

Dane BidCo ApS

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

CVR No. 36919841

Annual Report 2018

The Annual Report was presented and
adopted at the Annual General Meeting of
the company on 22 May 2019



Bjørn Allentoft
Chairman

Dane BidCo ApS

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Dane BidCo ApS

Company details

Company	Dane BidCo ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
CVR No.	36919841
Registered office	Frederiksberg
Financial year	1 January 2018 - 31 December 2018
Executive Board	Henrik Dahl Jeppesen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S CVR-no.: 33963556
Consolidated Financial Statements	The company is included in the Consolidated Financial Statements of the parent company Dane TopCo ApS, Frederiksberg.

Dane BidCo ApS

Management's Review

Main activity

DEAS is Denmark's leading property and property asset management company, with activities all over the country. DEAS manages a property portfolio of more than 2,300 commercial and residential properties and more than 77,000 leases in Denmark, mainly owned by institutional investors, private investors, housing cooperatives and homeowners' associations.

DEAS is a full service property house, offering investors services that match their needs for property management, property asset management, and public-private partnership. The Group provides services such as property management of residential and commercial properties, owners associations/shared ownerships and management of shopping centers to domestic and international investors and owners associations. Furthermore, the Group offers asset management services relating to property and property portfolio development for Danish and international institutional investors, funds and family-owned investments. In addition to property and asset management, the DEAS Group provides technical building consultancy, client advisory services, energy management, operation and maintenance, and letting of residential and commercial leases.

Our services are provided by more than 820 employees, the majority of which are administrative staff and about 250 are caretakers. We also provide salary administration services for about 230 employees. The headquarter is located in Copenhagen and we have regional offices in Aalborg, Aarhus and Glostrup.

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

Development in the year

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

On 28 August 2018 DEAS A/S signed an agreement to acquire 100 % of the shares in Nordea Ejendomsinvestering A/S (also known as Nordea Ejendomme). Following approval from authorities, the acquisition was completed on 29 November 2018. The merger of DEAS' asset management activities with those in Nordea Ejendomsinvestering enables DEAS to offer customers a business partner with a clear focus on increasing portfolio value as well as a partner who can execute professionally across the value chain in property management.

In 2018 revenue for the Group grew by DKK 25.1 million to DKK 550.8 million against DKK 525.7 million in 2017. Operating profit before depreciation and amortisation was DKK -7.6 million against DKK 1.5 million in 2017. Profit/loss before tax was realized at DKK -17.0 million against DKK -8.1 million in 2017 and profit/loss for the year DKK -23.5 million against DKK -19.5 million in 2017.

The profit/loss for the year is considered to be satisfactory.

The total assets of the Group per 31st December 2018 are DKK 1.103.9 million against DKK 749.9 million as of 31st December 2017.

The equity per 31st December 2018 is DKK 405.9 million against DKK 429.3 million as of 31st December 2017.

Expectations for 2019

For 2019 the Group expects an increase in revenue and operating profit due to organic growth and development activities.

Capital resources

The group's liquidity reserve per 31st December 2018 is DKK 133.3 million against DKK 56.0 million as at 31st December 2017. The management considers the capital resources to be sufficient.

Dane BidCo ApS

Management's Review

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 535.0 million per 31st December 2018. This debt bears interest at Cibor plus fixed margin.

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.

Environment health and safety

The Group wishes to reduce the environmental impact of climate, both from the managed properties and from our own activities. We wish to promote focus on the environment in close cooperation with customers and users of the properties that the Group manage. To support this ambition, a number of initiatives have been launched.

In order to promote energy savings in the properties that are managed, an energy partnership with Ørsted has been entered into, where energy subsidies are granted to our customers. The Group automatically screens all projects with energy-saving measures launched in the Group. In 2018 the Group saved on behalf of our customers approx. 8 GWh through energy projects. This corresponds to the annual electricity consumption in about 2,600 households.

In 2018, the Group actively contributed to the development of several major property owners' energy and climate strategies. Several major investors have developed a 2020 strategy with a strong focus on energy efficiency and documentation of the same in properties managed by the Group.

During 2018, the Group has participated actively in several research and development projects in the field of energy savings and green initiatives that can help reduce the environmental impact of the climate. The Group is also active in the ELFORSK research pool for energy savings under Dansk Energi - partly through the chairmanship of ELFORSK's executive committee / board, and partly as an active participant in several projects.

Research and development

The Group is developing a digitalization strategy for the benefit of both customers and tenants to digitalize as many parts of the business and services as possible. The development activities mainly include digitalization solutions within self-service products, via websites as well as applications for mobile devices and thereby provide 24/7 accessibility. Furthermore, development activities also include digital project- and task management tools as well as digital solutions within customer reporting, etc. Development activities are expected to have a positive impact on the Group's results for the coming years.

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.

Management's Review

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 aims to provide outstanding customer service while operating profitably and sustainably. The ambition is to deliver the core services, property management and property asset management and the associated services in the most efficient and socially responsible manner. The Group wishes to contribute to the society and community, of which it is part of and considers taking social and environmental responsibility as an investment in the future.

The Group's activities are founded on strong business ethics and integrity. It is core to the Group's culture to show decency and professional behavior and attitude in both internal as well as external 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/csr2018 at the Group's website, which describes the policies, actions and results achieved around each CSR topic.

Share of the under-represented gender

Target for the Executive Board

Dane BidCo ApS is a private limited company and the Supervisory Board consists of one member. There is no requirement for expansion of the Executive Board, so on this basis an equitable distribution of gender is considered irrelevant.

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 Group works to increase the number of the under-represented gender in all other management levels in the organisation. The target for the under-represented gender in all other management levels in the organization is an equal 50/50 distribution. By the end of 2018, the under-represented gender, here female, is 21.0% in all levels of management beyond directors and boards, a decrease of 3.5% points compared to the end of 2017.

We work to increase the under-represented gender ratio by recruitment and promotion, provided that candidates with the right qualifications can be found.

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.

	2018	2017	2016	2015
Net turnover	550.813	525.690	501.141	209.474
Operating profit/loss	-7.583	1.479	4.583	-5.180
Net financial income and expenses	-13.193	-12.146	-12.386	-3.904
Profit/loss for the year	-23.461	-19.492	-13.193	-10.856
Invested capital including intangible assets	786.278	587.440	624.205	669.558
Invested capital excluding intangible assets	-100.251	-32.927	-24.126	-5.547
Investment in tangible fixed assets	3.882	4.209	5.134	969
Total assets	1.103.898	749.870	764.782	770.738
Total equity	405.854	429.315	448.807	462.000
Long-term liabilities	516.256	220.000	230.000	240.000
Short-term liabilities	177.003	98.362	85.975	68.738
Profit margin (%)	-1,38	0,28	0,91	-2,47
Return on equity (ROE) (%)	-5,49	-4,44	-2,90	-2,35
Solvency ratio (%)	36,77	57,25	58,68	59,94
Avg. number of full-time employees	714	682	668	620

Explanation of financial ratios

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

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

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.

Profit margin (%)	=	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$

Dane BidCo ApS

Management's Statement

Today, the Executive Board have considered and adopted the Annual Report of Dane BidCo ApS for the financial year 1 January 2018 - 31 December 2018.

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 2018 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 2018 - 31 December 2018.

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, 20 March 2019

Executive Board



Henrik Dahl Jeppesen

Independent auditor's report

To the shareholder of Dane BidCo ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Dane BidCo ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 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 Parent'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.

Auditor's responsibilities 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 these parent financial statements.

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

- * Identify and assess the risks of material misstatement of the 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

Independent auditor's report

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 Parent'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 Parent'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 the management 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.

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.

Dane BidCo ApS

Independent auditor's report

Copenhagen, 20 March 2019

Deloitte

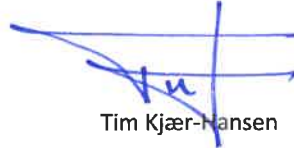
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Lars Kronow

State-Authorised Public Accountant

MNE No.: mne19708



Tim Kjær-Hansen

State-Authorised Public Accountant

MNE No.: mne23295

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Income Statement

	Note	Group 2018 tkr.	2017 tkr.	Parent 2018 tkr.	2017 tkr.
Revenue		550.813	525.690	9.405	11.785
Cost of sales		-31.438	-26.631	0	0
Other external expenses	1	-89.509	-85.719	-1.137	-4.561
Employee benefits expense	2	-393.694	-370.295	-8.957	-11.223
Depreciation and amortisation	3	-43.755	-41.566	0	0
Profit from ordinary operating activities		-7.583	1.479	-689	-3.999
Income from investments in group enterprises and associates	4	3.734	2.560	-19.160	-11.377
Other finance income	5	301	297	0	0
Finance expenses	6	-13.494	-12.443	-4.615	-2.863
Profit from ordinary activities before tax		-17.042	-8.107	-24.464	-18.239
Tax expense on ordinary activities	7	-6.419	-11.385	1.003	-1.253
Profit		-23.461	-19.492	-23.461	-19.492
Proposed distribution of results					
Retained earnings		-23.461	-19.492	-23.461	-19.492
Distribution of profit		-23.461	-19.492	-23.461	-19.492

Dane BidCo ApS

Balance Sheet as of 31 December

	Note	Group 2018 tkr.	2017 tkr.	Parent 2018 tkr.	2017 tkr.
Assets					
Completed development projects	8	11.878	8.811	0	0
Acquired intangible assets	9	367.649	211.203	0	0
Goodwill	10	507.002	400.353	0	0
Intangible assets		886.529	620.367	0	0
Fixtures, fittings, tools and equipment	11	7.662	8.014	0	0
Leasehold improvements	12	4.843	5.934	0	0
Property, plant and equipment		12.505	13.948	0	0
Long-term investments in group enterprises	13, 14	0	0	958.686	492.846
Long-term investments in associates	14, 15	7.581	4.592	0	0
Long-term receivables from associates	16	4.000	4.000	0	0
Deposits, investments	17	9.051	7.556	0	0
Investments		20.632	16.148	958.686	492.846
Fixed assets		919.666	650.463	958.686	492.846
Short-term trade receivables		23.151	22.277	0	0
Other short-term receivables		17.466	9.401	0	0
Prepaid expenses	19	2.998	3.661	6	23
Receivables		43.615	35.339	6	23
Other short-term investments		7.347	8.023	0	0
Short-term investments		7.347	8.023	0	0
Cash and cash equivalents		133.270	56.045	58	1.643
Current assets		184.232	99.407	64	1.666
Assets		1.103.898	749.870	958.750	494.512

Balance Sheet as of 31 December

	Note	Group 2018 tkr.	2017 tkr.	Parent 2018 tkr.	2017 tkr.
Liabilities and equity					
Contributed capital		50	50	50	50
Retained earnings		405.804	429.265	405.804	429.265
Equity		405.854	429.315	405.854	429.315
Provisions for deferred tax	18	4.785	2.193	348	95
Provisions		4.785	2.193	348	95
Other credit institutions		516.256	220.000	516.256	50.000
Long-term liabilities other than provisions	20	516.256	220.000	516.256	50.000
Short-term part of long-term liabilities		5.361	10.000	5.361	0
Trade payables		50.190	14.820	0	3
Payables to group enterprises		212	3.422	27.420	9.900
Tax payables		9.106	8.227	120	120
Other payables		112.134	61.893	3.391	5.079
Short-term liabilities other than provisions		177.003	98.362	36.292	15.102
Liabilities other than provisions within the business		693.259	318.362	552.548	65.102
Liabilities and equity		1.103.898	749.870	958.750	494.512
Significant events occurring after end of reporting period	21				
Collaterals and assets pledged as security	22				
Rental- and leasing contracts	23				
Related parties	24				

Dane BidCo ApS

Statement of changes in Equity

Parent

	Contributed capital	Retained earnings	Total
Equity 1 January 2018	50	429.265	429.315
Profit (loss)	0	-23.461	-23.461
Equity 31 December 2018	50	405.804	405.854

Group

	Contributed capital	Retained earnings	Total
Equity 1 January 2018	50	429.265	429.315
Profit (loss)	0	-23.461	-23.461
Equity 31 December 2018	50	405.804	405.854

Cash Flow Statement

Group

	2018	2017
	tkr.	tkr.
Profit/Loss for the year	-23.461	-19.492
Depreciation and amortisation	43.755	41.566
Profit from associates after tax	-3.734	-2.560
Interest and similar incomes	-301	-297
Interest and similar expenses	13.494	12.443
Tax	6.419	11.385
Other changes in working capital	32.111	-117
Cash flow from operating activities before financial items	68.283	42.928
Interest received	301	297
Interest paid	-13.475	-12.431
Cash flows from operating activities	55.109	30.794
Purchase of intangible assets	-5.512	-8.251
Purchase of property, plant and equipment	-2.899	-4.209
Sales of property, plant and equipment	0	36
Capital contribution in associates	-250	0
Dividends	1.655	5.100
Business combinations	-259.285	0
Cash flows from investing activities	-266.291	-7.324
Repayment of debt to other credit institutions	-230.000	-10.000
Raising of debt from other credit institutions	521.617	0
Raising/repayment of debt to group enterprises	-3.210	396
Divestment of bonds	0	-21
Cash flows from financing activities	288.407	-9.625
Net increase (decrease) in cash and cash equivalents	77.225	13.845
Cash and cash equivalents, beginning balance	56.045	42.200
Cash and cash equivalents, ending balance	133.270	56.045
Cash and cash equivalents specified:		
Cash and cash equivalents	133.270	56.045
Cash and cash equivalents in total	133.270	56.045

Dane BidCo ApS

Accounting Policies

Reporting Class

The Annual Report of Dane BidCo ApS for 2018 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 applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Consolidated Financial Statements

The Consolidated Financial Statements comprise the parent company Dane BidCo ApS and subsidiaries in which Dane BidCo 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, cf. Group chart.

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.

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 sale and 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:

	Useful life
Completed development projects	5 years
Acquired intangible assets	20 years
Goodwill	20 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 equity 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.

Financial 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 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.

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.

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 component which are separately depreciated.

Equity investments in group enterprises and associates

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.

Equity investments in subsidiaries and associates with a negative equity value are measured at DKK 0, and any

Dane BidCo ApS

Accounting Policies

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 BidCo 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.

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

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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	
	2018 tkr.	2017 tkr.	2018 tkr.	2017 tkr.
1. Fees for auditors selected on the general meeting				
Statutory audit	563	356	61	60
Other assurance reports	69	92	21	45
Other services	146	16	0	0
	778	464	82	105
2. Employee benefits expense				
Wages and salaries	358.814	338.040	8.012	10.146
Pensions	24.613	22.082	906	1.060
Social security contributions	5.614	5.400	28	6
Other employee expense	4.653	4.773	11	11
	393.694	370.295	8.957	11.223
<i>Hereof remuneration to management</i>				
Management	3.141	3.107	149	258
	3.141	3.107	149	258
The amount contains the value of free cars.				
Average no. of employees	714	682	4	4
3. Depreciations and amortisations				
Development projects	2.519	1.675	0	0
Acquired intangible assets	12.657	11.831	0	0
Goodwill	23.256	22.709	0	0
Fixtures, fittings, tools and equipment	4.218	4.276	0	0
Leasehold improvements	1.107	1.084	0	0
Profit on sale of equipment	-2	-9	0	0
	43.755	41.566	0	0
4. Income from investments in group enterprises and associates				
Share of profit in subsidiaries	0	0	2.879	10.664
Goodwill adjustment in subsidiaries	0	0	-22.039	-22.041
Share of profit in associations	3.734	2.560	0	0
	3.734	2.560	-19.160	-11.377

Notes

	Group		Parent	
	2018	2017	2018	2017
	tkr.	tkr.	tkr.	tkr.
5. Finance income				
Interests from associates	240	240	0	0
Securities adjustments	3	0	0	0
Other financial income	58	57	0	0
	301	297	0	0
6. Finance expenses				
Interests group companies	24	141	492	455
Securities adjustments	19	3	0	0
Borrowing costs	502	0	245	0
Other finance expenses	12.949	12.299	3.878	2.408
	13.494	12.443	4.615	2.863
7. Tax expense				
Current tax for the year	8.927	8.055	0	0
Adjustment to prior year tax	403	370	0	120
Adjustment to prior year deferred tax	-6	514	0	161
Deferred tax for the year	-2.905	2.446	-1.003	972
	6.419	11.385	-1.003	1.253
8. Completed development projects				
Cost at the beginning of the year	10.793	7.942	0	0
Addition during the year	5.586	2.851	0	0
Cost at the end of the year	16.379	10.793	0	0
Amortisation at the beginning of the year	-1.982	-307	0	0
Amortisation for the year	-2.519	-1.675	0	0
Amortisation at the end of the year	-4.501	-1.982	0	0
Carrying amount at the end of the year	11.878	8.811	0	0

Notes

	Group		Parent	
	2018	2017	2018	2017
	tkr.	tkr.	tkr.	tkr.
9. Acquired intangible assets				
Cost at the beginning of the year	239.120	233.900	0	0
Addition during the year	169.103	5.220		
Cost at the end of the year	408.223	239.120	0	0
Amortisation at the beginning of the year	-27.917	-16.086	0	0
Amortisation for the year	-12.657	-11.831	0	0
Amortisation at the end of the year	-40.574	-27.917	0	0
Carrying amount at the end of the year	367.649	211.203	0	0

Acquired intangible assets relate to customer contracts in DEAS A/S obtained in connection with the acquisition of DEAS Holding A/S, the activity in REC Administration A/S and Nordea Ejendomsinvestering 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	454.280	454.100	0	0
Addition during the year	129.905	180		
Cost at the end of the year	584.185	454.280	0	0
Amortisation at the beginning of the year	-53.927	-31.218	0	0
Amortisation for the year	-23.256	-22.709	0	0
Amortisation at the end of the year	-77.183	-53.927	0	0
Carrying amount at the end of the year	507.002	400.353	0	0

Goodwill relates to customer contracts in DEAS A/S obtained in connection with the acquisition of DEAS Holding A/S, the activity in REC Administration A/S and Nordea Ejendomsinvestering 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	
	2018	2017	2018	2017
	tkr.	tkr.	tkr.	tkr.
11. Fixtures, fittings, tools and equipment				
Cost at the beginning of the year	16.152	12.306	0	0
Addition during the year	3.866	3.874	0	0
Disposal during the year	-911	-28	0	0
Cost at the end of the year	19.107	16.152	0	0
Depreciation at the beginning of the year	-8.138	-3.863	0	0
Depreciation for the year	-4.218	-4.276	0	0
Reversal of depreciation of disposed assets	911	1	0	0
Depreciation at the end of the year	-11.445	-8.138	0	0
Carrying amount at the end of the year	7.662	8.014	0	0
12. Leasehold improvements				
Cost at the beginning of the year	8.512	8.177	0	0
Addition during the year	16	335	0	0
Cost at the end of the year	8.528	8.512	0	0
Depreciation at the beginning of the year	-2.578	-1.494	0	0
Depreciation for the year	-1.107	-1.084	0	0
Depreciation at the end of the year	-3.685	-2.578	0	0
Carrying amount at the end of the year	4.843	5.934	0	0
13. Long-term investments in group enterprises				
Cost at the beginning of the year			716.693	716.693
Addition during the year			485.000	0
Cost at the end of the year			1.201.693	716.693
Value adjustments at the beginning of the year			-223.847	-212.470
Share of profit in subsidiaries			2.879	10.664
Goodwill amortization			-22.039	-22.041
Value adjustments at the end of the year			-243.007	-223.847
Carrying amount at the end of the year			958.686	492.846

Notes

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

Group enterprises

Name	Registered office	Share held in %	Equity	Profit
DEAS Holding A/S	Frederiksberg	100,00	550.520	2.879
			550.520	2.879

Associates

Name	Registered office	Share held in %	Equity	Profit
OPS Frederikshavn Byskole A/S	Frederiksberg	50,00	4.427	2.305
Driftsselskabet OPP Vejle A/S	Frederiksberg	50,00	6.376	2.784
Driftsselskabet OPP Svendborg A/S	Frederiksberg	50,00	700	194
OPS Skovbakkeskolen A/S	Frederiksberg	50,00	2.078	1.573
Driftsselskabet OPP Slagelse Sygehus A/S	Frederiksberg	50,00	1.095	626
OPS Østerbro Skøjtehal A/S	Frederiksberg	50,00	486	-14
			15.162	7.468

	Group		Parent	
	2018	2017	2018	2017
	tkr.	tkr.	tkr.	tkr.

15. Long-term investments in associates

Cost at the beginning of the year	3.543	3.543	0	0
Addition during the year	250	0	0	0
Cost at the end of the year	3.793	3.543	0	0

Value adjustments at the beginning of the year	1.049	-811	0	0
Share of profit in subsidiaries	3.734	2.560	0	0
Dividend	-995	-700	0	0
Value adjustments at the end of the year	3.788	1.049	0	0

Carrying amount at the end of the year	7.581	4.592	0	0
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16. Long-term receivables from associates

Cost at the beginning of the year	4.000	4.000	0	0
Addition during the year	0	0	0	0
Cost at the end of the year	4.000	4.000	0	0

Value adjustments at the beginning of the year	0	0	0	0
Value adjustments for the year	0	0	0	0
Value adjustments at the end of the year	0	0	0	0

Carrying amount at the end of the year	4.000	4.000	0	0
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Notes

	Koncern		Moderselskab	
	2018 tkr.	2017 tkr.	2018 tkr.	2017 tkr.
17. Deposits, investments				
Cost at the beginning of the year	7.556	7.503	0	0
Addition during the year	1.495	53	0	0
Cost at the end of the year	9.051	7.556	0	0
Value adjustments at the beginning of the year	0	0	0	0
Value adjustments for the year	0	0	0	0
Value adjustments at the the end of the year	0	0	0	0
Carrying amount at the end of the year	9.051	7.556	0	0
18. Deferred tax				
Deferred tax at the beginning of the year	2.193	-5.920	95	-1.710
Acquisition of enterprise	-134	0	0	0
Deferred tax for the year	-2.905	2.446	-1.003	972
Adjustment to prior year	-6	514	0	161
Allocation joint taxation	5.637	5.153	1.256	672
Balance at the end of the year	4.785	2.193	348	95
Deferred tax relates to:				
Intangible assets	3.957	2.897	0	0
Property, plant and equipment	469	442	0	0
Current assets	554	794	0	0
Long-term debt	-39	-159	-39	-61
Short-term debt	4.758	4.247	1.803	1.803
Tax loss carryforwards	-4.914	-6.028	-1.416	-1.647
	4.785	2.193	348	95

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

19. Prepaid expenses

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

Notes

20. Long-term liabilities

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

Group

	Due within 1 year	Due between 1 and 5 year	Due after 5 years
Other credit institutions	7.500	75.900	451.600
Borrowing costs	-2.139	-7.902	-3.342
	<u>5.361</u>	<u>67.998</u>	<u>448.258</u>

Parent

	Due within 1 year	Due between 1 and 5 year	Due after 5 years
Other credit institutions	7.500	75.900	451.600
Borrowing costs	-2.139	-7.902	-3.342
	<u>5.361</u>	<u>67.998</u>	<u>448.258</u>

21. Significant events occurring after end of reporting period

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

22. Collaterals and securities**Parent Company**

The company's shares in DEAS Holding A/S have been provided as security for the parent company Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 535.

The company's bank accounts with a carrying amount of tkr. 58 is pledged as security for the parent company Dane BidCo ApS 'debt to other credit institutions, amounting to mio.kr. 535.

The company's receivables at group companies with a carrying amount of tkr. 0 are pledged as security for the parent company Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 535.

The company has in the course of obtaining financing given suretyship statement for certain group companies' liabilities to credit institutions.

The company has given security in its share transfer agreement to Danske Bank A/S.

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

Group

The group's shares in DEAS Holding A/S, DEAS A/S and DEAS Asset Management A/S have been provided as security for Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 535.

The group's bank accounts with a carrying amount of tkr. 32.384 is pledged as security for Dane BidCo ApS 'debt to other credit institutions, amounting to mio.kr. 535.

The group's receivables at group companies with a carrying amount of tkr. 0 are pledged as security for Dane BidCo ApS' debt to other credit institutions, amounting to mio.kr. 535.

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The group has in the course of obtaining financing given suretyship statement for certain group companies' liabilities to credit institutions.

Dane BidCo ApS has given security in its share transfer agreement to Danske Bank A/S.

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

DEAS A/S has given suretyship statement for Tryg Garanti amounting to mio.kr. 5.3 regarding guarantee of operation provided by Tryg Garanti for Frederikshavn Municipality.

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

DEAS A/S has in course of fulfillment of OPP Driftsselskabet Vejle A/S' obligations given suretyship statement for Tryg Garanti amounting to mio.kr. 20 regarding guarantee of operation provided by Tryg Garanti for OPP Vejle P/S. The company has in course of fulfillment of OPP Driftsselskabet Vejle A/S' obligations given suretyship statement for OPP Vejle P/S amounting mio.kr. 10.

DEAS A/S has in course of fulfillment of OPS Skovbakkeskolen A/S' obligations given suretyship statement for Tryg Garanti amounting mio.kr. 6.5 regarding guarantee of operation provided by Tryg Garanti for Odder Kommune.

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

23. Rental- and leasing contracts

	Group		Parent	
	2018	2017	2018	2017
	tkr.	tkr.	tkr.	tkr.
Within 1 year	19.608	18.866	227	317
Between 1 and 5 year	41.571	52.009	408	331
After 5 years	0	0	0	0
	<u>61.179</u>	<u>70.875</u>	<u>635</u>	<u>648</u>

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.

24. Related parties

The company is included in the Consolidated Financial Statements of the parent company Dane TopCo ApS, Frederiksberg.

All transactions with related parties are carried out at arm's length terms.