

Danica Corporation A/S
Steensbjerg Industri Park, Påstrupvej 1, 3550 Slangerup
Company reg. no. 25 05 11 22
Annual report
1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 7 July 2022.

Steffen Barke Nevermann
Chairman of the meeting

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Notes:

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

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Danica Corporation A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Slangerup, 7 July 2022

Managing Director

Steffen Barke Nevermann
Managing director

Board of directors

Tine Barke Nevermann Tesdorpf Steffen Barke Nevermann Nikolas Barke Nevermann

Else Margrethe Nevermann

Independent auditor's report

To the Shareholders of Danica Corporation A/S

Opinion

We have audited the financial statements of Danica Corporation A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

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

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

Hillerød, 7 July 2022

Grant Thornton

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

Claus Koskelin

State Authorised Public Accountant
mne30140

Company information

The company

Danica Corporation A/S
Steensbjerg Industri Park
Påstrupvej 1
3550 Slangerup

Company reg. no. 25 05 11 22
Established: 22 November 1999
Domicile: Slangerup
Financial year: 1 January - 31 December

Board of directors

Tine Barke Nevermann Tesdorpf
Steffen Barke Nevermann
Nikolas Barke Nevermann
Else Margrethe Nevermann

Managing Director

Steffen Barke Nevermann, Managing director

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Nordstensvej 11
3400 Hillerød

Parent company

Danica Corporation Holding A/S

Management's review

The principal activities of the company

Like previous years, the main activities are ownership and leasing of property in Brazil but the property was sold during the year.

Development in activities and financial matters

The gross profit for the year totals DKK 24.000 against DKK 501.000 last year. Income or loss from ordinary activities after tax totals DKK -700.000 against DKK 773.000 last year. Management considers the net profit or loss for the year satisfactory.

The company has sold their rental property during the year.

Events subsequent to the financial year

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

Income statement 1 January - 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	24.182	501
Depreciation and writedown relating to tangible fixed assets	0	-130
Other operating expenses	-750.733	0
Operating profit	-726.551	371
Income from investment	0	137
Other financial income	6.156	31
2 Other financial costs	-854	-2
Pre-tax net profit or loss	-721.249	537
Tax on ordinary results	20.944	236
Net profit or loss for the year	-700.305	773
Proposed appropriation of net profit:		
Dividend for the financial year	662.106	2.000
Allocated from retained earnings	-1.362.411	-1.227
Total allocations and transfers	-700.305	773

Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

Assets			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Non-current assets			
3	Property	<u>0</u>	<u>7.106</u>
	Total property, plant, and equipment	<u>0</u>	<u>7.106</u>
	Total non-current assets	<u>0</u>	<u>7.106</u>
Current assets			
	Trade debtors	0	71
	Amounts owed by group enterprises	987.314	0
	Tax receivables from subsidiaries	20.944	236
	Other debtors	<u>8.887</u>	<u>257</u>
	Total receivables	<u>1.017.145</u>	<u>564</u>
	Available funds	<u>171.446</u>	<u>21</u>
	Total current assets	<u>1.188.591</u>	<u>585</u>
	Total assets	<u>1.188.591</u>	<u>7.691</u>

Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
	Contributed capital	500.000	500
	Results brought forward	0	1.362
	Proposed dividend for the financial year	662.106	2.000
	Total equity	1.162.106	3.862
Liabilities other than provisions			
	Trade creditors	26.485	144
	Debt to group enterprises	0	3.450
	Unpaid dividend	0	235
	Total short term liabilities other than provisions	26.485	3.829
	Total liabilities other than provisions	26.485	3.829
	Total equity and liabilities	1.188.591	7.691

1 Special items

4 Contingencies

Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2021	2020
Expenses:		
costs related to property	220.422	0
Losses in connection with the sale of property	530.311	0
	<u>750.733</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Other operating expenses	-750.733	0
Profit of special items, net	<u>-750.733</u>	<u>0</u>

2. Other financial costs

Other financial costs	854	2
	<u>854</u>	<u>2</u>

Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

	31/12 2021	31/12 2020
3. Property		
Cost opening balance	7.495.600	7.496
Disposals during the year	-7.495.600	0
Cost end of period	0	7.496
Depreciation and writedown opening balance	-389.736	-260
Depreciation for the year	0	-130
Reversal of depreciation, amortisation and writedown, assets disposed of	389.736	0
Depreciation and writedown end of period	0	-390
Carrying amount, end of period	0	7.106

4. Contingencies

Joint taxation

Danica Corporation Holding A/S, company reg. no 31 76 43 86 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

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

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

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

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue and external costs.

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

Other external costs comprise costs for sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Other operating costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the participating interest is recognised in the income statement as a proportional share of the participating interests' post-tax profit or loss.

Tax of the results for the year

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

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

Accounting policies

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

The balance sheet

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

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

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

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

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

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

	Useful life	Residual value
Buildings	50 years	0-20 %

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

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

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accrued income and deferred expenses

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

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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

Accounting policies

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

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

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

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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Tine Barke Nevermann Tesdorpf

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Mit  

Steffen Barke Nevermann

Direktør og dirigent

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Mit  

Else Margrethe Nevermann

Bestyrelsesmedlem

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Nikolas Barke Nevermann

Bestyrelsesmedlem

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Mit  

Claus Koskelin

Statsautoriseret revisor

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