Danica Corporation Holding A/S

Steensbjerg Industri Park, Påstrupvej 1, 3550 Slangerup

Company reg. no. 31 76 43 86

Annual report

1 January - 31 December 2021

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

Steffen Barke Nevermann
Chairman of the meeting

Contents

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 Holding 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

Board of directors

Tine Nevermann Tesdorpf   Nikolas Barke Nevermann   Else Margrethe Nevermann

Steffen Barke Nevermann

Independent auditor's report

To the Shareholders of Danica Corporation Holding A/S

Opinion

We have audited the financial statements of Danica Corporation Holding 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.

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 Holding A/S Steensbjerg Industri Park Påstrupvej 1 3550 Slangerup	
	Company reg. no.	31 76 43 86
	Established:	1 July 2008
	Domicile:	Slangerup
	Financial year:	1 January - 31 December
Board of directors	Tine Nevermann Tesdorpf Nikolas Barke Nevermann Else Margrethe Nevermann Steffen Barke Nevermann	
Managing Director	Steffen Barke Nevermann	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Nordstensvej 11 3400 Hillerød	
Subsidiaries	Danica Corporation A/S, Slangerup, Denmark Steensbjerg A/S, Slangerup, Denmark	
Participating interest	Danica Capital Investimentos Ltda., Brasil	

Management´s review

The principal activities of the company

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

Development in activities and financial matters

The revenue for the year totals DKK 601.000 against DKK 578.000 last year. Income or loss from ordinary activities after tax totals DKK 3.309.000 against DKK 1.011.000 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

There have been no events 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.

Note		2021	2020
	Revenue	600.998	578
	Other external expenses	-870.071	-521
	Gross profit	**-269.073**	**57**
	Depreciation and impairment of non-current assets	-172.344	-170
	Operating profit	**-441.417**	**-113**
	Income from equity investments in subsidiaries	-495.008	567
	Other financial income	5.378.108	2.577
	Other financial costs	-59.114	-2.714
	Pre-tax net profit or loss	**4.382.569**	**317**
	Tax on net profit or loss for the year	-1.073.116	694
	Net profit or loss for the year	**3.309.453**	**1.011**
	Proposed appropriation of net profit:		
	Extraordinary dividend adopted during the financial year	0	73.500
	Transferred to retained earnings	3.309.453	0
	Allocated from retained earnings	0	-72.489
	Total allocations and transfers	**3.309.453**	**1.011**

Balance sheet at 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Assets

Note		2021	2020
	Non-current assets		
2	Property	13.894.191	14.017
	Total property, plant, and equipment	13.894.191	14.017
3	Investments in subsidiaries	11.255.048	12.851
4	Receivables from group enterprises	4.193.139	3.567
5	Investments in participating interests	9.843.112	9.843
	Total investments	25.291.299	26.261
	Total non-current assets	**39.185.490**	**40.278**
	Current assets		
	Receivables from group enterprises	0	3.582
	Accounts receivable from equity interests	3.027.960	1.809
	Deferred tax assets	636.618	1.067
	Income tax receivables	233.310	114
	Other receivables	21.394.577	21.578
	Receivables from owners and management	27.601.479	25.916
	Prepayments and accrued income	12.677	12
	Total receivables	52.906.621	54.078
	Other financial instruments and equity investments	15.642.793	14.661
	Total investments	15.642.793	14.661
	Cash on hand and demand deposits	3.558.232	416
	Total current assets	**72.107.646**	**69.155**
	Total assets	**111.293.136**	**109.433**

Balance sheet at 31 December

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

Note	**Equity and liabilities**	2021	2020
	Equity		
	Contributed capital	650.000	650
6	Retained earnings	4.194.737	885
	Total equity	**4.844.737**	**1.535**
	Liabilities other than provisions		
	Subordinate loan capital	92.991.877	95.666
	Mortgage loans	10.501.162	10.536
7	Total long term liabilities other than provisions	103.493.039	106.202
7	Current portion of long term payables	34.446	28
	Payables to subsidiaries	1.003.846	0
	Payables to equity interests	1.274.712	1.275
	Income tax payable	422.215	0
	Income tax payable to subsidiaries	220.141	373
	Other payables	0	20
	Total short term liabilities other than provisions	2.955.360	1.696
	Total liabilities other than provisions	**106.448.399**	**107.898**
	Total equity and liabilities	**111.293.136**	**109.433**

1 Disclosures on fair value
8 Charges and security
9 Contingencies

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

1. Disclosures on fair value

	Listed shares
Fair value at end of period	15.642.793
Change in fair value of the year recognised in the statement of financial activity	982.274

	31/12 2021	31/12 2020
2. Property		
Cost opening balance	15.134.182	15.103
Additions during the year	49.456	31
Cost end of period	**15.183.638**	**15.134**
Depreciation and writedown opening balance	-1.117.103	-947
Amortisation and depreciation for the year	-172.344	-170
Depreciation and writedown end of period	**-1.289.447**	**-1.117**
Carrying amount, end of period	**13.894.191**	**14.017**

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		31/12 2021	31/12 2020
3.	**Investments in subsidiaries**		
	Cost opening balance	71.091.501	71.092
	Cost end of period	**71.091.501**	**71.092**
	Revaluations, opening balance opening balance	-58.241.445	-58.258
	Net profit or loss for the year before amortisation of goodwill	-495.008	567
	Dividend	-1.100.000	-550
	Revaluation end of period	**-59.836.453**	**-58.241**
	Carrying amount, end of period	**11.255.048**	**12.851**

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

	Equity interest	Equity DKK	Results for the year DKK	Carrying amount, Danica Corporation Holding A/S DKK
Danica Corporation A/S, Slangerup, Denmark	55 %	1.162.106	-700.305	639.158
Steensbjerg A/S, Slangerup, Denmark	100 %	8.589.267	-110.849	10.614.885
		9.751.373	**-811.154**	**11.254.043**

		31/12 2021	31/12 2020
4.	**Receivables from group enterprises**		
	Receivables from group enterprise Steensbjerg A/S	4.193.139	3.567
		4.193.139	**3.567**

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

		31/12 2021	31/12 2020
5.	**Investments in participating interests**		
	Cost opening balance	9.843.112	9.843
	Cost end of period	**9.843.112**	**9.843**
	Carrying amount, end of period	**9.843.112**	**9.843**

Participating interests:

	Domicile	Equity interest
Danica Capital Investimentos Ltda.	Brasil	24 %

		31/12 2021	31/12 2020
6.	**Retained earnings**		
	Retained earnings opening balance	885.284	73.918
	Retained earnings for the year	3.309.453	-72.489
	Extraordinary dividend adopted during the financial year	0	73.500
	Distributed extraordinary dividend adopted during the financial year	0	-73.500
	Adjustment according to ÅRL § 51	0	1.265
	Adjustment according to ÅRL § 52, 2	0	-1.809
		4.194.737	**885**

7. Liabilities other than provision

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Subordinate loan capital	92.991.877	0	92.991.877	0
Mortgage loans	10.535.608	34.446	10.501.162	-10.361.201
	103.527.485	**34.446**	**103.493.039**	**-10.361.201**

Notes

Amounts concerning 2021: DKK.
Amounts concerning 2020: DKK thousand.

8. Charges and security

As collateral for mortgage loans, DKK 10,3 milion, security has been granted on land and buildings representing a carrying amount of DKK 13,9 milion at 31 December 2021.

9. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

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

Changes in the accounting policies

It has been decided to change the accounting policies applied to the recognition of investments in participating interests that have previously been recognized using the equity method. The company's investments in participating interest are now recognized according to the cost method as this has been assessed more fairly as the result is shown in relation to the original investment.

The change is recognized in the year as well as in the previous year column and has affected the result for the year negatively by t.DKK 765 (2020: negatively affected by t.DKK 886). The balance sheet for the year are effected by t.DKK 294 (2020: affected the balance sheet by t.DKK 453). At the beginning of 2020, equity was affected by t.DKK 557.

Correction according to ÅRL § 52 paragraph 2

Following the presentation of the annual report for 2020, information has emerged that has led to a correction of comparative figures. The correction includes recognition of receivables from investments in participating interests that have previously been presented as part of the investment as well as recognition of currency adjustments of loans.

The corrections have affected the result for the year pre-tax in the comparative figures negatively by t.DKK 2.670 as well as balance sheet with t.kr. 423. The corrections have affected tax on the profit for the year by t.DKK with t.kr. 832.

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of 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.

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

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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

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

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

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

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 securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries and participating interest
After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' post-tax profit or loss.

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

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

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

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

Statement of financial position

Property, plant, and equipment

Property, 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	30 years	20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

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

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

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries og participating interest are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

The recoverable amount is 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. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries and participating interest

Investments in subsidiaries and participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries and participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries and participating interest but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries and participating interest with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

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

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

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

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.

Prepayments and accrued income

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

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash on hand and demand deposits

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

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Reserve for net revaluation according to the equity method

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

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

The reserve cannot be recognised by a negative amount.

Dividend

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

Income tax and deferred tax

As administration company, Danica Corporation Holding A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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.

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.

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

Deferred tax is 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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

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

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

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