The Consolidated Financial Statements comprise the parent company Dane TopCo ApS and subsidiaries in which Dane TopCo ApS directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

#### **General Information**

##### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.



## **Dane TopCo ApS**

### **Accounting Policies**

#### **Income Statement**

##### **Revenue**

Income from delivery of services is recognised as revenue as the service is delivered.

##### **Cost of sales**

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

##### **Other external expenses**

Other external expenses comprise expenses regarding administration.

##### **Employee benefits expenses**

Staff expenses comprise wages and salaries, pensions and social security costs.

##### **Amortisation and impairment of tangible and intangible assets**

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>
Acquired intangible assets	20 years
Goodwill	20 years
Development projects	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

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

##### **Result of investments in subsidiaries and associates**

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss.

The proportionate shares of the associates' profit/loss after tax are recognised in both the group's and parent company's Income Statement after elimination of the proportionate share of intercompany profit/loss.

##### **Finance income and expenses**

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

##### **Tax on net profit/loss for the year**

The parent company is subjected to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statement until they leave the consolidation.

The parent company is the administration company of the joint taxation and therefore settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is distributed by settling the joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In this connection, enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use these losses to reduce their own tax profit.

## **Dane TopCo ApS**

### **Accounting Policies**

Tax for the year which comprises the current corporation tax for the year and any changes in deferred tax, including as a consequence of a change to the tax rate, is recognised by the part attributable to the profit/loss for the year and directly in equity by the part attributable to items directly in equity.

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

### **Balance Sheet**

#### **Intangible assets**

Goodwill is measured at cost less accumulated amortisation and impairment losses.

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

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

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

#### **Tangible assets**

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Depreciation based on cost reduced by any scrap value is calculated on a straight-line basis over the expected useful lives of the assets.

Period of depreciation and scrap value is determined at the date of acquisition and is annually reassessed. Depreciations is discontinued if the scrap value is estimated higher than the carrying amount.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

In cases where useful life is different, the cost of the tangible asset is split in separate components which are separately depreciated.

#### **Equity investments in group enterprises and associates**

Equity investments in group enterprises and associates are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at kr. 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

Equity investments in subsidiaries and associates are measured by the equity method.

Equity investments in subsidiaries and associates are measured at the proportionate share of the enterprises' equity value determined according to the group's accounting policies with deduction or addition of unrealised intercompany profit or loss and with the addition or deduction of the residual value of positive or negative goodwill determined according to the acquisition method.

## **Dane TopCo ApS**

### **Accounting Policies**

Equity investments in subsidiaries and associates with a negative equity value are measured at kr. 0, and any receivable from these enterprises are written down in so far as the receivable is uncollectible. In so far as the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable, the residual amount is recognised in provisions.

Net revaluation of equity investments in subsidiaries and associates is tied up as reserve for net revaluation by the equity method in equity, in so far as the carrying amount exceeds the cost. Dividends from subsidiaries that are expected to be adopted before the annual report for Dane TopCo ApS is approved are not tied up in the revaluation reserve.

The acquisition method is used to purchase enterprises, cf. the above description under determination of goodwill.

#### **Receivables**

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

#### **Accrued income, assets**

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

#### **Other short-term investments**

Other securities and equity investments that are listed are measured at market value at the balance sheet date. Other securities are measured at cost.

#### **Equity**

Proposed dividend for the year is recognised as a separate item in equity.

#### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### **Financial liabilities**

Fixed-rate loans such as loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

#### **Leasing**

Leasing agreements are classified as financial leasing when the agreement substantially transfers all the risks and rewards of the ownership of the leased asset. Other lease agreements are classified as operating leasing.

### **Accounting policies Cash Flow Statement**

The Cash Flow Statement shows the company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and

## **Dane TopCo ApS**

### **Accounting Policies**

impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

## Notes

	Group		Parent	
	2016 tkr.	11 Jun. - 31 Dec. 2015 tkr.	2016 tkr.	11 Jun. - 31 Dec. 2015 tkr.
<b>1. Fees for auditors elected on the general meeting</b>				
Statutory audit	503	337	27	22
Other assurance reports	109	60	0	0
Tax consultancy	70	20	0	0
Other services	0	3	0	0
	<b>682</b>	<b>420</b>	<b>27</b>	<b>22</b>
<b>2. Employee benefits expense</b>				
Wages and salaries	328.215	129.116	485	141
Pensions	20.519	8.034	0	0
Social security contributions	5.120	2.607	0	0
Other employee expense	3.853	1.157	8	2
	<b>357.707</b>	<b>140.914</b>	<b>493</b>	<b>143</b>
<i>Hereof remuneration to management</i>				
The board and management	9.459	2.648	485	141
	<b>9.459</b>	<b>2.648</b>	<b>485</b>	<b>141</b>
Avg. number of employees	669	620	1	0
<b>3. Depreciations and amortisations</b>				
Acquired intangible assets	11.700	4.386	0	0
Goodwill	22.703	8.515	0	0
Developmet projects	307	0	0	0
Fixtures, fittings, tools and equipment	4.007	1.815	0	0
Leasehold improvements	1.063	431	0	0
Profit on sale of equipment	-63	-71	0	0
	<b>39.717</b>	<b>15.076</b>	<b>0</b>	<b>0</b>
<b>4. Income from investments in group enterprises and associates</b>				
Share of profit in associations	828	-724	0	0
Share of profit in subsidiaries	0	0	-13.206	-10.872
	<b>828</b>	<b>-724</b>	<b>-13.206</b>	<b>-10.872</b>
<b>5. Finance income</b>				
Other finance income	190	119	3	50
Interests from associates	0	41	0	0
Interests group companies	1	0	0	0
	<b>191</b>	<b>160</b>	<b>3</b>	<b>50</b>

## Notes

	Group		Parent	
	2016 tkr.	11 Jun. - 31 Dec. 2015 tkr.	2016 tkr.	11 Jun. - 31 Dec. 2015 tkr.
<b>6. Finance expenses</b>				
Interests group companies	0	55	9	0
Other finance expenses	27.027	11.951	14.444	8.052
Securities adjustments	0	59	0	0
	<b>27.027</b>	<b>12.065</b>	<b>14.453</b>	<b>8.052</b>
<b>7. Tax expense</b>				
Current tax for the year	0	-281	0	-1.157
Adjustment to prior year	316	7	-1.742	0
Effect of tax rate adjustment	0	-426	0	0
Adjustment to prior year deferred tax	-335	0	1.669	0
Deferred tax for the year	2.865	-53	-3.296	-640
	<b>2.846</b>	<b>-753</b>	<b>-3.369</b>	<b>-1.797</b>
<b>8. Completed development projects</b>				
Cost at the beginning of the year	0	0		
Addition during the year	7.942	0	0	0
<b>Cost at the end of the year</b>	<b>7.942</b>	<b>0</b>	<b>0</b>	<b>0</b>
Amortisation at the beginning of the year	0	0		
Amortisation for the year	-307	0	0	0
<b>Amortisation at the end of the year</b>	<b>-307</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>7.635</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Notes

	Group		Parent	
	2016 tkr.	2015 tkr.	2016 tkr.	2015 tkr.
<b>9. Acquired intangible assets</b>				
Cost at the beginning of the year	233.900	0	0	0
Addition in connection with merger and purchase of enterprise	0	233.900	0	0
<b>Cost at the end of the year</b>	<b>233.900</b>	<b>233.900</b>	<b>0</b>	<b>0</b>
Amortisation at the beginning of the year	-4.386	0	0	0
Amortisation for the year	-11.700	-4.386	0	0
<b>Amortisation at the end of the year</b>	<b>-16.086</b>	<b>-4.386</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>217.814</b>	<b>229.514</b>	<b>0</b>	<b>0</b>

Other intangible assets relate to customer contracts in DEAS A/S obtained in connection with the acquisition of DEAS Holding A/S. The expected life of the company's customer relationships is assessed for 20 years based on the modest historical disposal of management agreements.

**10. Goodwill**

Cost at the beginning of the year	454.100	0	0	0
Addition in connection with merger and purchase of enterprise	0	454.100	0	0
<b>Cost at the end of the year</b>	<b>454.100</b>	<b>454.100</b>	<b>0</b>	<b>0</b>
Amortisation at the beginning of the year	-8.515	0	0	0
Amortisation for the year	-22.703	-8.515	0	0
<b>Amortisation at the end of the year</b>	<b>-31.218</b>	<b>-8.515</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>422.882</b>	<b>445.585</b>	<b>0</b>	<b>0</b>

Goodwill relates to customer contracts in DEAS A/S obtained in connection with the acquisition of DEAS Holding A/S. Goodwill arising from previous years' business combination is at the date of acquisition allocated to the cash-generating units in DEAS Holding A/S. The expected life of the company's goodwill is assessed to 20 years according to the developments in the modest historical disposal of management agreements.

## Notes

	Group		Parent	
	2016 tkr.	2015 tkr.	2016 tkr.	2015 tkr.
<b>11. Fixtures, fittings, tools and equipment</b>				
Cost at the beginning of the year	9.060	0	0	0
Addition in connection with merger and purchase of enterprise	0	10.636	0	0
Addition during the year	4.841	631	0	0
Disposal during the year	-1.595	-2.207	0	0
<b>Cost at the end of the year</b>	<b>12.306</b>	<b>9.060</b>	<b>0</b>	<b>0</b>
Depreciation at the beginning of the year	-1.368	0	0	0
Depreciation for the year	-4.007	-1.815	0	0
Reversal of depreciation of disposed assets	1.512	447	0	0
<b>Depreciation at the end of the year</b>	<b>-3.863</b>	<b>-1.368</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>8.443</b>	<b>7.692</b>	<b>0</b>	<b>0</b>
<b>12. Leasehold improvements</b>				
Cost at the beginning of the year	7.884	0	0	0
Addition in connection with merger and purchase of enterprise	0	7.546	0	0
Addition during the year	293	338	0	0
<b>Cost at the end of the year</b>	<b>8.177</b>	<b>7.884</b>	<b>0</b>	<b>0</b>
Depreciation at the beginning of the year	-431	0	0	0
Depreciation for the year	-1.063	-431	0	0
<b>Depreciation at the end of the year</b>	<b>-1.494</b>	<b>-431</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>6.683</b>	<b>7.453</b>	<b>0</b>	<b>0</b>



## Notes

	Parent	
	2016 tkr.	2015 tkr.
<b>13. Long-term investments in group enterprises</b>		
Cost at the beginning of the year	472.856	0
Addition during the year	0	472.856
<b>Cost at the end of the year</b>	<b>472.856</b>	<b>472.856</b>
Value adjustments at the beginning of the year	-10.872	0
Share of profit in subsidiaries	-13.206	-10.872
<b>Value adjustments at the end of the year</b>	<b>-24.078</b>	<b>-10.872</b>
<b>Carrying amount at the end of the year</b>	<b>448.778</b>	<b>461.984</b>

#### 14. Disclosure in long-term investments in group enterprises and associates

##### Group enterprises

Name	Registered office	Share held in %	Equity	Profit
Dane MidCo ApS	Frederiksberg	100,00	448.778	-13.206
			<b>448.778</b>	<b>-13.206</b>

##### Associates

Name	Registered office	Share held in %	Equity	Profit
OPS Frederikshavn Byskole A/S	Frederiksberg	50,00	3.479	1.565
Driftsselskabet OPP Vejle A/S	Frederiksberg	50,00	273	-133
Driftsselskabet OPP Svendborg A/S	Frederiksberg	50,00	746	258
OPS Skovbakkeskolen A/S	Frederiksberg	50,00	479	-21
Driftsselskabet OPP Slagelse Sygehus A/S	Frederiksberg	50,00	488	-12
			<b>5.465</b>	<b>1.657</b>

## Notes

	Group		Parent	
	2016 tkr.	2015 tkr.	2016 tkr.	2015 tkr.
<b>15. Long-term investments in associates</b>				
Cost at the beginning of the year	3.543	0	0	0
Addition in connection with merger and purchase of enterprise	0	5.293	0	0
Addition during the year	0	250	0	0
Disposal during the year	0	-2.000	0	0
<b>Cost at the end of the year</b>	<b>3.543</b>	<b>3.543</b>	<b>0</b>	<b>0</b>
Value adjustments at the beginning of the year	-889	0	0	0
Addition in connection with merger and purchase of enterprise	0	-165	0	0
Share of profit in subsidiaries	828	-724	0	0
Dividend	-750	0	0	0
<b>Value adjustments at the end of the year</b>	<b>-811</b>	<b>-889</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>2.732</b>	<b>2.654</b>	<b>0</b>	<b>0</b>
<b>16. Non-current deferred tax assets</b>				
Deferred tax at the beginning of the year	4.644	0	2.393	0
Addition at acquisition of activities	0	0	0	0
Deferred tax for the year	-2.865	4.644	3.296	2.393
Effect of tax rate adjustment	0	0	0	0
Adjustment to prior year	335	0	-1.669	0
<b>Balance at the end of the year</b>	<b>2.114</b>	<b>4.644</b>	<b>4.020</b>	<b>2.393</b>
Deferred tax relates to:				
Intangible assets	-631	2.874	0	0
Property, plant and equipment	-150	292	0	0
Current assets	-512	-575	0	0
Tax loss carryforwards	3.407	2.053	4.020	2.393
	<b>2.114</b>	<b>4.644</b>	<b>4.020</b>	<b>2.393</b>

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

## Notes

## 17. Statement of changes in equity

## Group

	Contributed capital	Share premium	Retained earnings	Total
Equity, beginning balance	32.333	64.567	-17.242	79.658
Capital increase	500	1.000	0	1.500
Conversion of debt	250.000	0	0	250.000
Profit/loss for the year	0	0	-24.816	-24.816
<b>Equity, at the end of the year</b>	<b>282.833</b>	<b>65.567</b>	<b>-42.058</b>	<b>306.342</b>

## Parent

	Contributed capital	Share premium	Retained earnings	Total
Equity, beginning balance	32.333	64.567	-17.242	79.658
Capital increase	500	1.000	0	1.500
Conversion of debt	250.000	0	0	250.000
Profit/loss for the year	0	0	-24.816	-24.816
<b>Equity, at the end of the year</b>	<b>282.833</b>	<b>65.567</b>	<b>-42.058</b>	<b>306.342</b>

By establishment of the company 11th June 2015 the share capital showed tkr. 50. In 2015 a capital increase of tkr. 32.283, in 2016 a capital increase of tkr. 500 and conversion of debt of tkr. 250.000 results in a share capital of tkr. 282.833 as of 31st December 2016.

The company's share capital consists of nominally tkr. 282.833 divided into 32.833.333 A-shares of nominally tkr. 32.833 and 250.000.000 B-shares of nominally tkr. 250.000.

## 18. Long-term liabilities

Principal repayments due within 1 year are included under current liabilities. Other liabilities are recognized in long-term liabilities. Payables are due in the following order.

## Group

	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Other credit institutions	10.000	230.000	0
Payables to shareholders	0	0	149.451
	<b>10.000</b>	<b>230.000</b>	<b>149.451</b>

## Parent

	Due within 1 year	Due between 1 and 5 years	Due after 5 years
Payables to shareholders	0	0	149.451
	<b>0</b>	<b>0</b>	<b>149.451</b>

## Notes

### 19. Significant events occurring after end of reporting period

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

### 20. Collaterals and securities

#### Parent Company

The company is part of a Danish joint taxation as the administrative company. The company is therefore held liable in accordance with the Danish Corporation Tax Act.

Besides this the company has not entered into any surety, warranty or other obligations.

#### Group

The group's shares in Dane BidCo ApS, DEAS Holding A/S, DEAS A/S, DEAS Property Asset Management A/S, DEAS Ejendomsrådgivningsfirma A/S and Kuben Ejendomsadministration A/S have been provided as security for DEAS A/S and Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 240.

The group's bank accounts with a carrying amount of tkr. 39,116 is pledged as security for DEAS A/S and Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 240.

The group's receivables at group companies with a carrying amount of tkr. 0 are pledged as security for DEAS A/S and Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 240.

Dane BidCo ApS has given security in its share transfer agreement to Sampension KP Livsforsikring A/S.

DEAS A/S has provided a guarantee for the landlord amounting to tkr. 62.

DEAS A/S has given suretyship statement as a security for liability insurance and embezzlement guarantee regarding real estate activities in a subsidiary.

DEAS A/S has given suretyship statement for Tryg Garanti amounting to DKK 10 million regarding guarantee of operation provided by Tryg Garanti for Frederikshavn Municipality.

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

### 21. Rental- and leasing contracts

	Group		Parent	
	2016	2015	2016	2015
Within 1 year	19.019	18.674	0	0
Between 1 and 5 years	68.097	79.806	0	0
After 5 years	0	7.425	0	0
	<b>87.116</b>	<b>105.905</b>	<b>0</b>	<b>0</b>

The liability above includes rent commitments at the company's office lease. The rental agreement may be terminated at 12 months' notice, but not earlier than vacating September 1, 2022.

The company and the group leases operating equipment concluded under operating leases. The lease term for operating equipment is typically 3-5 years. None of the leases include contingent rent.

Notes

## 22. Activities acquired

The group has acquired control over the shares of DEAS Holding A/S with effect from 12 August 2015.

The purchase price for the shares amounts to DKK 716,7 million and is paid in cash and contribution in kind. Goodwill has been calculated at DKK 454,1 million according to the following allocation of the company's assets and liabilities measured at fair value.

	<b>Group 2015 tkr.</b>
Intangible assets	233.900
Property, plant and equipment	18.182
Fixed asset investments	15.665
<b>Total fixed assets</b>	<b><u>267.747</u></b>
Receivables	44.625
Securities and investments	4.372
Cash at bank and in hand	21.401
<b>Total current assets</b>	<b><u>70.398</u></b>
Intercompany accounts with customers	-228
Other payables	-75.310
<b>Total short-term liabilities</b>	<b><u>-75.538</u></b>
Total net assets	262.593
Goodwill	454.100
<b>Total purchase price</b>	<b><u>716.693</u></b>

