ANNUAL REPORT

2018

SANTA FE
GROUP

Assignment Management
Immigration
Destination Services
Moving

We make it easy

We enable people and organisations to work, live and thrive in new places around the world.

Our mission is to deliver exceptional relocation experiences for our customers.
Human and Digital. Consistent and Compliant. Global and Local.
The experience is enriched by the integrity, drive, quality and passion of our people.
We are a global mobility company. We cover the entire relocation journey, from moving, destination services, immigration, through to full assignment management solutions.
We make it easy.

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REFLECTION 01

Today 15:22

Dear Karabo,

Please review the pending **exception request** for **Mr Anton Murphy's** relocation. **Login in to our portal** and manage exceptions here.

Chen Xú
Global Mobility Consultant

We are …

1,976 people speaking 67 languages working in 96 offices in 47 countries thriving as one team.

Today 15:22

Dear Hana,

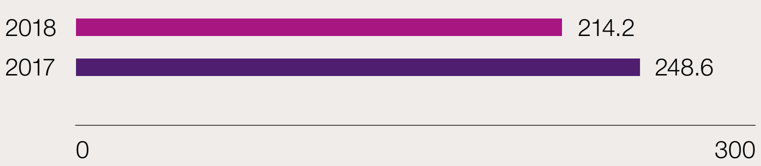
Thank you for approving the assignment letter for **Mrs Winnie Li**. We are pleased to inform you that we have shared it with her. You can access the letter for future reference by **logging in to our portal**.

Bram Albers
Global Mobility Consultant

Financial highlights

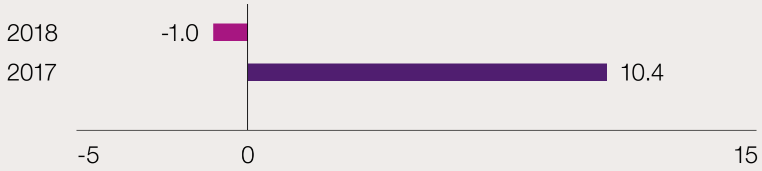
Revenue

EURm



EBITDA before special items

EURm



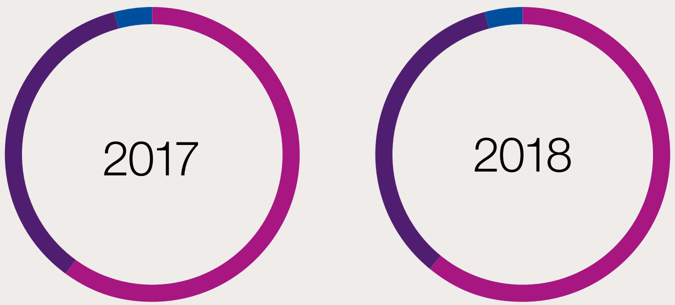
-13.8%

in EUR from 2017-2018

-12.2%

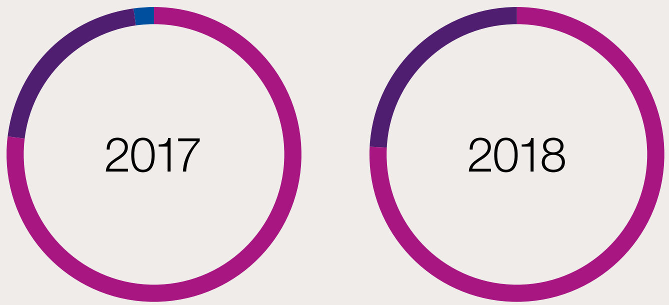
in local currency from 2017-2018

Revenue by segment



	2017	2018
Europe	60%	61%
Asia	36%	35%
Americas	4%	4%

Revenue by business line



	2017	2018
Moving	77%	76%
Relocation	21%	24%
Records Mgmt.	2%	0%

MANAGEMENT REVIEW

Letter to our shareholders

Battling the market downturn

2018 was a very challenging year for the global relocation industry, with declining activity levels all around. The extent of the market weakness exceeded our expectations, with a severe negative impact on our financial performance. With the strong headwinds, we re-assessed our capital structure and launched two divestment projects of which one was concluded in December.

The gravity of the market conditions was felt in almost all operational markets. Brexit in particular had a significant impact on relocations into and out of the UK, and on UK clients globally, but almost all markets globally were under pressure. Geopolitical and economic uncertainty meant that many corporate customers were (and are) holding back on international relocations, and curtailed employee relocation benefits to reduce cost and risks. For Santa Fe, impact was further worsened by the continued losses in Australia – a situation, that had become untenable for us.

Despite market pressures, we achieved growth in our target segments. Under Relocation Services, we grew our Immigration Business and our Assignment Management Business, and under Moving, we grew our Consumer Business.

Our Customer Satisfaction ratings continue to be excellent, ending 2018 with an average score of 4.3 (of 5), and a 93% satisfaction. Based on our CORE operating system, we are increasing the collection of data, and now receive feedback and ratings from customers continuously throughout their relocation journey.

Total Group revenue declined by 12.2% in local currencies. Revenue from Relocation Services, grew by 2.6% in local currencies, and especially our Immigration Services proved very successful. Relocation Services constituted 24% of total revenue in 2018.

The operating result (EBITDA before special items) of EUR -1.0m was lower than in 2017 and also below the original outlook at the beginning of the year. Market decline accelerated, and uptake of new client wins was slower than anticipated, not least in a very difficult UK market. As a result of a a weak year in Europe a non-cash impairment loss of EUR 41.6m has been recognised in 2018 related to the Interdean goodwill and customer relations. However, the Company responded swiftly to the challenging market conditions with strict measures to curtail cost and align the organisation to the lower activity level.

Capital Structure

Santa Fe's cash flow for the year was impacted by the unsatisfactory financial performance and the continued investments in technology, however mitigated by receipt of proceeds and holdbacks from the sale of the Records Management activities including China and Portugal. The Company's debt increased by EUR 9m in connection with the refinancing of HSBC and Danske Bank with the new facility provided by Proventus Capital Partners.

As the Company in the second half of 2018 was exploring opportunities to strengthen the capital structure, the opportunity to divest the Immigration business at a cash consideration of EUR 52m gave a path to a debt free company and a strong capital foundation. Unexpectedly it turned out in February 2019 that the transaction was not able to be completed, where after we started working with Santa Fe's financing partner, Proventus Capital Partners, to identify a new solution. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

We have considered the Group's cash flow forecasts and the expected compliance with the Company's financial covenants, and assessed that the Group will be able to comply with its financial covenants and continue as a going concern. Further details is available in Note 1.7 on page 59.

Sharpening the Strategic focus

The market for international relocation services continues to evolve. Although precise market data is hard to get, the number of people relocating internationally appears to continue to increase. However, there are changes in the way people are relocating, with more people relocating on their own, more relocating for short-term assignments and fewer people relocating for a corporation on a traditional expatriate package with large household goods moves. The consequence of the changes are increased need for service and less physical volume. Santa Fe Group is taking steps to adapt to these market dynamics, and compete effectively in a changing industry

In 2019-20, we will continue to streamline our operational platform and processes to create further efficiencies where possible. We will actively pursue growth opportunities within target businesses to compensate for the slowdown in activity levels in the traditional corporate moving market. Serving individuals and families relocating on their own initiative, further expanding our customer base within Immigration Services and Relocation and Assignment Management Services, and growing our US presence are targeted areas for growth in 2019-2020,

Our ambition remains to use our global platform to set new standards to enable people and businesses to work, live and thrive in new places around the world. The needs of our customers will be at the core of everything we do, and the ultimate customer experience will be driven by a strong and efficient technology platform, delivered by the best people in the industry.

2019 outlook

As a result of the declining overall market, we expect revenue for the continuing business to decline. The overall market for corporate moving is expected to decline 10-15%, countered by growth in our target segments.

The adoption of IFRS16 as of 1 January 2019 will have an estimated positive impact of EUR 9m on reported EBITDA, as operating leases for warehouses and offices are being capitalised in the financial reporting.

The Group is embarking on a major restructuring programme, which can have a significant impact on revenue and EBITDA for the year. An Outlook for the year will be communicated once this restructuring programme has taken shape.

We have a both challenging and exciting year ahead of us with a number of important strategic initiatives to complete successfully as we regroup, strengthen our capital structure and launch our adjusted strategy to drive our business forward for 2019-20.

We are confident that our dedicated organisation of talented employees, global footprint, unique technology platform and our comprehensive range of mobility services will enable us to reach our ambitions in close cooperation with our customers around the world.

Henning Kruse Petersen
Chairman of the Board

Martin Thaysen
Group CEO

Disclaimer The 2019 outlook reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by Santa Fe Group. The outlook is stated at current exchange rates and based on estimated consensus growth rates in key economies as well as present expectations from key corporate customers. Santa Fe's business is seasonal and dependent on the third quarter peak season in the Northern Hemisphere. Hence, the majority of revenue and earnings may be recognized in these periods.

2021 strategy update

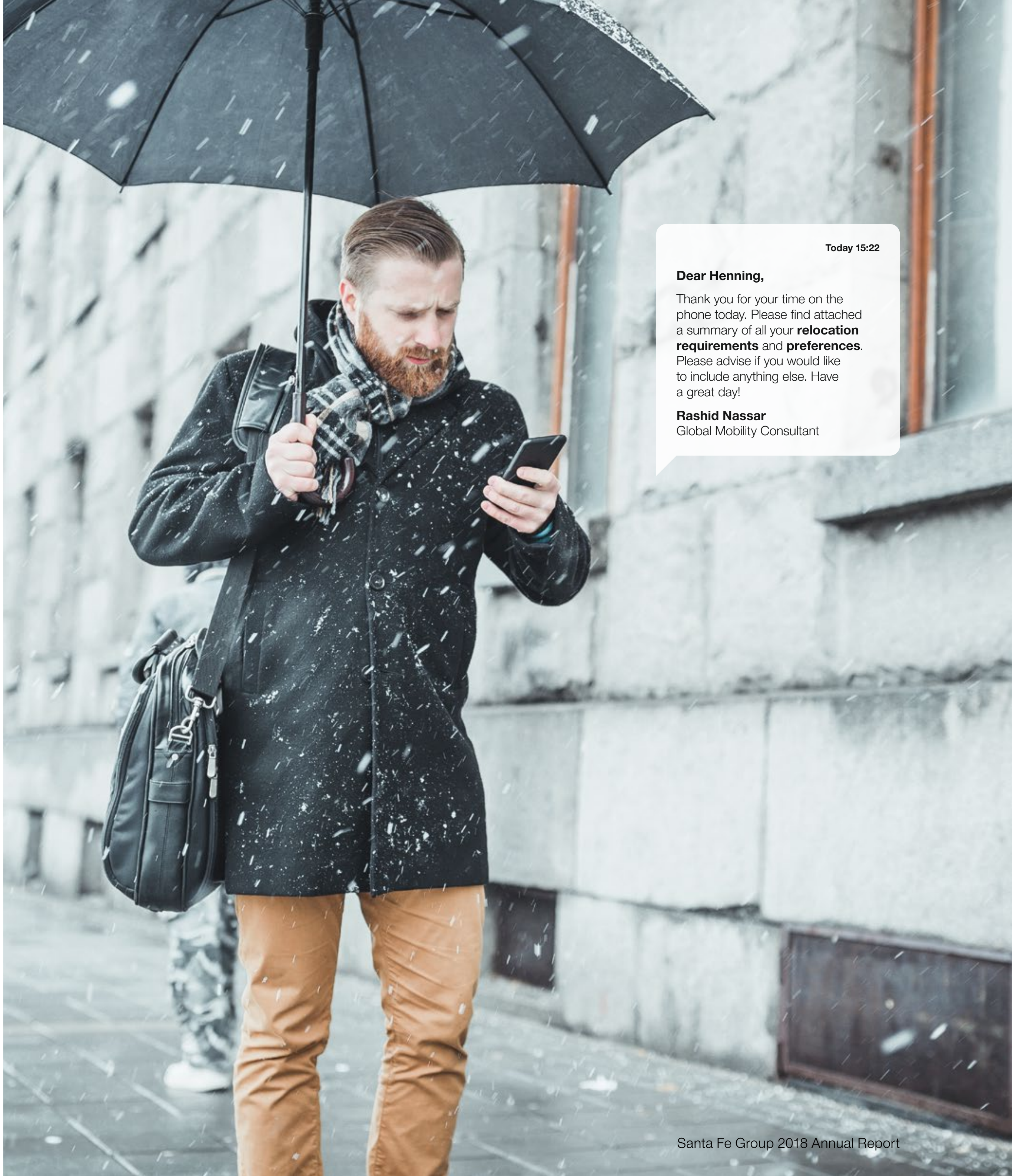
Santa Fe's Strategy is aiming at establishing Santa Fe Relocation as the global leader of the mobility industry.

The strategy takes a three-phased approach to reaching this ambition: In 2015-17, the focus was on laying a sustainable foundation for growth by solidifying our Moving Services, strengthening our technology and processes and expanding the Group's capabilities within Assignment Management and Immigration. In 2017-19, the foundational work is being completed while we turn our focus towards growing the business and increasing the scale of our service offering to capture market share and outperform competition. The ultimate ambition is to achieve global market leadership.

Dynamic markets

According to independent sources, the global expatriate market consists of more than 50m people, continuously growing. Around 1.5m of these expatriates are corporate assignees, while the large remainder are individual consumers, migrant workers, students, retirees and others relocating without support from an employer. Santa Fe's primary focus is on the market for corporate assignees and to a lesser degree on the individual consumers.

The global mobility market is currently highly fragmented: There is a very large number of local vendors offering cross-border moves of household goods and a selective range of destination services. A large field of local providers, local and global audit firms and specialised immigration companies, facilitate immigration and handle visa formalities for individuals and corporations. The market is also addressed by specialised relocation companies offering services within Relocation & Assignment Management



(RAMS) – ranging from designing corporate relocation programmes to managing assignees' expenses and payroll.

Few global vendors, which includes Santa Fe, offer services spanning the entire value chain. These global vendors are meeting an increasing demand from international corporations for one-stop solutions to their global mobility needs.

The market for corporate relocations is undergoing significant change. Large, Western corporates are not relocating as many traditional expatriates as in the past. However, there is growing demand for short term assignments, and multinationals based in Asia are increasingly focused on providing the best possible relocation experience when they relocate executives internationally. The consumer market remains healthy, with an increasing trend of people relocating internationally on their own, without the support of an employer.

In the immediate future, Santa Fe will pursue organic growth driven by these trends in the global mobility market. In the longer term, Santa Fe will explore opportunities for further consolidating the highly fragmented industry.

Moving Services

Santa Fe offers Moving Services from a global platform with high and uniform quality standards and own facilities in 47 countries. However, seasonality fluctuations in activity levels and a declining demand in key markets have placed additional pressure on the Moving Services margins over the past couple of years. A key strategic priority is therefore to further strengthen Moving Services' competitive edge and to improve earnings without compromising services or quality.

Securing efficiency gains in Moving Services has been high on the agenda for a few years, and significant progress has been made through several rounds of restructurings, the migration of back-office support functions to the service centre in Manila, which we established in 2016, etc. Focus is currently on some of the main markets in Europe, where we are consolidating our activities into fewer offices and warehouses.

The new website launched in May 2018 has successfully generated a significant increase in leads, and our internal processes are being adjusted to handle this increased level of interest from consumers relocating on their own.

Growth in Relocation Services

Another key element in the Strategy is to enhance our focus on Relocation Services. Since 2012, the business line for the continuing operations has shown average annual growth rates of 18% in EUR and the Strategy aims at further accelerating this growth, driven by new global contracts and expanding business activities with existing customers.

Today, Santa Fe provides Relocation Services to some of the world's largest companies. Brand recognition is high, and Santa Fe is being invited to relevant Request For Proposals (RFP). With the establishment of home sale capabilities in the US through the partnership agreement entered into with Fidelity Residential Solutions in 2018, an important gap in our service offering was closed and Santa Fe is now also able to offer one-stop solutions to US-based multinationals.

Santa Fe continues to offer highly skilled relocation professionals in an unrivalled global network of offices to serve the customers in a globally consistent and fully compliant manner, now supported by industry-leading technology.

New CORE technology platform

The development- and implementation of a new CORE technology platform was kicked off with the signing of the Salesforce contracts in January 2016, and has now been rolled out globally. The new technology platform has improved customer experience and provides a platform with a very strong personal data security. Enhancements and upgrades are continuously being developed by our in-house development team in Manila.

The strategic agenda in 2019

In accordance with the 3-phased structure of our Strategy, we have turned our focus towards securing growth, while we will continue to generate further efficiency gains.

Strategic approach

2017-2018

Growth

- Fix core moving business
- Build growth enabling capabilities; recruit top talent
- Implement new technologies
- Optimize financial and operational processes
- Bring strategy to life for employees

2019-2020

Refocus

- Leverage efficiencies and scale
- Return to growth
- Increase RAMS and IMMS share of market
- Scale up enabling functions
- Develop next-level leadership and talents

2021+

Evolve

- Add new markets and segments
- Take market shares
- Constant above-market growth
- Large-scale operations
- Outperform competition

Priorities in 2019

Improving margins

The drive to improve margins from the current unacceptable level will continue. In 2019 focus will increasingly turn towards our processes within the organisation and the opportunities for streamlining these processes, supported by technology. First phase of a restructuring plan has been implemeted during Q1 which has reduced headcount by 50 and is expected to result in annualised cost savings of around EUR 1.5m. Second phase is being developed for implementation during 2019. Improved asset utilisation and strict cost discipline will also continue to deliver efficiency gains in 2019.

Driving growth

The immediate market outlook for corporate international mobility is negative, as geopolitical uncertainty dampen relocation activity levels for many large multinational companies. Like-for-like activity levels were down for most existing clients in 2018, and we don't expect this to change in 2019.

We will in 2019 aim to capitalize on the investments made during 2017 and 2018 with respect to digital marketing, a new website, sales management capabilities and overall improved customer experience. We are very confident in our service quality, as continuously demonstrated in our Customer Satisfaction Scores, now supplemented by very high ratings on Trustpilot. The number of leads we are receiving is increasing, and the challenge is to actually win the business rather than coming up as a close 2nd. Our Sales organisation will be fully focused on this in 2019.

The build-up of our Relocation & Assignment Management Services (RAMS) will be continued with additional capabilities, further development of the business model and the supporting digital solutions in order to achieve and operate the expected high growth.

Capital Allocation and Capital Structure

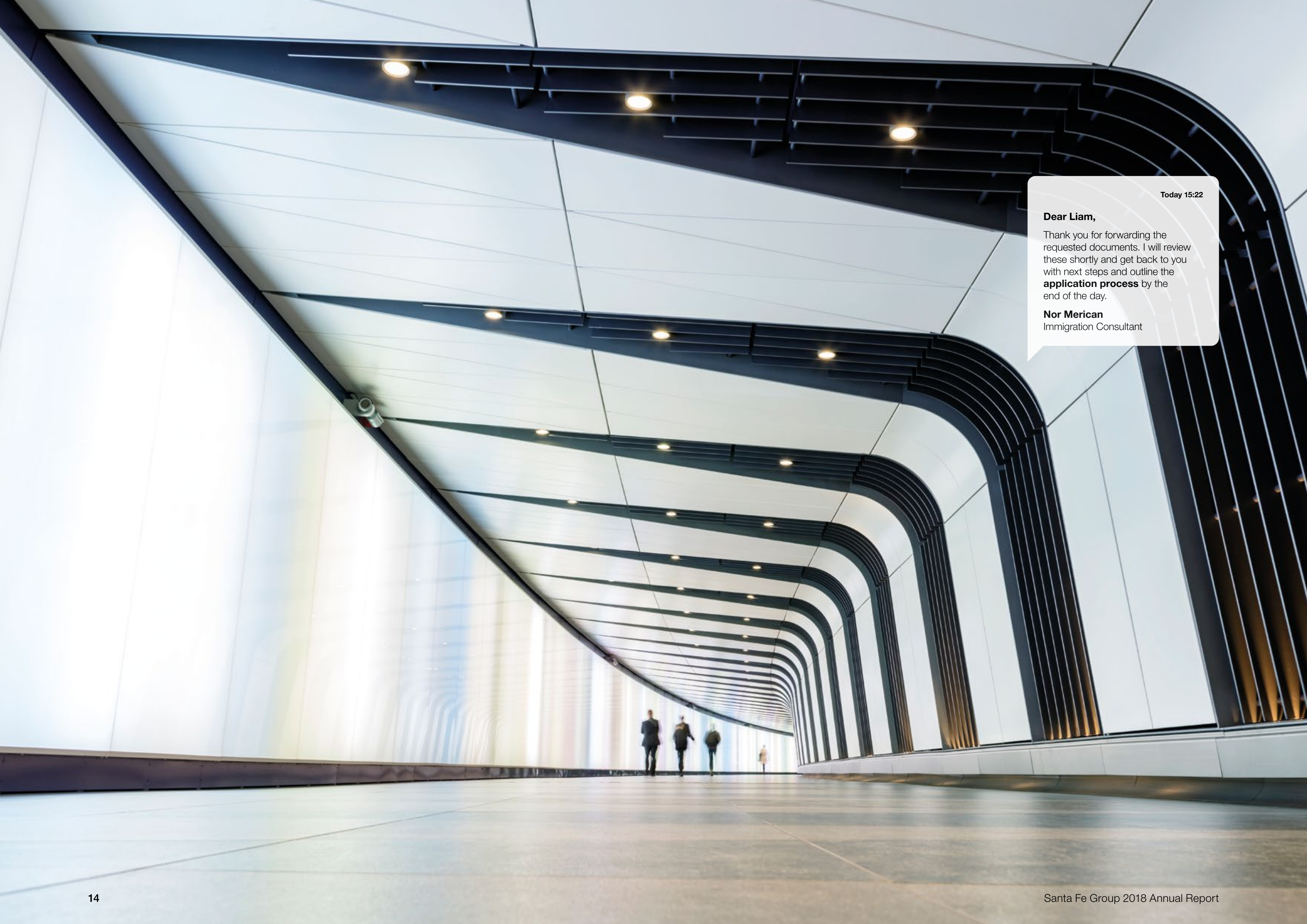
The Strategy will require ongoing investments over the coming years – primarily in technology.

The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. As the Company in the second half of 2018 was exploring opportunities to strengthen the capital structure, the opportunity to divest the Immigration business at a cash consideration of EUR 52m gave a path to a debt free company and a strong capital foundation. Unexpectedly it turned out in February 2019 that the transaction was not able to be completed, where after we started working with Santa Fe's financing partner, Proventus Capital Partners, to identify a new solution. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

The Board of Directors has considered the Group's cash flow forecasts and the expected compliance with the Company's financial covenants for a period of not less than 12 months from the date of approval of these financial statements. Based on this review, the Board of Directors recognises the significant uncertainty inherent in forecasting future financial performance and cash flows for the Group, that the working capital availability is perceived to be tight and that material financial uncertainty prevails for the Group and for the parent Company. The Board of Directors have agreed with the Group's financing partners on a number of steps to solidify the Group's cash flow for the year, and continue to work on initiatives to strengthen the capital structure of the Group. On this basis the Board of Directors has assessed the Group will be able to comply with its financial covenants and continue as a going concern.

Santa Fe will in the longer term aim to maintain a financial gearing (NIBD / EBITDA before special items) below 2. Free Cash Flow will be allocated to reduce debt if the financial gearing exceeds target. Whenever the financial gearing is within range, Free Cash Flow will be held for investments, value creating acquisitions or allocated to shareholders. Allocation to shareholders will primarily be in the form of share buybacks.

The Board of Directors does not propose any dividend distribution in 2019.


Today 15:22
Dear Liam,
Thank you for forwarding the requested documents. I will review these shortly and get back to you with next steps and outline the **application process** by the end of the day.
Nor Merican
Immigration Consultant

REVIEW 03


Today 15:22
Dear Antônia,
I am pleased to confirm your **Secure English Language Test** (SELT) at **Level B1** has been booked for **09.15** on **15th November**.
The address is: **British Council, Sao Paulo, Rio de Janeiro.**
Good luck!
Angela Wilson
Immigration Consultant

Financial highlights

EURm	**2018***	2017*	2016	2015	2014
Consolidated income statement					
Revenue	214.2	248.6	338.6	373.6	338.1
Earnings before depreciation, amortisation and special items (EBITDA before special items)	-1.0	10.4	10.6	10.2	12.3
Special items, net	-2.6	13.1	7.6	-0.7	-2.5
Earnings before depreciation and amortisation (EBITDA)	-3.6	23.5	18.2	9.5	9.8
Operating profit (EBIT)	-50.3	19.8	-3.7	1.8	-34.9
Financials, net	-3.1	-1.1	-2.4	-3.4	-2.5
Share of profit in associates	0.0	0.2	0.2	0.6	0.1
Profit before taxes (EBT)	-53.4	18.9	-5.9	-1.0	-37.3
Income tax	2.6	7.3	4.6	2.3	-3.6
Profit from continuing operations	-56.0	11.6	-10.5	-3.3	-33.7
Profit from discontinued operations	-13.9	-7.3	0.0	-0.1	0.4
Profit for the year	-69.9	4.3	-10.5	-3.4	-33.4
Earnings per share (diluted) EUR, continuing operations	-4.6	0.3	-1.0	-0.3	-2.9

* Income statement 2018 and 2017 reflecting continuing operations (Santa Fe Europe, Santa Fe Asia and Santa Fe Americas)

EURm	**2018***	2017*	2016	2015	2014
Consolidated balance sheet					
Total assets	128.0	211.8	234.7	241.3	239.7
SFG's share of equity	20.2	83.5	86.8	96.8	97.0
Non-controlling interests	0.0	0.0	2.2	1.7	2.4
Continuing operations:					
Working capital employed	8.3	7.1	2.8	12.2	18.0
Net interest bearing debt, end of year	19.3	12.8	-2.4	9.6	20.2
Net interest bearing debt, average	16.3	6.3	4.0	14.9	25.7
Invested capital	34.5	90.6	79.3	101.0	114.8
Cash and cash equivalents	20.7	18.9	43.6	30.5	18.7
Investment in intangible assets and property, plant and equipment	4.6	6.9	6.0	3.8	5.3
Cash flow					
Operating activities	-14.9	-8.3	4.6	12.5	-5.3
Investing activities	14.0	4.6	8.6	-0.4	-29.1
Financing activities	7.7	-14.5	-0.3	-1.0	-16.9
Ratios					
EBITDA margin (%), before special items	-0.5	4.2	3.1	2.7	3.6
Operating margin (%)	-23.5	8.0	-1.1	0.5	-10.3
Equity ratio (%)	15.8	39.4	37.0	40.1	40.5
Return on invested capital (%), annualised	-80.4	23.3	-4.1	1.6	-27.2
Return on parent equity (%)	-133.5	4.6	-12.9	-4.1	35.2
Equity per share (diluted)	1.7	6.9	7.2	8.1	8.1
Number of employees end of year, continuing operations	1,976	2,186	2,679	2,908	2,969

* Income statement 2018 and 2017 reflecting continuing operations (Santa Fe Europe, Santa Fe Asia and Santa Fe Americas)

The ratios have been calculated in accordance with definitions on page 97.

Unique value proposition

Santa Fe offers a unique value proposition to corporate customers and assignees relocating to new locations around the world. The offering spans the entire value chain from planning the move to settling-in and managing the ongoing assignment. We ensure an efficient mobility management in full legal compliance – and a safe and easy new start for the relocating individual and family.

Relocation And Assignment Management

Santa Fe Assignment Management offers the full spectrum of relocation services to businesses and their assignees, wherever they are in the world. With 393 relocation and assignment management specialists in our team, you will have a dedicated consultant working alongside you and your assignees every step of the way. With our support, your assignees will settle into their new locations quickly and assume productivity again in no time.

Overview

+ End-to-end assignment coordination
+ Cost projections
+ Compensation and payroll
+ Vendor management
+ Expense management
+ Reporting
+ Mobility consulting

Destination Services

Santa Fe Destination Services supports assignees and their families as they begin their lives in a new place. We can help with everything from finding a new home, to choosing the right school, to opening a bank account. Because of our close relationship with our active assignees, we understand that moving can be an overwhelming experience; our experts will respond to what you need most.

Overview

+ Home finding
+ Settling-in
+ School search
+ Orientation
+ Departure support
+ Language and cultural training
+ Temporary accommodation

Immigration

Santa Fe Immigration is a leader in the global mobility industry, providing a holistic immigration service across the world. We have successfully processed more than 36,000 visa and immigration applications in 2018, supported by more than 160 of our in-house immigration team members. We also offer training for HR teams on visa and immigration regulations, to further support our around 1,500 clients and their assignees.

Overview

+ Corporation level consulting
+ Assessment consultations
+ Consular services
+ Employment permits
+ Compliance support
+ Training and education
+ Guidance and advisory notes

Moving

Santa Fe Moving offers a swift, seamless and safe service when moving assignees to their new homes. By using carefully selected partners alongside our own offices, Santa Fe Relocation has transported EUR 606,000,000 worth of insured belongings in 2018 which makes up one of the world's largest relocation networks. We coordinate our moves using digital technology and human expertise, giving every assignee instant access to their relocation journey and its progress.

Overview

+ Home-to-home
+ Quality packing and unpacking
+ Sea/Air/Road transport
+ Customs clearance
+ Move management
+ Shipment protection
+ Secure storage

Value chain

Exceptional experiences across the entire relocation journey

Opportunity
+ Structure of package
+ Total cost projections
+ Balance sheet calculations / individual compensation statements
+ Issue assignment letter

Acceptance
+ Pre-assignment policy briefing of the relocating employee
+ Pre-assignment destination trip co-ordination
+ Expense management (ongoing throughout entire process)

Preparation
+ Initiate multiple services
+ Visa and immigration assessment
+ Work permit application
+ Home sale / lease breaks
+ Tax departure briefing
+ Social security assessment
+ Orientation
+ Host destination accommodation (Home search)
+ Host school search
+ Cultural briefing / training
+ Language training
+ Home pre-move survey

Move
+ Packing
+ Storage
+ Shipping / air freight
+ Travel arrangements
+ Customs clearance
+ Shipment protection
+ Tenancy management

Arrival
+ Delivery
+ Unpacking
+ Visa and immigration clearance
+ Temporary accommodation
+ Local registration
+ Compensation and payroll management

Settling-in
+ Ongoing language training and cultural integration
+ Partner support
+ Affinity services with partners*

On assignment
+ Ongoing assignment and spousal support
+ Managing policy questions
+ Tenancy management
+ Expense management
+ Visa tracking
+ Revisions of compensation and payroll management
+ Tax reporting
+ Co-ordination of annual tax filing (home and host)

Repatriation
+ De-registration
+ Lease terminations
+ Travel arrangements

*Banking, Internet, Home insurance, Alarm, Car lease / purchase, Home service, Health insurance, etc.

Global player

The continuing Santa Fe Group is a global player in international mobility, handling around 40,000 international relocations and around 5,000 domestic relocations per year, based on own operations in 47 countries and a network of agents. Santa Fe's ambition is to make it easy for companies and people to work, live and thrive in new places around the world.

Santa Fe provide a full range of mobility services for multinational companies and other organisations having executives and professionals on overseas assignments. In addition to this, Santa Fe serve individual customers relocating without the support of an employer. The service offering covers the entire relocation journey – from Immigration Services to obtaining work and resident permits through the physical packing- and moving of household goods to a comprehensive range of value-added relocation and destination services to ensure the relocating family settles in to their new home in the best possible way. Santa Fe design and manage entire relocation programmes for large organisations with international operations. Our value proposition is to provide our corporate customers with optimum efficiency in their mobility management, full compliance with all relevant legal regimes, and a safe and easy transition and new start for the relocating individual and family.

Our customers

As the Santa Fe Group has expanded its global platform, an increasing number of international corporate customers have chosen the Santa Fe Group as a one-stop solution provider to cater for their global employee mobility needs. When a new international contract is signed, the Santa Fe Group assumes the responsibility of handling and administrating the customer's mobility activities. In some cases these contracts cover 50 countries or more. Implementation of such contracts requires a comprehensive and coordinated effort across the Santa Fe Group's international network, where the local service organisation in each of the involved countries will process the extensive legal formalities and prepare the operational infrastructure necessary to operate the contracts. This process requires effective procedures and IT systems as well as a dedicated service organisation to secure a consistent, high-quality format and execution across the geographical scope of each contract.

The Santa Fe Group is among the leading global service providers in its field, and the entry-barriers to compete for these types of global contracts are high.

As a signatory to the United Nations Global Compact, the Santa Fe Group also meets the increasing customer demand for responsible corporate conduct and transparency.

Direct Consumer Business

In addition to servicing international corporate customers, Santa Fe Group is gaining a stronger presence in the consumer market, where individuals and families are relocating internationally without the support of an employer or where they have received a relocation allowance from the employer and are organising their relocation directly. Our high customer satisfaction scores and reputation for reliability and service quality are well recognized in the consumer market as well.

Our markets and market drivers

Santa Fe is offering global mobility services through dedicated entities across five continents and a strong partner in Australia.

Corporate globalisation remains a key driver for mobility services as international corporations strive to deploy their global talent to develop new and emerging markets and to adjust their global organisations in response to geopolitical events.

Designing and effectively managing a global mobility programme requires an organisational set-up and unique capabilities which are typically not core business for our customers. Thus an increasing number of international corporations choose to find a global external partner with the ability to deliver a uniform and legally-compliant mobility programme, which can facilitate and add value to the company's strategic growth ambitions.

The competitive market for global mobility services falls in two broad categories. The competition for large-scale, complex global relocation opportunities is dominated by a few large US companies who provide Relocation Services through extensive use of subcontractors and those competitors who, similar to the Santa Fe Group, employ their own assets and organisations in the service delivery. At this scale of opportunity, the competitor base is generally considered to be dominated by five key global companies including Santa Fe.

Our strategic journey

Santa Fe's international reach and unique value proposition make us well positioned to take advantage of the current industry trends. Over the coming years we aim to build our position to becoming the undisputed global leader in our industry. We will further streamline our service delivery based on our unique and comprehensive technological platform, while we continue to build strategic partnerships with global corporate customers, expanding the value span of our contracts to cover the full range of mobility and advisory services.

Read more about our strategy and financial targets on page 10-11.

Financial review

Consolidated income statement

Restatement of comparatives

Profit after tax from Santa Fe Australia is presented separately in the income statement under discontinued operations. Comparatives have been restated accordingly.

Continuing operations

Revenue of EUR 214.2m ended in line with the most recent outlook as announced on 2 December 2019 (announcement no. 10/18). EBITDA before special items was expected at EUR 2m in the latest outlook against a realised EBITDA before special items of EUR -1.0m of which EUR 0.9m of the shortfall was related to the impact of Australia being classified as discontinued operations.

Revenue of EUR 214.2m (EUR 248.6m) was equivalent to a decrease of 12.2% in local currencies and 13.8% in EUR. Revenue in continuing Moving and Relocation Services businesses decreased by 10.2% in local currencies to EUR 213.9m (EUR 243.3m) and in particular the European key markets Germany and UK declined but Asia also realised lower revenue. Revenue was impacted by lower activity from existing customers combined with the lack of sufficient new business to compensate, and the divested Records Management business.

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected the Group revenue negatively by EUR 4.2m as the Euro strengthened against AUD, USD and a number of currencies in Asia.

Currency impact

	Growth	EURm
Revenue 2017		248.6
Currency translation adjustment	-1.6%	-4.2
Divestments, Records Management	-2.0%	-4.8
Organic growth in local currencies	-10.2%	-25.4
Revenue 2018	**-13.8%**	**214.2**

On **EBITDA before special items** level the Group lost EUR 1.0m during 2018 versus a profit of EUR 10.4m during 2017. On a comparable basis the EBITDA before special items in the continuing Moving and Relocation Services business was a loss of EUR 1.2m in 2018 versus a profit of EUR 8.1m in 2017. The significant revenue decline was the main factor impacting earnings. This was to some extent mitigated by fixed costs savings, primarily within staff costs, following restructuring initiatives completed over the past couple of years.

Currency impact

	Growth	EURm
EBITDA before Special Items 2017		10.4
Currency translation adjustment	-1.0%	-0.1
Divestment Record Management	-19.2%	-2.0
Organic growth in local currencies	-89.4%	-9.3
EBITDA before Special Items 2018	**-109.6%**	**-1.0**

Special items was a loss of EUR 2.6m in 2018 (an income of EUR 13.1m in 2017) containing primarily restructuring costs. Special items in 2017 includes a non-recurring gain of EUR 17.0m related to the Records Management divestment.

Special Items

EURm	**2018**	2017
Gain on divestment of Records Management activities in 5 countries	0.3	17.0
Germany restructuring costs	-1.1	-0.3
Restructuring costs related to Fix the Core programme	-2.4	-1.9
Transition cost, Manila Service Centre	-0.1	-1.2
Reversal of Provision	0.7	0.0
Cost related to Merger and Acquisition	0.0	-0.5
Total	**-2.6**	**13.1**

Reported **EBITDA** was a loss of EUR 3.6m versus a profit of EUR 23.5m in 2017.

Amortisation and depreciation of intangibles, property, plant and equipment in 2018 amounted to EUR 5.1m (EUR 4.6m) primarily following the increased amortisations related to the new CORE technology platform which commenced as of March 2017 and the continued investments in the project.

Impairment of goodwill and other intangibles amounted to EUR 41.6m (reversal of impairment of EUR 0.9m in 2017 related to an office building in Copenhagen).

At 31 December 2018, the value in use calculation showed an impairment loss related to goodwill of EUR 39.1m and customer relations of EUR 2.5m arising from the acquisition of Interdean (in addition to EUR 26.4m recognised 2014 related to the Interdean trademark). The non-cash impairment loss has been recognised in the income statement in a separate line in 2018 and the Interdean goodwill and customer relations have thereby been completely written off. As at 31 December 2018 the carrying value of goodwill, trademark and other intangibles related to the Interdean acquisition was EUR 0.0m.

During 2018, Europe was impacted by the weak market conditions, suffered from contracts lost and did not secure as much new business to substitute these as anticipated. Gross margins came under pressure, especially in the UK which accounted for the majority of the EBITDA before special items shortfall compared to 2017. Other factors that have triggered a substantial impairment is the increased WACC rate from 9.0% to 11.4% as a consequence of the general uncertainties including uncertainties related to the projected revenue and earnings growth. For the same reason the projections in the forecasting period reflects a larger degree of prudence in light of recent years' track record for the EMEA cash generating unit. Another significant factor is the failed divestment of the Immigration business which would have supported an alternative fair value assessment of the EMEA CGU considerably. For further information, refer to note 3.1 on page 65-68.

Financial expenses and income, net was an expense of EUR 3.1m during 2018 (EUR 1.1m) primarily related to interest including capitalised financing and legal expenses on bank facilities of EUR 3.8m (EUR 1.3m). Interest expenses was impacted by increased cost on the new, larger loan facility and by a one-off capitalised borrowing cost of EUR 0.4m, associated with the prior loan facility, which was expensed in Q1 2018 as a result of the refinancing. Net exchange gains were EUR 0.5m (EUR 0.1m).

The **effective tax rate** for 2018 continue to be impacted by certain entities not recognising deferred tax assets in respect of losses for the period due to uncertainty with respect of utilisation, primarily in Europe.

Net profit/loss from continuing operations in 2018 was a net loss of EUR 56.0m (Net profit of EUR 11.6m) impacted by impairment losses. 2017 did benefit from divestment gains.

Net profit/loss from discontinued operations was a net loss of EUR 13.9m (EUR 7.3m) corresponding to the loss of EUR 6.7m from the disposal of Santa Fe Australia, which was divested on 21 December 2018 (announcement no 13/18), and the net loss of Santa Fe Australia in the period until the divestment amounting to EUR 7.2m (EUR 7.3m). For further information, refer to note 5.7 on page 84-85.

Non-controlling interests' share of net profit amounted to EUR 0.0m for 2018 (EUR 0.4m) as a result of the acquisition of the remaining 50% of the shares in Sino Santa Fe on 7 July 2017.

Santa Fe Group A/S' share of the net profit/loss for 2018 was a loss of EUR 69.9m (EUR 3.9m).

Consolidated balance sheet

Total equity by the end of 2018 was EUR 20.2m (EUR 83.5m) corresponding to a solvency ratio (Equity ratio) of 15.8% (39.4%) based on the Santa Fe Group share of equity. The equity was negatively impacted by the losses for the year including the impairment provision recognised.

Intangible assets

Intangible assets at 31 December 2018 amounted to EUR 19.0m (EUR 60.5) and mainly comprised goodwill and software related to the CORE technology platform. At 31 December 2018, goodwill was EUR 10.0m compared with EUR 49.1m at 31 December 2017. The decrease was mainly due to the Interdean goodwill being fully written off in the amount of EUR 39.1m as earlier explained. For further information, refer to note 3.1 on page 65-68.

Working capital employed amounted to EUR 8.3m (EUR 7.1m). Working capital for the continued operations amounted to EUR 8.3m end of 2017. The ambition to improve collections and reduce overdue receivables through the enforcement of stricter credit limits was not achieved to the anticipated extent during the year, although improvements were registered during Q4. Improving the collections and reducing overdues remains a focus area for 2019.

Invested capital decreased by 58% in local currencies to EUR 34.5m (EUR 90.6m) primarily impacted by the impairment of goodwill and customer relations amounting to EUR 41.6m and receipt of the EUR 12.5m receivable related to the China Records Management asset sale which completed end of 2017 but for which the purchase consideration was only received on 3 January 2018 as well as receipts of holdbacks related to the Records Management divestment in the amount of EUR 3.7m.

Return on average invested capital (ROIC) in 2018 was -80.4% (-13.9% adjusted for impairment of the EMEA CGU). 2017 benefitted from the Records Management divestment gain. Adjusted for special items and impairment of the EMEA business, the comparable ROIC was -9.7% in 2018 versus 7.9% during 2017.

Net interest bearing debt amounting to EUR 19.3m (EUR 12.8m) was impacted by a substantial cash drain from operational losses primarily in Australia, taxes paid, primarily related to the gain on the Records Management divestment in China, and CORE technology investments. This was to some extent offset by the cash proceeds received from the Records Management transaction in China (EUR 12.5m), release of a EUR 3.7m of Records Management holdback and sale of a building in Copenhagen for a cash consideration of EUR 1.9m.

The Santa Fe Group was in breach of a condition to upstream dividend from its subsidiary in China before year end, due to circumstances outside the control of the Santa Fe Group. The Group obtained a waiver before the breach occurred, but for a period less than 12 month from the balance date, and as a consequence the term loan outstanding of EUR 30m has been presented as current debt. The total amount drawn under the facility at 31 December 2018 amounted to EUR 38m.

Net interest bearing debt

EURm	**2018**	2017
Loans and credit facilities	36.8	28.0
Finance lease	3.2	3.7
Total borrowings	40.0	31.7
Cash and cash equivalents	-20.7	-18.9
Net interest bearing debt	**19.3**	**12.8**

Cash flow from operating activities of EUR -14.9m (EUR -8.3m) was predominantly a consequence of the loss for the period combined with paid tax on the Records Management gain in China as well as higher financial expenses paid.

Cash inflow from investing activities of EUR 14.0m (EUR 4.6m) was largely related to proceeds of EUR 16.2m received from the Records Management divestments in China and Portugal including a EUR 3.7m holdback release. This was offset by investments in development and software costs primarily associated with the new CORE technology platform for the Santa Fe Group amounting to EUR 4.1m.

Cash outflow from financing activities was positive at EUR 7.7m (EUR -14.5m) driven by the refinancing where existing facilities of around EUR 29.4m were repaid and replaced by a new six year facility of which EUR 38.0m was drawn in Q1-Q3 2018.

Condensed cash flow statement

EURm	**2018**	2017
Cash flows from operating activities	-14.9	-8.3
Cash flows from investing activities	14.0	4.6
Free cash flow	-0.9	-3.7
Cash flows from financing activities	7.7	-14.5
Cash flows from discontinued operations	-5.1	-5.0
Cash flows for the year	**1.7**	**-23.2**

Other events and strategic initiatives

Capital Structure

Santa Fe's cash flow for the year was impacted by the unsatisfactory financial performance and the continued investments in technology, however mitigated by receipt of proceeds and holdbacks from the sale of the Records Management activities including China and Portugal. The Company's debt increased by EUR 9.0m in connection with the refinancing of HSBC and Danske Bank with the new facility provided by Proventus Capital Partners.

As the Company in the second half of 2018 was exploring opportunities to strengthen the capital structure, the opportunity to divest the Immigration business at a cash consideration of EUR 52m gave a path to a debt free company and a strong capital foundation. Unexpectedly it turned out in February 2019 that the transaction was not able to be completed, where after we started working with Santa Fe's financing partner, Proventus Capital Partners, to identify a new solution. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability. The Group has undertaken to take steps to improve its cash management and forecasting abilities.

In addition, Santa Fe Group and Proventus have agreed to work together on initiatives to further improve the company's capital structure during the year.

The Board of Directors has considered the Group's cash flow forecasts and the expected compliance with the Company's financial covenants for a period of not less than 12 months from the date of approval of these financial statements. Based on this review, the Board of Directors has assessed that, taking into account reasonably possible changes in trading performance, the Group will be able to comply with its financial covenants and continue as a going concern. Accordingly, the Santa Fe Group continues to apply the going concern basis of accounting in preparing its financial statements.

Divestment of Australia – Discontinued Operations

On 21 December 2018 (Company Announcement No 10/2018 and No 13/2018) the Santa Fe Group A/S closed the transaction with Kobus Fourie, Managing Director for Santa Fe Australia, whereby the Santa Fe and Wridgways activities in Australia were divested for a total price of AUD 1 (one). The transaction took the form of a share transfer.

The Santa Fe Relocation business continues in Australia under a Franchise Agreement. The Australian business has been classified as a discontinued operation in 2018. The comparative consolidated statements of profit and loss and other comprehensive income (OCI) has been represented to show the discontinued operation separately from continuing operations.

In connection with closing of the sale in December 2018, the Santa Fe Group's share of the accumulated negative foreign exchange adjustments related to Santa Fe Australia has been recycled from other comprehensive income and recognised in net loss from discontinued operations (in the income statement) in the amount of EUR 6.1m.

Net loss from discontinued operations for 2018 amounts to EUR 7.2m. The accounting impact of the divestment as a whole was a net accounting loss for 2018 of EUR 13.9m.

Divestment of Records Management
As previously announced (announcements no. 7/2016 and 11/2016) Santa Fe Group entered into an agreement to divest its Records Management activities in 10 markets to Iron Mountain Inc. against a cash consideration of EUR 27.1m. On 30 December 2016, the transaction was closed in 5 of these markets and the closing of the 5 other markets was completed end February 2017 and 28 April 2017.

On 15 November 2017, the Santa Fe Group finalised and signed the agreement to divest the Records Management business in China and a warehouse property in Beijing to Iron Mountain Inc. against a cash consideration of EUR 23m. The business sale closed end of 2017, whereas it has not yet been possible to close the property sale. Santa Fe Group has opened up for other potential buyers to present offers for the property in order to expedite a transaction. Current expectation is a transaction can be closed during 2019 and consequently the carrying amount of the Beijing warehouse amounting to EUR 1.6m has been classified as asset held for sale at the balance sheet date. All holdbacks related to the divestment of Records Management in 10 markets (cf. announcement no 7/2016) have been released during the first 10 months of 2018.

The total released amount is EUR 2.7m. A further EUR 1.0m holdback related to the China transaction was released in December 2018.

The divestments resulted in a total divestment gain during 2017 of approximately EUR 17.0m, net proceeds received before tax of EUR 9.9m and deferred consideration of EUR 12.5m which was received early January 2018. The net gain before tax from the divestment is recognised as special items.

During Q1 2018 the Santa Fe Group finalised the sale of the last remaining Records Management activity in Portugal. The transaction took the form of an asset transfer against a cash consideration of EUR 0.4m with an associated divestment gain of EUR 0.3m.

The divestments resulted in a total divestment gain during 2018 of approximately EUR 0.6m, net proceeds received before tax of EUR 16.6m. The net gain before tax from the divestment is recognised as special items.

Build-up in the USA
As announced in the 2017 Annual Report the Group entered into an agreement with Fidelity Residential Solutions in February 2018, which has enabled the Group to offer home-sale services to clients in the US and placed the Group in a much stronger position towards US based customers.

New technology platform
Phase 1 of the CORE technology programme was launched into the production environment in November 2016 and was fully deployed by end of February 2017. Amortisation commenced as of March 2017. More than 13,000 assignees have until end of December 2018 engaged with Santa Fe through the portals. The new technology platform has improved customer experience and provided a platform with a very strong personal data security.

Phase 2, focusing on supporting operational processes while continuing to improve the customer experience, is in the design stage and is anticipated to gradually be rolled out over the coming years. Various options remain under consideration for Phase 2. The total investment recognised during 2018 was EUR 2.5m related to various functionality upgrades.

In May 2018 the Santa Fe Group successfully launched a new consumer website. The website presents Santa Fe as a modern, friendly and digital brand and focuses on streamlining the lead generation journey as well as improving the customer experience. The website delivers a nimble and modern digital platform that easily and securely exchanges data with CORE. The new website has been successful in generating the targeted increase in leads.

Long Term Incentive Programme
A long-term incentive programme was launched end of March 2017, cf. company announcement no. 5/2017. Under this programme, up to 311,500 share options would

be granted in 2018 to the Executive Board and certain other employees, cf. company announcement no. 5/2018. Executives in Santa Fe have purchased shares in the Company, and has in proportion to the shares purchased, been granted share options amounting to 197,500 in 2018. On completion of the 2018 grant, the participants now hold 108,650 shares in the Santa Fe Group A/S, and a total of 449,500 options have been granted to the participants (of which 266,000 to the Executive Board). The terms governing the programme are in accordance with the Remuneration Policy and Incentive Guidelines as approved by the general meeting on 27 March 2017. The grant is offered as part of the continued efforts to create value and align performance with shareholder interests. Further reference is made to section 5.5 of the Financial Statements on page 82.

Subsequent events

After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

No other material events have taken place after 31 December 2018.

2019 Outlook

As a result of the declining overall market, we expect revenue for the continuing business to decline. The overall market for corporate moving is expected to decline 10-15%, countered by growth in our target segments.

The adoption of IFRS16 as of 1 January 2019 will have an estimated positive impact of EUR 9m on reported EBITDA, as operating leases for warehouses and offices are being capitalised in the financial reporting.

The Group is embarking on a major restructuring programme, which can have a significant impact on revenue and EBITDA for the year. An Outlook for the year will be communicated once this restructuring programme has taken shape.

Parent company financial statements

The Santa Fe Parent Company's separate financial statements have been prepared in line with prior years using DKK as presentation currency.

+ Cash flows from operating activities were a net inflow of DKK 22m (a net outflow of DKK 4m)
+ Cash balances at 31 December 2018 amounted to DKK 0m (DKK 0m)
+ Total assets at year-end were DKK 199m (DKK 1,032m).
+ Total equity at year end totalled DKK 181m (DKK 987m) of which DKK -662m (DKK 144m) was retained earnings.

Disclaimer The 2019 outlook reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by Santa Fe Group. The outlook is stated at current exchange rates and based on estimated consensus growth rates in key economies as well as present expectations from key corporate customers. Santa Fe's business is seasonal and dependent on the third quarter peak season in the Northern Hemisphere. Hence, the majority of revenue and earnings may be recognised in these periods.

Business line performance

Financial performance by business lines and region

Business and pipeline development

During 2018, the Santa Fe Group secured a strategic contract for providing Immigration Services for a China-based multinational corporation. This is the largest contract ever for Santa Fe within Immigration Services and is expected to become effective as from Q2 2019. A 3-year RAMS contract for a major air traffic services provider, based in the UK was also secured during 2018. Significant renewals included a contract extension for a large automotive company in Germany for local DSP and Immigration Services.

During Q4 2018 it was confirmed that one strategic account and two large accounts will not be renewed. The phase-out of these accounts will have a significant impact.

The pipeline of commercial opportunities was strengthened during the year, especially within Relocation Services which at year-end constituted a significantly higher share of the commercial pipeline than of our current business.

The increased focus on digital marketing bore fruit in terms of increased consumer leads on our websites and increase in followers on digital media.

Key Client Management continues to be an important strategic focus area in order to further develop customer relationships and support growth opportunities, with a view to diversify our wins both from a service offering and geographical point of view.

Continuing operations

Revenue by business lines

The Santa Fe Group continues the strategic focus on expanding from traditional Moving Services into other Relocation Services, which typically generates higher margins. Revenue from Relocation Services reached 24% of total revenue in 2018 versus 21% 2017. The increase reflects growth in revenue from Relocation Services as well as the decrease in revenue from Moving Services and the divested Records Management business.

Moving Services

Overall revenue in 2018 from Moving Services decreased by 13.9% in local currencies and by 15.5% in EUR to a total of EUR 162.4m (EUR 192.1m).

Relocation Services

Revenue in 2018 increased by 2.6% in local currencies and 0.6% in EUR amounting to EUR 51.5m (EUR 51.2m).

Records Management

Revenue in 2018 was EUR 0.3m (EUR 5.3m) as a result of the divestment of the Records Management business.

Europe

Overall 2018 revenue in Europe of EUR 130.2m (EUR 149.8m) was 12.5% below 2017 in local currencies. The main issues were a continued very weak performance in the UK business, where the market continues to decline, and Germany also having a very weak year.

Revenue from **Moving Services** in Europe decreased 16.6% in local currencies during 2018 to EUR 97.6m (EUR 117.8m). The revenue declines in UK and Germany were

Revenue by business lines and segments

	2018				2017				Change in %, EUR	Change in %, LC
EURm	**Europe**	**Asia**	**Americas**	**Santa Fe Group**	**Europe**	**Asia**	**Americas**	**Santa Fe Group**	**Santa Fe Group**	**Santa Fe Group**
Moving Services	97.6	59.7	5.1	**162.4**	117.8	69.0	5.3	**192.1**	-15.5	-13.9
Relocation Services	32.6	16.3	2.6	**51.5**	31.7	16.1	3.4	**51.2**	0.6	2.6
Records Management	0.0	0.3	0.0	**0.3**	0.3	5.0	0.0	**5.3**	-94.3	-94.1
Total revenue	**130.2**	**76.3**	**7.7**	**214.2**	**149.8**	**90.1**	**8.7**	**248.6**	**-13.8**	**-12.2**
Change in %, EUR	-13.1	-15.3	-11.5	-13.8						
Change in %, LC	-12.5	-12.0	-8.3	-12.2						

the key contributors to the shortfall versus 2017, with less activity from existing corporate clients. The UK market continues to be very weak, following the Brexit uncertainties affecting both in- and outbound relocations. Many especially existing small- to midsized companies generated lower activity levels than last year. The lost business also impacted 2018, and there has not been sufficient new business secured to compensate. UK and Germany accounted for around 82% of the total revenue decline in Europe.

Relocation Services within Europe 2018 increased by 3.4% in local currencies to EUR 32.6m (EUR 31.7m). The increase was primarily seen in Germany, Spain and Hungary offset by weak performances in the UK and France.

EBITDA before special items in Europe was a loss of EUR 1.4m compared to a profit of EUR 5.0m in 2017. The lower revenue did impact results and notably UK realised revenue with very low margins partly due to operational issues. UK and France accounted for around 78% of the EBITDA shortfall versus last year.

The significant decline in revenue and earnings in Europe was one of the key factors leading to the EUR 41.6m impairment provision whereby the goodwill and customer relations associated with the Interdean acquisition has now been completely written off.

Asia

Revenue in Asia in 2018 reached EUR 76.3m (EUR 90.1m). In local currencies revenue declined by 12.0% or by 7.2% in the continuing Moving & Relocation businesses.

Revenue from **Moving Services** in Asia decreased 10.1% in local currencies to EUR 59.7 (EUR 69.0m). The decline in revenue was widespread across the Asia region but in particular Singapore was weak accounting for 33% of the decline. Singapore was hit by lower activity level in general, but in particular within the corporate segment. Hong Kong, Dubai and South Africa were likewise significant contributors to the revenue decline. The lost business in Europe impacted Asia during 2018, combined with lower support from existing clients and the continued reduced support from US agents.

Revenue from **Relocation Services** in Asia was EUR 16.3m (EUR 16.1m) equivalent to a 5.4% increase in local currencies with improvement mainly due to new contracts signed in 2017 with China being the main factor in the region during the year.

Activity from the discontinued **Records Management** business in Asia ceased with the divestment of the China business in December 2017. Revenue in 2018 amounted to EUR 0.3m (EUR 5.0m).

EBITDA before special items in Asia in 2018 of EUR 3.0m (EUR 8.8m) was negatively impacted by the divested Records Management business contributing with EUR 2.3m in 2017. On a comparable basis the continuing Moving and Relocation Services realised an EBITDA before special items of EUR 2.7m (EUR 6.5m), mainly due to the lower realised revenue from the moving business.

Americas

Revenue in Americas in 2018 reached EUR 7.7m (EUR 8.7m) or a decrease of 8.3% in local currency. The efforts to make inroads into the corporate relocation market in the US are ongoing and supported by the home-sale capabilities offered through the partnership with Fidelity Residential Solutions. This was off-set by lower activity levels from European-based corporates.

Revenue from **Moving Services** in Americas was EUR 5.1m (EUR 5.3m).

Revenue from **Relocation Services** in Americas was EUR 2.6m (EUR 3.4m).

EBITDA before special items was a loss of EUR 0.3m (EUR 0.0m).

Consolidated quarterly summary
EURm

	2018					2017				
	Q1	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
EUROPE										
Revenue	**28.2**	**29.1**	**42.6**	**30.3**	**130.2**	**30.8**	**35.0**	**50.1**	**33.9**	**149.8**
- Growth vs. same qtr. prev. year (%)	-8.4	-16.9	-15.0	-10.6	-13.1	-11.2	0.6	-3.8	-1.7	-4.0
EBITDA before special items	**-1.6**	**-1.5**	**2.6**	**-0.9**	**-1.4**	**-1.3**	**0.2**	**5.1**	**1.0**	**5.0**
- EBITDA margin (%)	-5.7	-5.2	6.1	-3.0	-1.1	-4.2	0.6	10.2	2.9	3.3
ASIA										
Revenue	**16.5**	**19.7**	**24.1**	**16.0**	**76.3**	**21.1**	**22.8**	**26.1**	**20.1**	**90.1**
- Growth vs. same qtr. prev. year (%)	-21.8	-13.6	-7.7	-20.4	-15.3	-16.6	-17.4	-25.6	-26.9	-22.0
EBITDA before special items	**-0.9**	**0.9**	**3.1**	**-0.1**	**3.0**	**0.6**	**2.0**	**4.2**	**2.0**	**8.8**
- EBITDA margin (%)	-5.5	4.6	12.9	-0.6	3.9	2.8	8.8	16.1	10.0	9.8
AMERICAS										
Revenue	**1.8**	**1.9**	**2.3**	**1.7**	**7.7**	**2.0**	**2.1**	**2.3**	**2.3**	**8.7**
- Growth vs. same qtr. prev. year (%)	-10.0	-9.5	0.0	-26.1	-11.5	-20.0	5.0	-20.7	21.1	-6.5
EBITDA before special items	**-0.1**	**-0.2**	**0.2**	**-0.2**	**-0.3**	**-0.3**	**-0.2**	**0.2**	**0.3**	**0.0**
- EBITDA margin (%)	-5.6	-10.5	8.7	-11.8	-3.9	-15.0	-9.5	8.7	13.0	0.0
UNALLOCATED AND OTHER										
EBITDA before special items	**-0.9**	**-0.9**	**-0.1**	**-0.4**	**-2.3**	**-0.5**	**-0.3**	**-1.1**	**-1.5**	**-3.4**
SANTA FE GROUP										
Revenue	**46.5**	**50.7**	**69.0**	**48.0**	**214.2**	**53.9**	**59.9**	**78.5**	**56.3**	**248.6**
- Growth vs. same qtr. prev. year (%)	-13.7	-15.4	-12.1	-14.7	-13.8	-13.9	-6.8	-12.9	-11.9	-11.5
EBITDA before special items	**-3.5**	**-1.7**	**5.8**	**-1.6**	**-1.0**	**-1.5**	**1.7**	**8.4**	**1.8**	**10.4**
- EBITDA margin (%)	-7.5	-3.4	8.4	-3.3	-0.5	-2.8	2.8	10.7	3.2	4.2

RESPONSIBILITY 04

Today 15:22

Dear Lia,

I am delighted to inform you that your **car rental** booking is complete. You can pick up at the vehicle at the **car rental** area at **Schiphol Airport** using booking reference: **LO260905**. Don't hesitate to let me know if you need anything else!

Adithya Gunawan
Global Mobility Consultant

Sustainability in the Santa Fe Group

Santa Fe Group makes continuous efforts to improve its sustainability performance according to Santa Fe's Corporate CSR policy and its commitment to the UN Global Compact principles.

Santa Fe focuses on embedding sustainability into its business activities to mutual benefit for customers, business partners and other key stakeholders while concurrently ensuring that the Santa Fe Group exploit opportunities related to sustainability.

Santa Fe Group's objectives, activities, achievements and expectations within sustainability are detailed in its Global Compact Communication on Progress Report 2018, which is available at: https://investor.thesantafegroup.com/static-files/b00c5a09-cc7c-45db-9bc0-363c5d0dd7af in compliance with sections 99a and 99b of the Danish Financial Statements Act.

Governance structure

CSR is an integral part of daily business operations and decision making in the Santa Fe Group. The Santa Fe Group's sustainability team ensures alignment of sustainability objectives across all regions, implementation and sharing of best practices. The sustainability team consists of members in each region with overall responsibility held by the Santa Fe Group's Chief Financial Officer.

The Board of Directors reviews the company's sustainability strategy, efforts, targets and associated risks on an annual basis.

KEY KPI'S

Please refer to the full report for detailed information about the Group's CSR activities.

	2017 Key Commitments	2018 Actions	2018 Key KPI results	2019 Key KPI Targets
Human Rights	Continue to reduce the number of accidents with time loss.	Employees were trained in the areas of avoiding accidents, fire safety, manual handling.	44.44% /decrease in work accidents with days lost	Zero work accidents with days lost
Labour Rights	Respond to feedback received in the employee engagement survey Cascade performance management to the entire organization	Numerous initiatives continue to be undertaken globally such as wellbeing activities, quiet rooms and the implementation of the Santa Fe DNA and Values. Performance management tools continue to be made available to office based colleagues.	Absolute turnover increased to 28%, with voluntary turnover for 2018 sitting at 21.75%	No more than 15% voluntary turnover Achieve 75% of employees participating in the employee engagement survey
Environment	Recycle 77% of all available waste produced from cardboard and paper. Reduce the amount of plastic and household goods waste being sent to landfill and incineration by 2%. Reduce the overall amount of fuel being used by the fleet.	Continue to work to understand the reasons why some waste is not being recycled and discover solutions to ensure as much waste as possible is being recycled. Continue to look at ways in which we can reduce the amount of fuel being consumed through consolidating the shipments and reducing their weight	38% decrease in waste recycled 26.29% decrease in electricity consumption, which resulted in 26.82% decrease in Scope 1 GHG emissions 194% increase in energy consumed per cubic metre transported on our fleet by road	Recycle 80% of all available waste Reduce the amount of all available waste being sent to landfill by 2%. Decrease in energy consumed per cubic metre to 90 MJ/M3 for goods transported on our fleet by road
Anti-Corruption	100% employees completed the code of conduct and eLearning Integrity training	Maintain eLearning training for employees on topics to combat corruption Collect annual declaration statements from employees for the Code of Business Conduct.	100% employees completed the code of conduct and eLearning Integrity training	100% of employees to complete the code of conduct and suite of eLearning Integrity training

Corporate governance

This corporate governance report for Santa Fe Group A/S, cf. section 107b of the Danish Financial Statements Act, covers the period 1 January – 31 December 2018.

The corporate governance report for Santa Fe Group A/S includes:

+ A description of governing bodies, governance principles and remuneration included on this page.
+ A description of risk management (page 37-39).
+ A description of internal controls related to the financial reporting (page 40-41).

Governing Bodies

The Board of Directors is responsible for the overall strategy, budgets, goals and management of the company and it lays down the rules of procedure and supervises the work of the Executive Board. The Executive Board (CEO and CFO) attend meetings and teleconferences of the Board of Directors, and the Chairman of the Board of Directors maintains close contact with the Executive Board.

Members of the Board of Directors are elected by the shareholders for terms of 12 months. Members whose term of office has expired are eligible for re-election until they reach the age of 72. When proposing a nomination to the Annual General Meeting, the Board of Directors takes into account the skills required to perform the duties of a board member. The Board of Directors considers the following competencies to be particularly relevant to the Santa Fe Group: Experience in the management of international companies, strategic development, financial matters, risk management, acquisitions and divestments and change processes. The Board of Directors is deemed to possess these competencies and, by virtue of its size, the Board of Directors has decision-making power and drive.

All members of the Board of Directors are independent and have no special interest in Santa Fe Group except as minority shareholders. The Board of Directors held a total of six meetings and ten teleconferences during 2018. At the Annual General Meeting, the Chairman of the Board of Directors together with the Executive Board report on the main activities of the past year. At the same time, major developments and new strategic initiatives are presented to the shareholders and the financial position and outlook of the Group are reviewed.

Members of the Board of Directors and the Executive Board are described on page 35-36.

Santa Fe Group Governance Principles

The Santa Fe Group's Board of Directors and Executive Board consistently seek to ensure that the company observes its corporate governance policies and procedures in order to optimise value creation in the Group. The Santa Fe Group strives to maintain an open and active dialogue with its stakeholders, and responsible behaviour and respect for the environment form an integral part of the Group's way of doing business. Policies and procedures for stakeholder relations and social responsibility are reflected in this annual report.

The Board of Directors continually considers the relevance of the recommendations by the Committee on Corporate Governance, available at www.corporategovernance.dk.

The Board of Directors has responded to each of the recommendations in the Corporate Governance Reporting Form available at:

https://investor.thesantafegroup.com/static-files/dc0a90c0-109b-4a86-862a-f7081acf3a1b

The Santa Fe Group complies with the 47 recommendations except for the following:

3.4.3 Audit committee

Recommendation	Explanation
The Committee recommends that the members of the board of directors set up an audit committee and that a chairman is appointed who is not the chairman of the board of directors.	The Santa Fe Group complies only partially with the Recommendation. Due to the size of the Board of Directors (five members) and the competencies of its members, the Board of Directors has decided not to establish any board committees other than an audit committee chaired by the Deputy Chairman and consisting of all members of the Board of Directors.

3.4.6 Nomination committee

Recommendation	Explanation
The Committee recommends that the board of directors establish a nomination committee, which is at least, responsible for the following preparatory tasks: + describing the qualifications required by the board of directors and the executive board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies, + annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors, + annually assessing the competencies, knowledge, experience and succession of the individual members of management and report to the board of directors in this respect, + recommending candidates for the board of directors and the executive board, and + proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.	The Santa Fe Group complies only partially with the Recommendation. Due to the size of the Board of Directors (five members) and the competencies of its members, the Board of Directors has decided not to establish any nomination committee. The Board of Directors undertakes the listed preparatory tasks.

3.4.7 Remuneration committee

Recommendation	Explanation
The Committee recommends that the board of directors establish a remuneration committee, which is at least, responsible for the following preparatory tasks: + recommending the remuneration policy (including the “General Guidelines for incentive-based Remuneration”) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, + making proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensuring that the remuneration is in compliance with the company’s remuneration policy and the assessment of the performance of the persons concerned. The committee should have information on the total remuneration that members of the board of directors and the executive board receive from other companies in the group, + recommending a remuneration policy applicable for the company in general and + assisting with the preparation of the annual remuneration report.	The Santa Fe Group complies only partially with the Recommendation. Due to the size of the Board of Directors (five members) and the competencies of its members, the Board of Directors has decided not to establish any remuneration committee. The Board of Directors undertakes the listed preparatory tasks.

4.2.3 Disclosure of remuneration report

Recommendation	Explanation
The Committee recommends that the company prepares a remuneration report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained. The remuneration report should be published on the company’s website.	The company does currently not prepare a remuneration report. The Santa Fe Group complies only partially with the Recommendation. The Company discloses the aggregate remuneration to the Board of Directors and the Executive Board, respectively. The above mentioned information is available on the company’s website. Information about remuneration on an individual basis does not, in the opinion of the Company, serve any objective purpose.

Remuneration

The Executive Board receives a fixed salary and participates in a share option incentive programme, which was approved by the shareholders at the Annual General Meeting in 2017. The terms of the programme can be found on https://investor.thesantafegroup.com/general-guidelines-governing-incentive-pays For further information, please refer to note 2.4 and 5.5 in the consolidated financial statements. The Santa Fe Group has no retention or severance programmes in force for the Executive Board.

The remuneration of the members of the Board of Directors consists of a fixed annual fee. The remuneration for 2018 was approved at the Annual General Meeting in 2018 and is disclosed in note 2.4 to the consolidated financial statements. The remuneration for 2019 will be submitted for approval at the Annual General Meeting to be held on 29 April 2019.

Today 15:22

Dear Emily,

We are pleased to inform you that we have booked your flight ticket from **New York** to **Singapore** with your preferred airline and in accordance to your **employers' policy**. Please find attached **your itinerary**.
Safe travels!

Aaradhya Khatri
Global Mobility Consultant

Board of directors

					
Name	**Henning Kruse Petersen**	**Preben Sunke**	**Jakob H. Kraglund**	**Michael Hauge Sørensen**	**Jesper T. Lok**
	CEO, 2KJ A/S and Komplementarselskabet Midgard Denmark ApS	Group Chief Financial Officer and Member of the Executive Board of Danish Crown A/S	CEO, Mobylife Holding A/S		
Position	Chairman	Deputy Chairman	Board Member	Board Member	Board Member
Joined	2006	2007	2016	2015	2018
Born	1947	1961	1967	1973	1968
Nationality	Danish	Danish	Danish	Danish	Danish
Chairman of the Board of Directors	Den Danske Forskningsfond Scandinavian Private Equity A/S Erhvervsinvest Management A/S Howart University A/S Firstaiders A/S Lunar Holding ApS Lunar Way A/S Lunar Card A/S Lunar af 27. Juni 2018 Midgard Denmark K/S Cursum A/S	Slagteriernes Arbejdsgiverforening	None	Fristads Kansas Group AB, Sweden Homemate ApS, Denmark	Dagrofa A/S
Deputy Chairman of the Board of Directors	Asgard Ltd.	None	None	None	None
Member of the Board of Directors	ProActive A/S Villiam H. Michaelsens Legat The EAC Foundation Midgard Group, Inc. Dekka Holdings Ltd. Balder Finance Ltd. MediBee Care A/S	Forenet Kredit Daka Denmark A/S Skandia Kalk Holding ApS	TIA Technology A/S	IC Group A/S, Denmark Zebra A/S, Denmark Elevate Global Limited Michaso Holdings Limited, Hong Kong	ALLIANCE+ Vestergaard Company
Special competencies	Experience as CEO and board member of private,publicly owned and listed companies, strategy,economics, finance, risk management, acquisitions and divestments.	Experience as CFO and board member international food corporations, economics, finance, accounting, auditing, risk management, acquisitions and divestments.	Experience as CEO and board member in private equity owned information technology and professional services companies, as country managing director in global consulting, technology and outsourcing company, with business strategy, IT strategy, organisational change and technology implementation.	Experience as Executive and Board Member of private and public international companies, business development, emerging markets, Asia Pacific, branding, production, supply chain and retail.	Experience as CEO and Board Member of public and private companies within transport, logistics and services industries amongst other. Broad international experience also from emerging markets, strategy- and business development.
Membership					
Holding of SFG shares as of 31/12/18	136,766	2,800	9,200	0	0
	Independent	Independent	Independent	Independent	Independent

Executive board

		
Name	**Martin Thaysen**	**Christian Møller Laursen**
	Group CEO of the parent company, Santa Fe Group A/S	Group Chief Financial Officer of the parent company, Santa Fe Group A/S
Position	Group CEO	Group CFO
Joined	2015	2015
Born	1971	1966
Nationality	Danish	Danish
Other Board Of Directors' Assignments	Holds no Board of Directors positions outside of the Santa Fe Group	Holds no Board of Directors positions outside of the Santa Fe Group
Membership		
Holding of SFG shares as of 31/12/18	90,000	20,000
Number of share options	181,000	85,000

Risk management

Effective risk management is an integral part of Santa Fe Group's management processes, whereby risks and opportunities are regularly identified and assessed to enable appropriate actions and responses.

Risk governance

The identification and assessment of key risks are important in supporting decision making and enables Management to react proactively to issues with a potential material impact on the Santa Fe Group's earnings and financial performance or which may prevent the realisation of strategic objectives.

The Board of Directors and the Audit Committee review and monitor key risks and related risk management on an on-going basis. It is the responsibility of Management at all levels to ensure that the assessment of risks is formalised and that appropriate mitigation plans are implemented.

Risk profile

The Santa Fe Group is exposed to a number of operational and financial risks, and the Group's risk profile is impacted by The Group having been formed through a couple of major acquisitions.

The risks listed below are those that the Board of Directors and the Executive Board currently view as the most critical to the business.

GROUP KEY RISKS	MITIGATING MEASURES
Macroeconomy	
The Santa Fe Group is sensitive to occurrences that reduce global mobility, such as significant reductions in foreign direct investment (FDI) into markets, pandemic diseases, terrorism or political unrest. However, the impact is often not immediate as such events may increase the demand for outbound relocation services from the affected markets. Economic downturns or uncertainties in financial markets could adversely impact the demand for mobility services, particularly if larger customers reduce the scope of their mobility programmes or simply apply a wait and see position towards an uncertain situation.	+ The broad geographical footprint and expansion of the Santa Fe Group has reduced the exposure to individual markets. + The pursuit of an increasingly asset light business model increases the ability to respond to fluctuations in individual markets.
Market and Competition	
The Santa Fe Group may lose corporate customers to competition when contracts are up for renewal. This can either be through aggressive pricing by a competitor or through a competitor developing a superior value proposition for a corporate customer. Corporate customers may also reduce the relocation benefits offered as a result of changes in tax legislation or corporate policies.	+ Continuous focus on delivering high-quality, professional service to corporate customers and their assignees, where Santa Fe's control of local operations provide assurance of compliance with regulations and quality standards. + No single customer account for more than 5% of total revenue. + Focus on further developing the value proposition through investments in people and technology. + Diversified geography and customers spread over many different industries.

GROUP KEY RISKS	MITIGATING MEASURES
Operations	
As our mobility services often affect our customers' senior executives and since we increasingly are becoming an integral part of our customer's mobility management, there is a risk of damaging our customers' business and/or employee engagement and/or brand if the assignees and their families are not taken care of in a fully compliant and appropriate manner throughout the relocation journey.	+ To ensure consistency in the service offering globally, the Santa Fe Group has developed the Perfect Move, Perfect Relocation and Perfect Implementation methodology, supported by a performance monitoring and audit process. + The Santa Fe Group alleviates the product risk by exercising strict control of service delivery through internal quality systems and by complying with industry standards and accreditation to external quality processes. + The Santa Fe Group has invested in quality programmes such as ISO 9001 Quality Procedures, ISO 14001 Environmental Programme, ISO 18001 Health & Safety, AS/NZS 4801 Occupational Health & Safety and ISO 271001 Information and Data Security.
Inappropriate business conduct	
The decentralised structure of the Santa Fe Group and the high emerging market presence increases our exposure to compliance risks in countries where improper practises may be common. This may result in overstatement of revenue, misappropriation of assets, bribery and brand damage.	+ The Santa Fe Group has implemented documented financial controlling processes throughout its organisation. See "Internal controls related to financial reporting" on page 40-41. + Key controls are monitored through Control Self-Assessments and a monitoring software. + The Santa Fe Group is conducting compliance training and annual certifications of adherence to its code of conduct. In addition, an enhanced Whistle-blower function has been set up operated by a third party.
Supply chain management	
Santa Fe use subcontractors to deliver selected services in its operations, primarily packing crews where the Santa Fe Group does not have own packing crews directly employed. This represents an elevated risk in terms of performance and compliance.	+ The Santa Fe Group has invested in quality programmes, which also applies to subcontractors. + Subcontractors are carefully selected, based on a wide range of criteria and are under strict contractual obligations to fully adhere to Santa Fe's quality- and compliance standards. + The performance of subcontractors is monitored through quarterly assessments and direct supervision.

GROUP KEY RISKS	MITIGATING MEASURES
IT	
The operations of the Santa Fe Group are highly dependent on IT systems. System outages, weaknesses in functionality or implementation may have a serious impact on operations and control of the business.	+ The Santa Fe Group works only with very reputable suppliers of IT applications and IT infrastructure, meeting highest standards when it comes to protecting the integrity of systems and data. + The Santa Fe Group has developed and implemented a new CORE technology platform based on Salesforce. Further enhancements and upgrades are gradually being rolled out. The new technology platform has improved customer experience and provides a platform with a very strong personal data security.
Financial exposure	
The Santa Fe Group is exposed to financial risks following the global geographical footprint of the group.	+ The financial risks are managed and mitigated on corporate level on a continuing basis. Financial risks are related to interest rate, exchange rate, credit, financing and liquidity risks. For a detailed description of financial risks, reference is made to note 4.5 of the consolidated financial statements.
GDPR Compliance	
The Santa Fe Group hold and operate personal data for our assignees, and need to share these personal data with overseas agents involved in handling their relocation. The Santa Fe Group is exposed to the risk of handling personal data in a manner that is not compliant with GDPR.	+ The Santa Fe Group has a Certified Information Security Audit Examiner within the organisation, to constantly monitor compliance in this area. + A roadmap for the steps necessary to be taken to further strengthen the protection of Personal Data has been prepared jointly by IT and the Legal Department. + Procedures are in place to ensure consent for handling personal data is received before work is initiated.
Regulated compliance / sanctions	
The Santa Fe Group is exposed to risks when providing professional services which in some jurisdictions are regulated.	+ A formal process has been established whenever entering into new markets or expanding our activity scope. + Compliance with regulations in existing markets is continuously being monitored.

Internal controls related to the financial reporting

The internal control system is a vital management tool for the Santa Fe Group to mitigate risks and enable an accurate and complete financial reporting without material errors and omissions.

Control environment

The Board of Directors has the overall responsibility for the Group's control environment and has set out relevant policies and guidelines. These guidelines, together with other internal policies and procedures, management structure, legislation and regulations, constitute the overall control environment.

The Audit Committee, chaired by the Deputy Chairman and consisting of all members of the Board of Directors, is responsible for monitoring the internal control system related to the financial reporting process on an ongoing basis.

The Group's financial reporting cycle comprises the annual budget, monthly business reporting, full-year estimates updated twice a year and supplementary information regarding particular high-risk items.

Risk assessment

Risks related to the financial reporting process are identified and assessed annually by the Board of Directors and the Executive Board based on a general analysis of material accounts and processes, including items and issues that may be subject to special risks.

Significant financial estimates and evaluations are described in further detail in note 1.6 to the consolidated financial statements.

Control activities

The day-to-day application of internal controls and their effectiveness is handled at entity level. Based on the risk assessment, the Group has established a framework of internal control procedures for the group entities.

The control procedures are structured in an "Internal Control Manual" setting out the minimum control activities to be performed and documented within the financial reporting processes. This includes manual as well as automated controls, with clearly defined control activities to be performed and requirements for the expected evidence as well as defined roles and responsibilities.

The objectives of the control activities are to prevent, detect and correct any material misstatement in the financial reporting and to ensure a strong and effective control environment that support sound decision making and support Santa Fe Group in achieving its strategic ambition.

The Internal Control Manual is evaluated on an ongoing basis and expanded as required to match identified risks in the financial reporting processes.

Based on the annual risk assessment, additional controls have been implemented during 2018 to increase the transparency in high risk areas and to streamline the reporting across the Group.

Information and communication

The internal policies and procedures laid down by the Board of Directors are regularly updated and communicated to the entities to facilitate an effective financial reporting process coherent with the identified material risks.

The corporate head office assists the entities with training and support through written guidelines including the Internal Control Manual, conference calls and onsite visits in order to ensure a consistently high level of the control environment within the Group.

Year-end and other reporting procedures as well as manuals regarding specific IFRS standards are handled by the corporate head office and communicated to the Finance Directors of each entity.

Monitoring

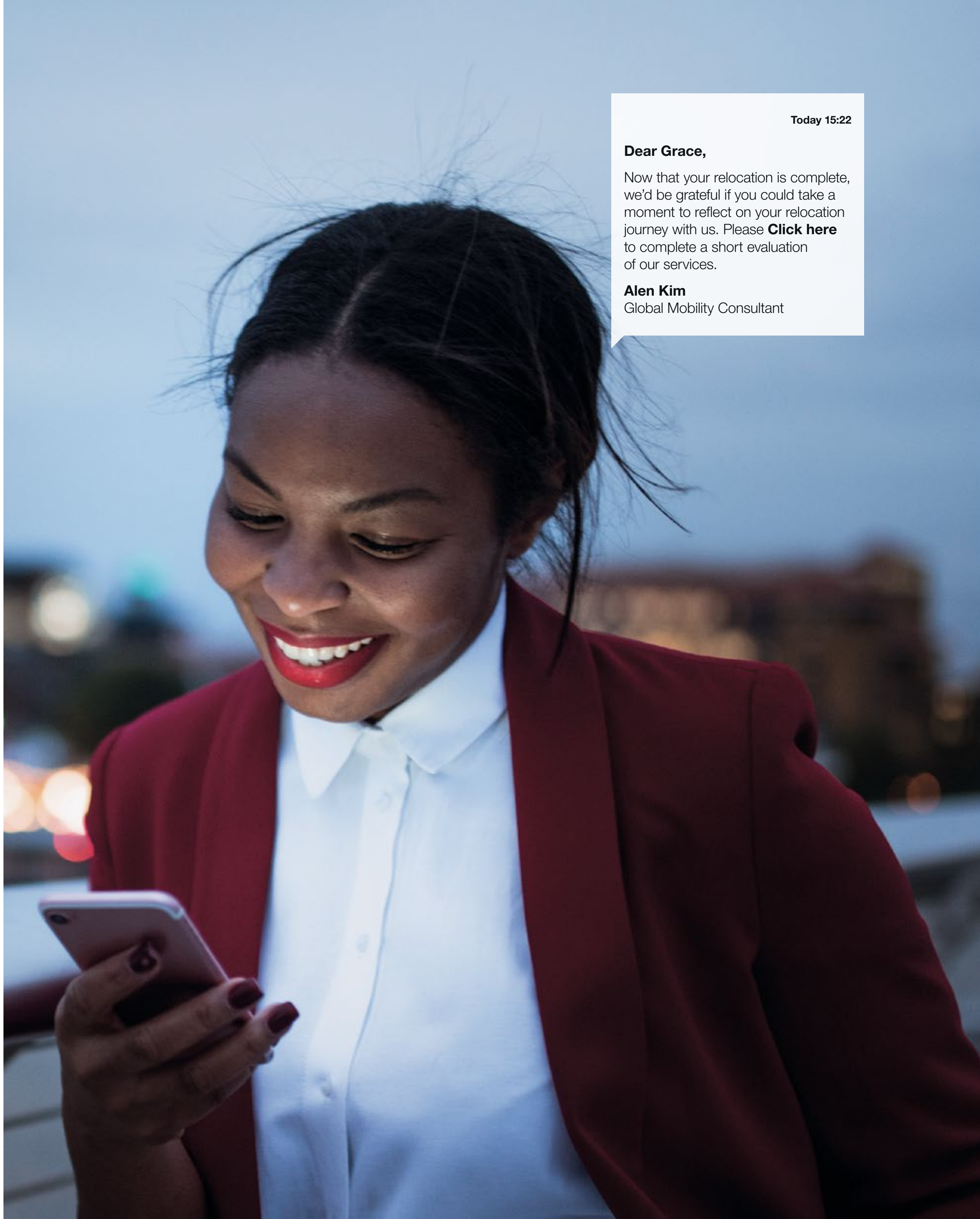
The internal control system is monitored and analysed through the monthly financial reporting from the entities and reports submitted to the Board of Directors. Once a year the Internal Control Manual is shared with the Audit Committee and the Group Auditors for review, comments and potential recommendations.

In order to strengthen the controls and improve the monitoring of the internal control environment, the Group has implemented an internal control reporting software, enabling the entities to confirm compliance and to upload supporting documentation on a monthly basis. During

2018 the software has been upgraded with new features to further strengthen the control environment and to improve efficiency of the reporting. The system has been operative for almost three years in the major reporting entities. The implementation for the remaining part of the organisation has been initiated and is in process.

Senior management and controllers are visiting selected entities on a regular basis to ensure the control environment is at the highest level. The selection of entities targeted for a control visit is among others based on the observed reporting quality, significant changes in key finance personal or major structural changes affecting the control environment.

The external auditors are instructed to test a selection of internal controls on a sample basis during the interim audit. The results are summarised and reported to the Executive Board, the Audit Committee and the Board of Directors and used when reviewing the risk assessment for the following year. In order to ensure that all findings have been addressed and action plans are in place, Group controllers conduct follow up meetings with all entities in which the auditors have detected an unsatisfactory compliance with the tested controls, based on predefined performance measures. The internal control software continue to improve the consistency in the testing of controls.



Shareholder information

Investor relations

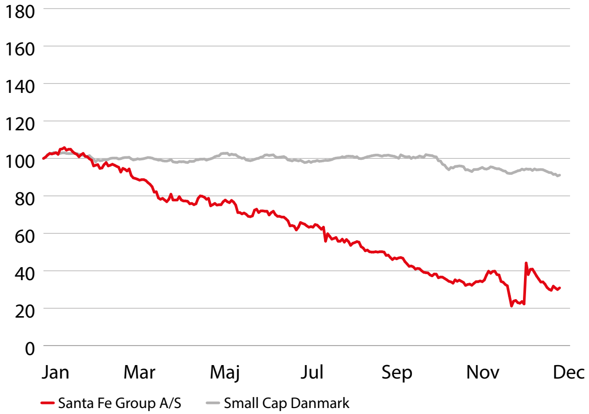
Santa Fe Group provides information to investors and analysts about the Group's businesses and financial performance with the aim of ensuring transparency and a fair valuation of the share.

When publishing interim and annual reports, Santa Fe Group audio casts presentations for investors, analysts and the media. The Executive Board furthermore participates in investor and analyst presentations primarily in Denmark but also internationally. The Santa Fe Group share is covered by the analysts listed on the investor section of https://investor.thesantafegroup.com/stock-information/analyst-coverage

The website is the main source of investor-related information. Annual reports, interim reports and webcasts are available online immediately after being published. According to standard practice, Santa Fe Group does not comment on issues related to its financial performance or expectations

The Santa Fe Group share 2018

Indexed share price, DKK



three weeks prior to planned releases of full-year or interim financial reports.

The Santa Fe Group share

The shares were traded at a price of DKK 13.9 at the end of the year on NASDAQ Copenhagen A/S. The share yielded an overall decrease of 69% during 2018, whereas the SmallCap index decreased by 9% during the same period.

The daily average turnover of Santa Fe Group shares in 2018 was around DKK 0.6m (DKK 0.9m), corresponding to a total traded volume of DKK 142m (DKK 217m). On 31 December 2018, the market capitalisation of the Santa Fe Group was DKK 167m.

The share is 100% free float, i.e. all Santa Fe Group shares are freely negotiable.

For change of control matters related to employment contracts and other contracts, refer to note 2.4, page 63, and note 5.10, page 86.

Share capital

The share capital amounts to DKK 864,364,165 consisting of 12,347,512 shares at a nominal value of DKK 70 each, equaling DKK 864,325,840, and 1,095 shares at a nominal value of DKK 35 each, equaling DKK 38,325. There is only one class of shares.

Treasury shares

As of 31 December 2018, Santa Fe Group held 302,494 (302,494) treasury shares, equivalent to 2.4% of the total share capital. Treasury shares are held at zero value in the books. The main purpose of the share buyback was to accommodate the exercise of share options under incentive schemes. Authorisation to acquire treasury shares is disclosed in note 4.1, page 72.

Ownership information

At the end of 2018 10,811 shareholders were listed in Santa Fe Group's register of shareholders (11,724). About 82% (71%) of Santa Fe Group's total share capital is held by registered shareholders. The ten largest shareholders (excluding own shares) hold in aggregate 25% (20%) of the registered share capital. Approximately 10% (7%) of the registered share capital is held by shareholders based outside Denmark.

Register of shareholders

Santa Fe Group's Register of Shareholders is maintained by:

VP Investor Services A/S
14 Weidekampsgade
DK-2300 Copenhagen S

No shareholders have reported a holding of more than 5% of the shares in reference to section 29 of the Danish Securities Trading Act.

Santa Fe Group strives to engage in open dialogue with current and potential shareholders and encourages shareholders to register their holdings with the company and thereby make use of their influence. Registration can take place through the shareholder's own bank securities department or securities broker.

Management's holdings of Santa Fe Group shares

As of 31 December 2018, the members of the Board of Directors and Executive Board combined held a total of 258,766 Santa Fe Group shares (197,766 shares). The Executive Board further held 266.000 share options.

Santa Fe Group maintains a list of insiders in accordance with applicable law. Insiders and related persons may not undertake transactions in Santa Fe Group shares during a closed period of 30 calendar days before the announcement of any of the group's interim financial reports or annual reports.

Annual General Meeting and dividend

The Annual General Meeting of The Santa Fe Group A/S will be held on:

Monday, 29 April 2019 at 16:00 at:
Scandic Sluseholmen
Molestien 11
2450 København SV
Denmark

The notice to convene the meeting will be sent to the listed shareholders who have so requested. A notice will also be posted on the investor section of the Santa Fe Group website http://investor.thesantafegroup.com together with other key shareholder information related to the AGM.

Santa Fe Group aims to maintain the necessary equity to fund the group's operations and to achieve the group strategy. Excess capital will be distributed to the shareholders through dividend payments including interim dividends and/or share buybacks. Ordinary dividends are determined at annual general meetings.

The Board of Directors will propose to the Annual General Meeting that no ordinary dividend be paid in respect of the 2018 financial year.

Trading and share key figures as of 31 December

	2018	2017	2016	2015	2014
Share closing price	13.9	44.5	56.0	65.5	52.0
Share high/low	48/10	44/62	71/54	79/45	94/51
Total number of outstanding shares	12.348.060	12.348.060	12.348.060	12.348.060	12.348.060
Treasury Shares	302.494	302.494	338.494	338.494	338.494
Nominal Value	70	70	70	70	70
Share capital (DKKm)	864	864	864	864	864
Santa Fe Group's share of equity	151	622	645	722	722
Market value (DKKm)*	167	536	673	787	624
Earnings per share (DKK) (EPS)**	-43.3	2.2	-7.4	-2.2	-21.7
Equity per share*	13	52	54	60	60
Dividend per share (DKK)	0	0	0	0	16
P/E ratio	-0.3	20.2	-7.6	-29.8	-2.4
P/BV	1.1	0.9	1.0	1.1	0.9
Payout ratio (%)	-	-	-	-	59

Per share ratios are calculated based on diluted earnings per share. *) Excl. treasury shares. **) Earnings per share from continuing operations excl. treasury shares.

FURTHER INFORMATION

Contacts for institutional investors, analysts and media:

Group CEO Martin Thaysen
Tel. +44 20 3691 8300

Group CFO Christian Møller Laursen
Tel. +44 20 8963 2514

Contact for private shareholders:
Shareholders' Secretariat
Tel. +45 35 25 43 00
E-mail: investor@santaferelo.com
www.thesantafegroup.com

FINANCIAL CALENDAR 2019

31.03. Annual Report 2018
29.04. Annual General Meeting
16.05. Interim Report Q1 2019
28.08. Interim Report H1 2019
14.11. Interim Report Q3 2019

Announcements to NASDAQ Copenhagen A/S during 2018, refer to the website:
https://investor.thesantafegroup.com/press-releases

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Santa Fe Group A/S for 2018.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review includes a fair review of the development in the Group's and the Parent Company's operations and financial matters, results for the year, cash flows and financial position as well as describes the most significant risks and uncertainties affecting the Group and the Parent Company.

We recommend that the annual general meeting approve the annual report.

Copenhagen, 31 March 2019

Executive Board:

Martin Thaysen

Christian Møller Laursen

Board of Directors:

Henning Kruse Petersen
Chairman

Preben Sunke
Deputy Chairman

Michael Hauge Sørensen

Jakob Holmen Kraglund

Jesper Teddy Lok

Independent auditor's report

To the shareholders of Santa Fe Group A/S

Opinion

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January – 31 December 2018 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Board or Directors and the Audit Committee.

Audited financial statements

Santa Fe Group A/S' consolidated financial statements and Parent Company financial statements for the financial year 1 January – 31 December 2018 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of significant accounting policies, for the Group as well as for the Parent Company (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for 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 rules and requirements.

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Santa Fe Group A/S for the first time on 7 April 2016 for the financial year 2016. We have been re-appointed by resolutions passed by the annual general meeting for a total uninterrupted engagement period of 3 years up to and including the financial year ending 31 December 2018.

Material uncertainty related to going concern

We draw attention to Note 1.7, 4.5 and 5.11 to the consolidated financial statements and Note 15 to the Parent Company financial statements, in which Management has described the Group's and the Parent Company's financial position, liquidity risk and financing arrangements agreed with the main lender. As stated in these notes, a Term Sheet has been agreed with the main lender extending the maturity date for the EUR 38 million Facility Agreement to 1 April 2020. In addition to a number of information undertakings, the Term Sheet introduces new financial maintenance covenants and a restructuring plan that Management is required to implement. This, combined with limited cash available to cover working capital needs, implies that material uncertainty exists as to the Group's and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

In addition to material uncertainty related to going concern as stated in the preceding paragraph, we have identified the following key audit matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2018 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon. We do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of goodwill	
The audit of the recoverable amount (impairment test) of Interdean-International Relocation Group has been considered a key audit matter as the determination of the recoverable value is associated with significant estimation uncertainty, since it is based on Management's assumptions regarding expected future revenue growth and margin improvements. Reference is made to note 1.6 (Significant accounting estimates and judgements) and note 3.1 (Intangible assets) to the consolidated financial statements and note 11 (Investment in subsidiaries) to the parent company financial statements.	For the purpose of our audit, the procedures we carried out included the following: + We have tested the key assumptions in Management's determination of the recoverable amount such as revenue growth rates and margins and the applied discount rate. + The expected growth rates and margins were tested by analysing the bridge between historical realised revenue growth and margins and Management's expectations of future revenue and margins in order to assess whether Management's cash flow expectations were reasonable. As part of that test, we also tested whether budgets for the Interdean-International Relocation Group historically have been realised as planned in order to assess the accuracy in the Company's forecasting processes. Growth rates were compared to market data to assess if the revenue growth expectations are reasonable. In addition we have discussed with and challenged Management on their future expectations. + In respect of the discount rates, we used KPMG's valuation specialists to assess whether the discount rates used by Management were reasonable and reflect market assessments. + Based on the work performed, we have made an overall assessment as to whether the key assumptions applied are reasonable. + We have read notes 1.6 and 3.1 to the consolidated financial statements and note 11 to the parent company financial statements and assessed whether the description of the impairment test, including key assumptions and uncertainties have been fairly presented and in accordance with the requirements in IAS 36, Impairment of assets.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition	
The Group operates globally with revenue consisting of a large number of contracts with both companies and individuals. The Group's revenue streams are divided into the following business lines; Moving Services, Relocation Services and Records Management. The revenue recognition criteria varies between the individual business lines. We have considered revenue recognition a key audit matter due to the large number of contracts and the complexity associated with the recognition of revenue in each of the different business lines.	For the purpose of our audit, the procedures we carried out included the following: + We have obtained an understanding of the different types of services provided by the Group and the related processes and internal controls, and assessed whether the Group's revenue recognition policy is in accordance with IFRS. + We have reviewed and evaluated Management's analysis of the impact of implementing IFRS 15 Revenue from Contracts wih Customers. + We have tested the design and implementation of key controls associated with revenue recognition, in each of the significant subsidiaries in the Group. + We have analysed the recognised revenue and compared the revenue to our expectations significant deviations between the recognised revenue and our expectations have been investigated by making inquires of Management and obtaining appropriate audit evidence relevant to Management's responses. + We have on a sample basis selected sales contracts and assessed, based on the terms in the contracts, whether revenue has been recognised accurately and in accordance with the Company's accounting policies. + We have on a sample basis selected invoices and credit notes and journal entries in the period immediately prior to and after year-end, and assessed whether revenue has been recognised in the correct accounting period. + In addition, we have assessed the related accounts receivables by analysing the development in days of sales outstanding, overdue balances and payments received subsequent to year-end.

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent 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 as to 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 may 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 judgement and maintain professional scepticism 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 Group's and the Parent 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 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 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 Group and the Parent 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.
+ 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.

We also provide those charged with government with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 31 March 2019

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen State Authorised Public Accountant MNE no. 15839	Lau Bent Baun State Authorised Public Accountant MNE no. 26708

FINANCIAL STATEMENTS

Today 15:22

Dear Charlotte,

I am happy to inform you that your **temporary accommodation** is booked! As requested, I have arranged gluten free breakfasts for both you and your partner and laundry services. Enjoy your stay at **Shangri-La Hotel** and do contact me if you need anything else.

Christopher Miller
Global Mobility Consultant

REPORT 05

Today 15:22

Dear Victoria,

We would like to inform you that **Mrs Diana Smith's work permit** has been approved and we gave the green light to the **moving** experts to dispatch his **shipment**.

Kašpar Baros
Global Mobility Consultant

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Financial statements

Consolidated income statement

EURm	Note	**2018**	2017
External revenue	2.1	**214.2**	**248.6**
Direct costs		118.5	135.4
Other external expenses		22.4	23.2
Staff costs	2.4	76.0	82.4
Other operating income	2.5	2.0	2.9
Other operating expenses	2.6	0.3	0.1
Operating profit before amortisation, depreciation, impairment and special items		**-1.0**	**10.4**
Special items, net	2.7	-2.6	13.1
Operating profit before amortisation, depreciation and impairment		**-3.6**	**23.5**
Amortisation and depreciation of intangibles, property, plant and equipment	3.1,3.2	5.1	4.6
Impairment of goodwill and other intangibles	3.1,3.2	41.6	-0.9
Operating profit/loss		**-50.3**	**19.8**
Financial income	4.2	1.6	0.6
Financial expenses	4.2	4.7	1.7
Share of profit in associates	5.8	0.0	0.2
Profit/loss before income tax expense		**-53.4**	**18.9**
Income tax expense	5.1	2.6	7.3
Profit/loss from continuing operations		**-56.0**	**11.6**
Profit/loss from discontinued operations	5.7	-13.9	-7.3
Net profit/loss for the year		**-69.9**	**4.3**
Attributable to:			
Equity holders of the parent SFG		-69.9	3.9
Non-controlling interests		0.0	0.4
Earnings per share (EUR)	4.1	**-5.8**	**0.3**
from continuing operations		-4.6	0.9
from discontinued operations		-1.2	-0.6
Earnings per share diluted (EUR)	4.1	**-5.8**	**0.3**
from continuing operations		-4.6	0.9
from discontinued operations		-1.2	-0.6

Consolidated statement of comprehensive income

EURm	**2018**	2017
Net profit/loss for the year	-69.9	4.3
Other comprehensive income for the year:		
Items not reclassifiable to the income statement		
Acturial gains/ (losses), defined benefit obligations	0.6	0.0
Taxes	-0.1	0.0
Total items not reclassifiable to profit or loss, net of tax	**0.5**	**0.0**
Items reclassifiable to the income statement		
Foreign currency translation adjustments, foreign entities	-0.1	-4.9
Foreign currency translation adjustments, transferred to profit from discontinued operations	6.1	-
Total items reclassifiable to the income statement, net of tax	**6.0**	**-4.9**
Other comprehensive income, net of tax	**6.5**	**-4.9**
Total comprehensive income	**-63.4**	**-0.6**
Total comprehensive income attributable to:		
Equity holders of the parent SFG	-63.4	-0.9
Non-controlling interests	0.0	0.3

Consolidated balance sheet – assets

EURm	Note	**31.12.18**	31.12.17
Non-current assets			
Intangible assets	3.1	19.0	60.5
Property, plant and equipment	3.2	10.4	15.3
Investment in associates	5.8	2.8	2.8
Other investments	4.3	1.6	1.6
Deferred tax	5.2	1.4	1.6
Other receivables		0.7	1.2
Total non-current assets		**35.9**	**83.0**
Current assets			
Inventories		1.8	1.8
Trade receivables	4.5	48.0	61.0
Contract assets	2.2	10.6	15.7
Other receivables	3.3	8.4	28.2
Current tax receivable		1.0	0.6
Cash and cash equivalents	4.6	20.7	18.9
		90.5	126.2
Assets held for sale	3.2,4.10	1.6	2.6
Total current assets		**92.1**	**128.8**
Total assets		**128.0**	**211.8**

Consolidated balance sheet – equity and liabilities

EURm	Note	**31.12.18**	31.12.17
Equity			
Share capital	4.1	115.9	115.9
Translation reserve		-1.3	-7.2
Treasury shares		-2.8	-2.9
Retained earnings		-91.6	-22.3
SFG' share of equity		**20.2**	**83.5**
Non-controlling interests		0.0	0.0
Total equity		**20.2**	**83.5**
Liabilities			
Non-current liabilities			
Borrowings	4.4	2.8	3.2
Deferred tax	5.2	1.5	1.5
Provisions for other liabilities and charges	3.6	1.7	3.3
Defined benefit obligations	3.4	0.9	1.7
Total non-current liabilities		**6.9**	**9.7**
Current liabilities			
Borrowings	4.4	37.2	28.5
Trade payables		39.6	51.9
Contract liabilities	2.2	5.9	5.9
Other liabilities	3.5	14.9	25.1
Current tax payable		2.2	5.7
Provisions for other liabilities and charges	3.6	1.1	1.5
		100.9	118.6
Liabilities held for sale		0.0	0.0
Total current liabilities		**100.9**	**118.6**
Total liabilities		**107.8**	**128.3**
Total equity and liabilities		**128.0**	**211.8**

Financial statements

Consolidated statement of changes in equity

EURm	Share capital	Translation reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-con- interests	Total equity
Equity at 1 January 2018	**115.9**	**-7.2**	**-2.9**	**-22.3**	**0.0**	**83.5**	**0.0**	**83.5**
Comprehensive income for the year								
Loss for the year				-69.9		-69.9		-69.9
Other comprehensive income								
Foreign currency translation adjustments, foreign entities		-0.2	0.1			-0.1		-0.1
Foreign currency translation adjustments, transferred to profit from discontinued operations		6.1				6.1		6.1
Actuarial gain/(losses), defined benefit obligations				0.6		0.6		0.6
Tax on other comprehensive income				-0.1		-0.1		-0.1
Total other comprehensive income	0.0	5.9	0.1	0.5	0.0	6.5	0.0	6.5
Total comprehensive income for the year	**0.0**	**5.9**	**0.1**	**-69.4**	**0.0**	**-63.4**	**0.0**	**-63.4**
Transactions with the Equity holders								
Share grant				0.1		0.1		0.1
Total transactions with the equity holders	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**0.1**	**0.0**	**0.1**
Equity at 31 December 2018	**115.9**	**-1.3**	**-2.8**	**-91.6**	**0.0**	**20.2**	**0.0**	**20.2**

No ordinary dividends are proposed for 2018.

EURm	Share capital	Translation reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-con- interests	Total equity
Equity at 1 January 2017	**115.9**	**-2.4**	**-3.2**	**-23.5**	**0.0**	**86.8**	**2.2**	**89.0**
Comprehensive income for the year								
Profit for the year				3.9	0.0	3.9	0.4	4.3
Other comprehensive income								
Foreign currency translation adjustments, foreign entities		-4.8				-4.8	-0.1	-4.9
Actuarial gain/(losses), defined benefit obligations		0.0		0.0		0.0		0.0
Tax on other comprehensive income		0.0		0.0		0.0		0.0
Total other comprehensive income	0.0	-4.8	0.0	0.0	0.0	-4.8	-0.1	-4.9
Total comprehensive income for the year	**0.0**	**-4.8**	**0.0**	**3.9**	**0.0**	**-0.9**	**0.3**	**-0.6**
Transactions with the equity holders								
Acquisition of non-controlling interests				-2.5		-2.5	-2.5	-5.0
Share grant			0.3	-0.2		0.1		0.1
Total transactions with the equity holders	**0.0**	**0.0**	**0.3**	**-2.7**	**0.0**	**-2.4**	**-2.5**	**-4.9**
Equity at 31 December 2017	**115.9**	**-7.2**	**-2.9**	**-22.3**	**0.0**	**83.5**	**0.0**	**83.5**

No ordinary dividends are proposed for 2017.

Consolidated cash flow statement

EURm	Note	**31.12.18**	31.12.17
Cash flows from operating activities			
Operating profit/loss		-50.3	19.8
Adjustment for:			
Depreciation and amortisation and impairment losses	3.1,3.2	46.7	3.5
Other non-cash items	4.9	-1.1	-4.5
Gain on divestment of Record Management business	4.10	-0.6	-17.0
Change in working capital	4.8	1.2	-5.3
Interest paid		-3.2	-1.0
Interest received		0.2	0.1
Corporate tax paid		-7.8	-3.9
Net cash flow from operating activities		**-14.9**	**-8.3**
Cash flows from investing activities			
Dividends received from associates		0.2	0.5
Investments in intangible assets and property, plant and equip.	3.1,3.2	-4.1	-6.2
Proceeds from sale of non-current assets		1.6	0.2
Proceeds from sale of Records Management activities	4.10	16.2	9.9
Change in non-current investments		0.6	0.2
Proceeds from sale of discontinued operations (cash disposed)		-0.5	-
Net cash flow from investing activities		**14.0**	**4.6**
Net cash flow from operating and investing activities		**-0.9**	**-3.7**
Cash flows from financing activities			
Proceeds from borrowings		38.9	4.7
Repayment of borrowings		-29.4	-13.9
Capitalised financing and legal expenses		-1.8	-0.3
Purchase of non-controlling interests in subsidiaries		-	-5.0
Net cash flow from financing activities		**7.7**	**-14.5**
Net cash flow from discontinued operations		**-5.1**	**-5.0**
Changes in cash and cash equivalents		**1.7**	**-23.2**
Cash and cash equivalents at beginning of year, continuing operations		18.2	42.2
Cash and cash equivalents at beginning of year, presented as discontinuing operations		0.7	1.4
Translation adjustments of cash and cash equivalents		0.1	-1.5
Cash and cash equivalents at end of year		**20.7**	**18.9**

01 Basis of preparation of the consolidated financial statement

The consolidated financial statements of the Santa Fe Group for 2018 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

1.1 General information

The Santa Fe Group A/S (the Company) and its subsidiaries (together the Santa Fe Group or the Group) provide moving and value-added relocation services to corporate clients and individuals.

The Company is a limited liability company incorporated and domiciled in Denmark. The address of its registered office is 20 Indiakaj, DK-2100 Copenhagen Ø, Denmark.

The annual report comprises both consolidated financial statements and separate Parent Company financial statements.

The Company has its listing on NASDAQ Copenhagen A/S.

On 28 March 2019, the Board of Directors approved this annual report for publication and approval by the shareholders at the annual general meeting to be held on 29 April 2019.

The financial statements are presented in EUR million unless otherwise stated.

The Group's subsidiaries and associates are listed on pages 98-99.

1.2 Changes in accounting policies and estimates

The Group has adopted the IFRS standards and amendments that are effective from 1 January 2018.

Implementation of these standards and amendments do not have a material effect on the Group's financial statements and are not expected to have any significant future impact.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards, except for separately presenting impairment loss on trade receivables and contract assets.

Of the new standards and amendments implemented in 2018 the most significant are as follows:

IFRS 9 Financial instruments
IFRS 9 introduces several changes to IAS 39 - including a new impairment framework, new rules for hedge accounting and new requirements and guidance on classifications, measurement and disclosure of financial assets and liabilities. IFRS 9 has been adopted applying the standard retrospective approach, with the practical expedients permitted under the standard and with no restatement of comparatives with respect to classification and measurement (including impairment) requirements. The impairment assessments of trade receivables and contract assets are now considered based on the IFRS 9 expected credit loss model, where previously an incurred loss model was applied. Other investments are now classified at fair value through other comprehensive income, where previously they were classified as financial assets available for sale. The changes in accounting policies have had no impact on equity and net profit/loss for the year.

IFRS 15 Revenue from contracts with customers
IFRS 15 introduces a new framework for revenue recognition and measurement. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the transfer of control at a point in time or over time requires judgement. IFRS 15 has been applied following the cumulative effect method (with practical expedients) with any cumulative effects recognised in equity as of 1 January 2018 and with no restatement of comparatives. The implementation has not resulted in any changes to existing revenue recognition practices. Implementation has resulted only in minor changes in the presentation of accounting practices and in extended disclosures.

New accounting regulation for the coming years is disclosed in note 1.5.

1.3 Consolidated financial statements

Subsidiaries
Subsidiaries are entities over which the Santa Fe Group has control.

The Santa Fe Group has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement in the entity, and has the ability to affect those returns through its power over the entity. Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment. Subsidiaries are fully consolidated from the date on which control is transferred to the Santa Fe Group. They are deconsolidated from the date on which control ceases. Intercompany transactions, balances and unrealised gains on transactions between consolidated companies are eliminated.

The acquisition method
The consideration transferred for an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition.

If part of the consideration is contingent on future events, such consideration is recognised in cost at fair value. Subsequent changes in the fair value of contingent consideration are recognised in the income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

A positive excess (goodwill) of the consideration transferred (including any previously held equity interests and any non-controlling interests in the acquired business) over the fair value of the identifiable net assets acquired is recorded as goodwill. Costs directly attributable to the acquisition are expensed as incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values are adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures are restated.

1.4 Foreign currency translation

Items included in the financial statements of each of the Santa Fe Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Santa Fe Group is a Danish listed group, however the consolidated financial statements are presented in EUR ('presentation currency') representing the predominant functional currency within the Santa Fe Group.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Santa Fe Group companies
The items of the income statements and balance sheets of foreign subsidiaries with a functional currency other than EUR are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the date of the balance sheet;

(ii) income and expenses are translated at the rate of the transaction date or at an approximate average rate; and

(iii) all resulting foreign currency translation adjustments are recognised as a separate component of equity.

Foreign currency translation adjustments of a loan or payable to subsidiaries which are neither planned nor likely to be settled in the foreseeable future and which are therefore considered to form part of the net investment in the subsidiary are recognised directly in other comprehensive income.

When a foreign operation is disposed or a significant capital reduction in a foreign operation is effected, the Santa Fe Group's share of accumulated foreign exchange adjustments are recycled from other comprehensive income and recognised in the income statement as part of the gain or loss on the sale.

Goodwill arising on the acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the foreign exchange rate at the balance sheet date.

1.5 New accounting regulation

The IASB has issued the following new accounting standards (IFRS and IAS) and interpretations (IFRIC), which are not mandatory for the Santa Fe Group in the preparation of the annual report for 2018:

IFRS 16, IFRS 17, amendments to IFRS 3, 9, IAS 1, 8, 19, 28, References to Conceptual Framework in IFRS Standards, Annual Improvements to IFRSs 2015-2017 Cycle and IFRIC 23.

Except from IFRS 16 and amendments to IFRS 9, none of the above have yet been endorsed by the EU.

The Santa Fe Group expects to adopt the new accounting standards and interpretations when they become mandatory according to the effective dates adopted by the EU. Apart from note disclosure requirements, only IFRS 16 is expected to have a significant impact on recognition and measurement for the Santa Fe Group, as further described below:

IFRS 16 Leases is effective for the reporting period beginning on 1 January 2019. The standard will significantly change the accounting treatment of leases that under the current IAS 17 are classified as operating leases. IFRS 16 requires that all leases irrespective of their type, with only few exceptions, are recognised in the balance sheet by the lessee as an asset with a corresponding liability. The income statement will also be impacted as the annual lease expenses under IFRS 16 will consist of two elements - depreciation on the leased assets and interest expenses. Under the current standard, the annual expenses from operating leases are recognised as other external expenses.

IFRS 16 has been implemented on 1 January 2019 using the modified retrospective approach (with practical expedients) with the cumulative effect of applying the standard recognised in the opening balance of retained earnings at 1 January 2019 with no restatement of comparative information. Right-of-use assets will be measured as if IFRS 16 had been applied since the commencement date, discounted using an applicable incremental borrowing rate at the date of initial application.

The Santa Fe Group has made a thorough impact assessment of the new standard and IFRS 16 will have material impact to operating leases, primarily warehouses, offices, vehicles and office equipment, etc.

Assuming that the 2018 year-end lease portfolio remains unchanged for 2019, implementation of the standard is estimated to impact the 2019 opening balance and full-year income statement as outlined below.

IFRS 16 ESTIMATED IMPACT 2019

EURm	
INCOME STATEMENT	
Direct costs	5
Other External expenses	4
EBITDA - positive impact	**9**
Depreciation	-6
Interest expense	-2
Net Profit	**1**
BALANCE SHEET	
Right of use assets	
Addition	20
Depreciation	-6
Asset Book Value	**14**
Liabilities	
Financial lease liability	
Increase in loan	23
Repayment during the year	-6
Financial lease liability	**17**
Equity	**-3**

1.6 Significant accounting estimates and judgements

In connection with the preparation of the consolidated financial statements, Management has made accounting estimates and judgements affecting the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting.

Significant accounting estimates and judgements considered material in the preparation and understanding of the consolidated financial statements are listed below and described in more detail in the relevant notes:

+ Net revenue (note 2.2)
+ Special items (note 2.7)
+ Impairment testing (note 3.1)
+ Contingent liabilities (note 5.9)

1.7 Going concern

According to the regulations for preparation of financial statements, the Management is required to determine whether the financial statements can be presented on a ‘going concern’ basis. The assessment is based on estimated future prospects, expectations of future cash flow, availability of credit facilities, etc.

As the Company in the second half of 2018 was exploring opportunities to strengthen the capital structure, the opportunity to divest the Immigration business at a cash consideration of EUR 52m gave a path to a debt free company and a strong capital foundation. Unexpectedly it turned out in February 2019 that the transaction was not able to be completed, where after we started working with Santa Fe’s financing partner, Proventus Capital Partners, to identify a new solution. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group’s competitiveness and profitability.

The Board of Directors has considered the Group’s cash flow forecasts and the expected compliance with the Company’s financial covenants for a period of not less than 12 months from the date of approval of these financial statements. Based on this review, the Board of Directors recognises the significant uncertainty inherent in forecasting future financial performance and cash flows for the Group, that the working capital availability is perceived to be tight and that material financial uncertainty prevails for the Group and for the parent Company. The Board of Directors have agreed with the Group’s financing partners on a number of steps to solidify the Group’s cash flow for the year, and continue to work on initiatives to strengthen the capital structure of the Group. On this basis the Board of Directors has assessed the Group will be able to comply with its financial covenants and continue as a going concern.

02 Result for the year

The section provides a description of consolidated operating profit including special items. The consolidated operating profit is based on our business segments described below. Reference is also made to the comments on the profit development of the Group in the Financial Review on page 20-27.

2.1 Operating segments

§ Accounting policies

The presentation of operating segments for the Santa Fe Group reflects the Group's regional management structure (Europe, Asia and Americas) in line with the internal management reporting.

Information about operating segments is provided in accordance with the Group's accounting policies.

Segment revenue and cost and segment assets and liabilities comprise items which are directly attributable to the individual segment and certain allocated items.

Corporate and unallocated activities primarily comprise corporate and administrative Group functions in London and in the Parent company, non-core and dormant entities or other investments expected to be divested or entities awaiting liquidation. Reconciliation items in "Corporate and unallocated activities" are primarily related to corporate costs and corporate assets including cash and cash equivalents held by the Group holding company in London and the Santa Fe Group Parent company.

	2018				2017			
EURm	Europe	Asia	Americas	**Santa Fe Group**	Europe	Asia	Americas	**Santa Fe Group**
Moving Services	97.6	59.7	5.1	**162.4**	117.8	69.0	5.3	**192.1**
Relocation Services	32.6	16.3	2.6	**51.5**	31.7	16.1	3.4	**51.2**
Records Management	0.0	0.3	0.0	**0.3**	0.3	5.0	0.0	**5.3**
Total revenue	**130.2**	**76.3**	**7.7**	**214.2**	**149.8**	**90.1**	**8.7**	**248.6**

2.1 Operating segments (continued)

	Europe		Asia		Americas		**Santa Fe Group** (Reportable segment)		Parent and unallocated activities		**Santa Fe Group**	
EURm	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Income statement												
Total revenue	151.1	173.3	97.2	117.2	9.8	11.3	258.1	301.8	-1.3	-1.8	256.8	300.0
Internal revenue	20.9	23.5	20.9	27.1	2.1	2.6	43.9	53.2	-1.3	-1.8	42.6	51.4
External revenue	**130.2**	**149.8**	**76.3**	**90.1**	**7.7**	**8.7**	**214.2**	**248.6**	**0.0**	**0.0**	**214.2**	**248.6**
Operating profit before amortisation, depreciation and special items (EBITDA)	**-1.4**	**5.0**	**3.0**	**8.8**	**-0.3**	**0.0**	**1.3**	**13.8**	**-2.3**	**-3.4**	**-1.0**	**10.4**
Special items, net	-3.5	-1.6	-1.8	16.7	0.5	-0.3	-4.8	14.8	2.2	-1.7	-2.6	13.1
Amortisation and depreciation	1.9	2.0	0.9	1.4	0.0	0.0	2.8	3.4	2.3	1.2	5.1	4.6
Impairment	41.6	0.0	0.0	0.0	0.0	0.0	41.6	0.0	0.0	-0.9	41.6	-0.9
Reportable segment operating profit/loss (EBIT)	**-48.4**	**1.4**	**0.3**	**24.1**	**0.2**	**-0.3**	**-47.9**	**25.2**	**-2.4**	**-5.4**	**-50.3**	**19.8**
Financials, net	-0.8	0.4	2.0	0.5	-0.1	-0.3	1.1	0.6	-4.2	-1.7	-3.1	-1.1
Share of profit from associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2
Profit/loss before tax	**-49.2**	**1.8**	**2.3**	**24.6**	**0.1**	**-0.6**	**-46.8**	**25.8**	**-6.5**	**-6.9**	**-53.4**	**18.9**
Income tax expense	0.7	0.6	1.7	6.7	0.0	0.0	2.4	7.3	0.2	0.0	2.6	7.3
Reportable segment profit/loss	**-49.9**	**1.2**	**0.6**	**17.9**	**0.1**	**-0.6**	**-49.2**	**18.5**	**-6.8**	**-6.9**	**-56.0**	**11.6**
Discontinued operations											-13.9	-7.3
Net profit/loss for the year	**-49.9**	**1.2**	**0.6**	**17.9**	**0.1**	**-0.6**	**-49.2**	**18.5**	**-6.8**	**-6.9**	**-69.9**	**4.3**
Balance sheet												
Segment assets	63.6	113.3	44.2	62.8	3.8	4.3	111.6	180.4	16.4	16.8	128.0	197.2
Discontinued operations											-	14.6
Total assets											128.0	211.8
Investment in intangible assets and property, plant and equipment	0.5	0.6	0.7	0.7	0.0	0.0	1.2	1.3	3.2	5.2	4.4	6.5
Investment in associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	2.8	2.8	2.8
Segment liabilities	44.2	45.5	20.3	30.9	3.1	3.1	67.6	79.5	40.1	35.8	107.7	115.3
Discontinued operations											-	13.0
Total liabilities											107.7	128.3

2.1 Operating segment (continued)

	External revenue		Non-current assets[1]	
EURm	**2018**	2017	**2018**	2017
United Kingdom	26.3	37.3	0.6	0.8
Germany	28.4	34.1	0.7	1.1
Hong Kong	14.7	16.5	10.5	10.6
France	28.0	29.1	6.5	6.5
China	14.3	17.6	2.3	2.3
Singapore	12.4	15.1	0.3	0.4
Other countries and unallocated non-current assets	90.1	98.9	13.6	56.1
Total operating segments	214.2	248.6	34.5	77.8
Discontinued operations			-	3.6
Total continuing and discontinued operations			34.5	81.4

[1] Excluding deferred tax assets
[2] Other countries and unallocated non-current assets

2.2 Revenue recognition

§ Accounting policies

Revenue
Revenue from services delivered is recognised over-time following the satisfaction of various milestones as the performance obligation is fulfilled towards the customer. The main services comprise Moving, Relocation Management and Storage services as described in the following.

Moving
The components of the service typically comprise: packing at origin (including arranging the move with the customer in detail, etc.), freight and delivery at destination as well as shipment protection. Moving services are characterised by longer delivery times depending on destination typically spanning over several weeks and sometimes even months.

Relocation Management
Relocation Management services includes services for home finding, obtaining visas, orientation, settling in, school search, tenancy management, language and cultural training etc. Relocation Management services are characterised by shorter delivery times.

Storage
This service includes storage of assignees belongings in warehouses either related to goods in transit or long term storage.

Revenue from services delivered are recognised based on the price specified in the contract with the customer or in terms of moving services dependent on the volume, value etc. of goods moved. As a practical expedient, management has elected to recognise revenue based on the amount invoiced to the customer since this amount corresponds directly with the value to the customer of the entity's performance completed to date. Revenue is measured excluding VAT and other tax collected on behalf of third parties, and any discounts are offset against the revenue. Incremental costs of obtaining a contract with a customer are recognised as an expense when incurred due to the short delivery times.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

EURm	**2018**	2017
Receivables, which are included in trade receivables	48.0	61.0
Contract assets	10.6	15.7
Contract liabilities	5.9	5.9

2.2 Revenue recognition (continued)

Contract assets includes accrued revenue and other related services in progress at 31 December 2018. Contract assets are recognised when a sales transaction fulfils the criteria for revenue recognition but no final invoice has yet been issued to the customer for the services delivered. Contract liabilities relates to advance consideration received from customers where the customer has been invoiced in advance for the move. The amount of EUR 5.9m recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2018.

Significant accounting estimates

The Group operates globally with revenue and associated cost consisting of a large number of contracts with both companies and individuals.

The Group's revenue streams are divided into the following business lines; Moving Services, Relocation Management Services and Storage.

The Group applies the "as invoiced" practical expedient for recognising revenue from most of its services, however, when the individual jobs performed by Santa Fe Group span over several weeks or sometimes even months, significant accounting estimates are made regarding services in progress at the close of the accounting period where cut-off criteria have been established to ensure revenue and costs are matched and recorded in the correct period. For open jobs, revenue and cost are based on accruals supported by system-generated reports and contain an element of estimation. Subsequent follow-up against actual invoicing is continuously performed.

2.3 Direct costs and Other external expenses

§ Accounting policies

Direct cost comprise costs incurred to generate the revenue for the year, including subcontracted services, packaging materials, transportation and freight as well as expenses related to operation of warehouses and vehicles including maintenance.

§ Accounting policies

Other external expenses comprise of expenses for advertising and marketing expenses, IT, travelling and communications, as well as operation of motor vehicles, office expenses and other selling costs and administrative expenses.

2.4 Staff costs

§ Accounting policies

Staff cost include wages and salaries, pensions, social security cost and other staff cost. Staff cost are recognised in the financial year in which the employee renders the related service. Cost related to long term employee benefits, e.g. share-based payments, are recognised in the period to which they relate.

	2018	2017
Salaries and wages to employees	62.0	65.8
Salaries to the Executive Board of the Parent Company	1.2	1.3
Board fees to the Board of Directors of the Parent Company (fixed fee only)	0.2	0.2
Equity - settled share based payment transactions, employees [2]	0.0	0.1
Equity - settled share-based payment transactions [2] Executive Board of the Parent Co	0.1	0.1
Pension, defined contribution schemes [1]	1.7	2.6
Pension, defined benefit schemes	-0.1	0.3
Social security costs	8.9	9.1
Other staff expenses	5.1	5.1
Total staff costs including special items	79.1	84.6
of which special items	-3.1	-2.2
Total staff costs	**76.0**	**82.4**
Of which compensation to Executive Board		
Salaries and other short-term employee benefits	1.2	1.3
Equity-settled share-based payment	0.1	
Total	**1.3**	**1.3**

[1] For further see note 3.6
[2] For further see note 5.5

Employment contracts for members of the Executive Board contain terms and conditions that are common to those of their peers in companies listed on Nasdaq Copenhagen - including terms of notice and non-competition clauses.

Number of employees	**2018**	2017
Santa Fe Group average	2,021	2,284
Santa Fe Group, end period	1,976	2,186

2.5 Other operating income

§ Accounting policies

Other operating income comprise items of a secondary nature to the Santa Fe Group's main activity, including gains on the sale of intangible assets and property, plant and equipment.

EURm	2018	2017
Profit on sale of fixed assets	0.5	0.3
Rental income	0.7	0.3
Reversed provisions related to potential claims	0.0	1.0
Other	0.8	1.3
Total	**2.0**	**2.9**

2.6 Other operating expenses

§ Accounting policies

Other operating expenses comprise items of a secondary nature to the Santa Fe Group's main activity, including losses on the sale of intangible assets and property, plant and equipment.

EURm	2018	2017
Loss on sale of fixed assets	0.1	0.0
Other	0.2	0.1
Total	**0.3**	**0.1**

2.7 Special items

§ Accounting policies

Special items include significant income and expenses that cannot be attributed directly to the Group's ordinary operating activities.

Special items include restructuring costs associated with major organisational changes within Santa Fe Group including fundamental structural, procedural and managerial reorganisations, restructuring cost relating to acquisition and divestment of enterprises and major gains or losses arising from disposals of assets that have a material effect in the reporting period and other significant non-recurring items.

Significant accounting estimates

In the classification of special items, a high level of Management attention is applied to ensure that only exceptional items not associated with the ordinary operations of the Group are included.

EURm	2018	2017
Gain on divestment of Records Management activities	0.3	17.0
Germany restructuring costs	-1.1	-0.3
Restructuring costs related to Fix the Core programme	-2.4	-1.9
Transition cost, Manila Service Centre	-0.1	-1.2
Reversal of provision	0.7	0.0
Cost related to merger and acquisition	0.0	-0.5
Total	**-2.6**	**13.1**

Special items, EUR -2.6m in total (EUR 13.1m), include severance pay as well as other staff costs of EUR 3.1m (EUR 2.2m) as further detailed above.

03 Operating assets and liabilities

This section covers the operating assets and related liabilities that form the basis for the Santa Fe Group's activities. Intangible assets with associated impairment assessments and sensitivity tests are further detailed in note 3.1.

3.1 Intangible assets

§ Accounting policies

Amortisation for the year is recognised in the Income Statement based on the amortisation profiles determined for the intangible assets and detailed by category below.

Goodwill
In connection with the acquisition of subsidiaries, goodwill is determined in accordance with the acquisition method. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the investment of the business segments in each region of operation.

Goodwill and assets with indefinite useful lives are subject to annual impairment tests. Other non-current assets are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Brands, trademarks and licences
Brands, trademarks and licences with a definite useful life are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful lives of the assets.

Trademarks with an indefinite useful life are not amortised but tested annually for impairment.

Software
The cost of acquired software licences comprises the cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight-line basis.

Cost that are directly associated with the production of identifiable and unique software products controlled by the Santa Fe Group, and that will probably generate economic benefits are recognised as intangible assets. Such software development cost are amortised over their estimated useful lives.

Trademarks with finite useful life	Max. 20 years depending on the strength of the trademark and expected use
Software etc.	3-5 years
Non-compete agreements	Max. 5 years depending on contractual terms
Supplier contracts	Max. 5 years depending on contractual terms
Customer relationships	3-15 years depending on customer loyalty track record

Significant accounting estimates

The Santa Fe Group carries out impairment tests of goodwill and trademarks with an indefinite useful life once a year and of non-current assets in general when events or other circumstances indicate impairment. In recent years, the Group has recognised significant impairment losses related to goodwill and trademarks. In connection with the impairment testing, Management makes significant estimates when determining various assumptions, including expectations for future cash flows, discount factors and future growth rates. The sensitivity to changes in the above assumptions may in the aggregate and individually be considerable.

3.1 Intangible assets (continued)

EURm	Goodwill[1]	Trade-marks	Software	Other[1]	Total
2018					
Cost:					
01.01.	81.6	45.9	14.4	11.6	153.5
Translation adjustments	-1.8	-1.0	0.1	-0.2	-2.9
Additions	0.0	0.0	3.2	0.0	3.2
Disposals, discontinued operations	-30.7	-18.1	-1.8	-4.2	-54.8
31.12.	49.1	26.8	15.9	7.2	99.0
Amortisation/impairment:					
01.01.	32.5	45.9	6.1	8.5	93.0
Translation adjustments	-1.8	-1.0	0.2	-0.2	-2.8
Impairment for the year	39.1	0.0	0.0	2.5	41.6
Amortisation for the year, continuing operations	0.0	0.0	2.1	0.6	2.7
Amortisation for the year, discontinued operations	0.0	0.0	0.3	0.0	0.3
Disposals, discontinued operations	-30.7	-18.1	-1.8	-4.2	-54.8
31.12.	39.1	26.8	6.9	7.2	80.0
Carrying amount 31.12.	**10.0**	**0.0**	**9.0**	**0.0**	**19.0**

[1] The carrying amount of goodwill (EUR 39.1m) and other intangible assets of EUR 2.5m, related to customer relationships from the acquisition of Interdean, was written off 31 December 2018 as further explained in the impairment test section.

EURm	Goodwill	Trade-marks	Software	Other[1]	Total
2017					
Cost:					
01.01.	84.4	46.9	10.5	11.9	153.7
Translation adjustment	-2.8	-1.0	-0.4	-0.3	-4.5
Additions	0.0	0.0	5.2	0.0	5.2
Disposals	0.0	0.0	-0.9	0.0	-0.9
31.12.	81.6	45.9	14.4	11.6	153.5
Amortisation/impairment:					
01.01.	33.7	46.9	6.0	8.3	94.9
Translation adjustments	-1.6	-1.0	-0.3	-0.3	-3.2
Impairment for the year, discontinued operations	0.4	0.0	0.0	0.0	0.4
Amortisation for the year, continuing operations	0.0	0.0	1.2	0.5	1.7
Amortisation for the year, discontinued operations	0.0	0.0	0.1	0.0	0.1
Disposals	0.0	0.0	-0.9	0.0	-0.9
31.12.	32.5	45.9	6.1	8.5	93.0
Carrying amount 31.12.	**49.1**	**0.0**	**8.3**	**3.1**	**60.5**

[1] Other intangible assets are related to customer relationships from acquisition of Interdean.

Impairment assessment of cash-generating units.
At 31 December 2018, Management completed the annual impairment testing of cash generating units to which goodwill is allocated. The impairment testing was done in Q1 2019 based on the budgets and business plans approved by the Board of Directors as well as other assumptions adjusted as required to comply with IAS 36.

The carrying amount of goodwill and trademarks in the Group is attributable to the following cash-generating units.

3.1 Intangible assets (continued)

		Trademarks 2018	Trademarks 2017	Goodwill 2018	Goodwill 2017
Acquisition:	**Country:**				
Santa Fe Asia [1]	Asia			10.0	10.0
Interdean Relocation Group [2, 3]	EMEA	0.0	0.0	0.0	39.1
Other					
Total		**0.0**	**0.0**	**10.0**	**49.1**

[1] 15 countries across Asia
[2] 35 countries across Europe (including Russia) and Central Asia
[3] Trademark and Goodwill written down to zero 31 December 2018

When performing impairment tests of cash-generating units, the recoverable amount calculated as the discounted value of expected future cash flows (value in use) is compared to the carrying amount of each of the cash-generating units.

For all cash-generating units, the key parameters are revenue, margins, working capital requirements, capital expenditures as well as assumptions of growth. The cash flows are based on budgets and business plans and cover the next five years. Projections for subsequent years (terminal value) are based on general market expectations and risks including general expectations of growth for the cash-generating units. The discount rates used to calculate the recoverable amount is the Group's internal WACC rate computed before and after tax and reflects specific risks relating to the businesses and underlying cash flows.

For Europe the revenue growth is expected to be lower than the GDP growth (according to www.tradingeconomics.com) as result of market decline and contracts lost during 2018 which are not fully compensated by new contracts won. Given the recent years revenue decline the revenue growth (CARG) in the forecast period is expected to only increase 0.7% and is expecting to stabilise following different initiated growth initiatives expected to compensate for the impact of lost business.

EBITDA before special item margins are assumed to gradually improve from the very low 2018 levels in the remaining forecast period to the levels assumed in the terminal period of 0.5% primarily driven by changed mix towards a higher share of relocation services (higher margin). Cost saving initiatives relates to the use of warehouses in cheaper locations/countries, including securing a higher utilisation of warehouses.

Working capital is assumed to slightly decrease in 2019, which is linked to the continued effort to reduce overdue receivables following improved collection processes initiated during 2018.

Capital expenditure (maintenance) is assumed to be lower than the annual depreciation due to a cautious Capex budget. However, the CORE technology programme will result in additional capital expenditures during the forecast period, which have been anticipated in the forecast through increased management charges into the Cash Generating Unit (CGU).

Growth in the terminal period is unchanged from 2017.

Discount rates are based on the Group's internal WACC rate (determined using the Capital Asset Pricing Model) at year-end adjusted by a region-specific risk premium to reflect uncertainty related to projected revenue and earnings growth in light of recent years' track record for the cash-generating units.

Impairment of trademarks and other intangibles
At 31 December 2018, the value in use calculation showed an impairment loss related to the goodwill in Interdean in the amount of EUR 39.1m and customer relations in the amount of EUR 2.5m (in addition to EUR 26.4m recognised 2014 related to the Interdean trademark). The impairment loss has been recognised in the income statement in a separate line in 2018 and the Interdean goodwill and customer relations have thereby been fully impaired. As at 31 December

Key assumptions [3]		Revenue (CAGR) 2018-2022 (%)		EBITDA margin in the terminal period (%)		Growth in the terminal period (%)		Discount rates before tax (%)		Discount rates after tax (%)	
		2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Santa Fe Asia [1]	Asia	4.5	4.5	7.9	7.8	1.0	1.0	13.3	11.6	10.7	8.9
Interdean Relocation Group [2]	EMEA	0.7	2.2	0.5	4.3	1.0	1.0	22.2	11.0	11.4	9.0

[1] 15 countries across Asia
[2] 35 countries across Europe (including Russia) and Central Asia.
[3] The key assumptions applied in the impairment tests are used for accounting purposes and should not be considered as forward-looking statement.

3.1 Intangible assets (continued)

2018 the carrying value of goodwill, trademark and other intangibles related to the Interdean acquisition was EUR 0.0m.

During 2018, Europe was impacted by the weak market conditions, suffered from contracts lost and did not secure as much new business to substitute these as anticipated. Gross margins came under pressure, especially in the UK which accounted for the majority of the EBITDA before special items shortfall compared to 2017. Other factors that has triggered a substantial impairment is the increased WACC rate from 9.0% to 11.4% as a consequence of the general uncertainties including uncertainties related to the projected revenue and earnings growth. For the same reason the projections in the forecasting period reflects a larger degree of prudence in light of recent years' track record for the EMEA cash generating unit. Another significant factor is the failed divestment of the Immigration business which would have supported an alternative fair value assessment of the EMEA CGU considerably.

Sensitivity test
For the cash generating unit Asia, it is Management's assessment that reasonably possible changes in the key assumptions will not result in further impairment of goodwill and trademarks.

3.2 Property, plant and equipment

§ Accounting policies

Property, plant and equipment and finance leases are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to the Santa Fe Group, and the cost of the item can be measured reliably.

Depreciation for the year is recognised in the Income Statement based on the depreciation profiles determined for the assets. Land is not depreciated. Depreciation on other assets is provided on a straight-line basis over their estimated useful lives, as follows:

Buildings	20-30 years
Plant, etc.	20-30 years
Other installations and Trucks, vehicles etc.	3-15 years
IT equipment	3 years

The cost of an asset is divided into separate components which are depreciated separately if their useful lives differ.

The assets' residual values and useful lives are reviewed and adjusted annually if appropriate.

Assets held for sale
Assets, which according to the Santa Fe Group's strategic plan are to be sold, are classified as assets held for sale when their carrying amount is primarily expected to be realised in connection with a sale within 12 month. Such assets and related liabilities are presented separately in the balance sheet.

3.2 Property, plant and equipment (continued)

EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Trucks, vehicles etc.	Total
2018				
Cost:				
01.01.	10.9	15.5	12.6	39.0
Translation adjustment	0.0	0.0	-0.3	-0.3
Additions	0.4	0.8	0.2	1.4
Disposals	-2.7	-1.1	-3.3	-7.1
Disposals, divestment of RM (Portugal)	0.0	-0.4	0.0	-0.4
Disposals, discontinued operations	-1.0	-1.3	-3.4	-5.7
31.12.	7.6	13.5	5.8	26.9
Depreciation/Impairment:				
01.01.	5.0	10.5	8.2	23.7
Translation adjustment	0.0	0.0	-0.1	-0.1
Depreciation for the year, continuing operations	0.3	1.6	0.5	2.4
Depreciation for the year, discontinued operations	0.2	0.0	0.5	0.7
Disposals	-2.7	-1.0	-3.1	-6.8
Disposals, divestment of RM (Portugal)	0.0	-0.3	0.0	-0.3
Disposals, discontinued operations	-0.5	-0.9	-1.7	-3.1
31.12.	2.3	9.9	4.3	16.5
Carrying amount 31.12.	**5.3**	**3.6**	**1.5**	**10.4**
Carrying amount of financial leases	5.0	0.7	0.5	6.2

A warehouse in Beijing was reclassified to assets held for sale end of 2017 following the divested Record Management activities in China which was not finally closed as at 31 December 2017. Current expectation is a transaction can be closed during 2019 and consequently the carrying amount of the Beijing warehouse, amounting to EUR 1.6m, has continued to be classified as asset held for sale at the balance sheet date.
The Santa Fe Group was at 31 December 2018/17 not contractually committed to any future investments related to property, plant and equipment.

EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Trucks, vehicles etc.	Total
2017				
Cost:				
01.01.	14.5	17.4	14.2	46.1
Translation adjustment	-0.4	-0.7	-0.8	-1.9
Additions	0.5	1.0	0.2	1.7
Disposals	0.0	-0.5	-0.8	-1.3
Disposals, Record Management	-0.2	-1.7	-0.2	-2.1
Reclassified to assets held for sale [1]	-3.5	0.0	0.0	-3.5
31.12.	10.9	15.5	12.6	39.0
Depreciation/Impairment:				
01.01.	6.6	10.4	8.4	25.4
Translation adjustment	-0.3	-0.5	-0.6	-1.4
Depreciation for the year, continuing operations	0.5	1.7	0.7	2.9
Depreciation for the year, discontinuing operations	0.1	0.1	0.7	0.9
Reversal of impairment for the year [2]	-0.9	0.0	0.0	-0.9
Disposals, Record Management	-0.1	-0.8	-0.3	-1.2
Disposals	0.0	-0.4	-0.7	-1.1
Reclassified to assets held for sale [1]	-0.9	0.0	0.0	-0.9
31.12.	5.0	10.5	8.2	23.7
Carrying amount 31.12.	**5.9**	**5.0**	**4.4**	**15.3**
Carrying amount of financial leases	5.1	0.8	0.9	6.8

[1] Fixed assets reclassified to assets held for sale relates to the divested Record Management activities in China not finally closed as at 31 December 2017. The assets are primarily a warehouse in Beijing as well as rackings and other equipment in the warehouse. Assets held for sale does also include a building in Copenhagen where a conditional sales agreement has been signed. All conditions were fulfilled during H1 2018 which concluded and closed the sale.
[2] Reversal of Impairment related to a building in Copenhagen which end 2014 was impaired. Following the above mentioned expected sale the prior assumptions for the impairment is no longer met and the reversal of the impairment reflect the expected gain on sale of the building.

3.3 Other receivables

EURm	**2018**	2017
Prepayments	2.7	3.2
HoldBack and sale proceeds Record Management [1]	0.0	16.7
Deposits	1.7	1.6
Other receivables	4.0	6.7
Total	**8.4**	**28.2**

[1] Deferred consideration of EUR 12.5m related to the Records Management sale in China. The proceeds were received in China 3rd January 2018.

3.4 Employee benefits

§ **Accounting policies**

Pension obligations
Santa Fe's pension plans are primarily defined contribution plans.

For defined benefit plans, the actuarial present value (projected unit credit method) of future benefits under the defined benefit plan less the fair value of any plan assets is recognised in the balance sheet as defined benefit obligations. Pension cost for the year is recognised in the income statement based on actuarial estimates at the beginning of the year. Actuarial gains or losses are recognised in other comprehensive income.

Defined benefit obligations
The Santa Fe Group participates as employer in pension plans depending on local regulations. Usually these pension plans are defined contribution plans, however following the acquisition of Interdean in 2011 there are also some defined benefit plans in Switzerland, where the pension plan is classified as a defined benefit pension plan because the Company's obligation towards the plan participants under Swiss legislation are not fully discharged when the annual contribution to the plan has been made.

EURm	**2018**	2017
Fair value of plan assets	1.8	2.7
Present value of obligations	2.7	4.4
Net liability recognised (funded plans) 31.12.	**0.9**	**1.7**

The plan assets consist primarily of insurance contracts, but also equity securities and cash (no treasury shares).

The net liability is on actuarial calculations applying assumptions regarding primarily discount rate, expected return on plan assets, future salary increases and future pension increases.

The discount rate applied is 1.0% (0.7%) and determined on basis of corporate bonds with a high credit rating (AA or AAA). A change in the discount rate of +/- 0.25 basis points would decrease/increase the liability by EUR 0.1m (EUR 0.2m).

The future salary is assumed to increase by 2.0% p.a. (2.0%). If future salary increases by an additional 0.25% p.a., it would change the liability by less than EUR 0.1m (less than EUR 0.1m).

3.5 Other liabilites

EURm	**2018**	2017
Other liabilities by origin:		
Staff payables	5.4	6.9
Duties to public authorities	2.5	3.3
Prepayment from customers	1.9	3.8
Other accrued expenses	5.1	11.1
Total	**14.9**	**25.1**

3.6 Provisions

§ Accounting policies

Provisions are recognised when the Santa Fe Group has a legal or constructive obligation as a result of past events and it is more probable than not that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of the amount at which the liability is expected to be settled.

EURm	[1] Other provisions	Employee benefits	**2018**	[1] Other provisions	Employee benefits	2017
01.01.	3.8	1.0	4.8	5.8	1.7	7.5
Translation adjustment	0.0	-0.1	-0.1	0.0	-0.1	-0.1
Utilised	-0.4	0.0	-0.4	-0.6	-0.2	-0.8
Disposal, Record Management activities	0.0	0.0	0.0	0.0	-0.5	-0.5
Disposal, Discontinued operations	0.0	-0.2	-0.2	0.0	0.0	0.0
Reversed	-2.8	0.0	-2.8	-1.7	0.0	-1.7
Additions	1.4	0.1	1.5	0.2	0.1	0.3
Reclassified	0.0	0.0	0.0	0.1	0.0	0.1
31.12.	**2.0**	**0.8**	**2.8**	**3.8**	**1.0**	**4.8**
Non-current	0.9	0.8	1.7	2.3	1.0	3.3
Current	1.1	0.0	1.1	1.5	0.0	1.5
	2.0	**0.8**	**2.8**	**3.8**	**1.0**	**4.8**

[1] Other provisions primarily consists of potential customer claims, provisions linked to acquisitions and potential warranty claims related to divestments.

04 Capital structure and financing items

This section describes how Santa Fe Group manages its capital structure, cash position and related risks and items. The Group's financial risks, including its credit and liquidity risks are described in more detail in note 4.5.

4.1 Shareholders' equity

§ Accounting policies

Dividend distribution to the Company's shareholders is recognised as a liability at the time when the dividends are approved by the Company's shareholders. Dividends proposed for the year are disclosed separately in equity.

Treasury shares are recognised directly in equity in the reserve for treasury shares at par value. The difference between par value and the acquisition price and consideration (net of directly attributable transaction cost) and dividends on treasury shares are recognised directly in equity in retained earnings.

The translation reserve comprises foreign exchange differences arising on translation to EUR of financial statements of foreign entities.

302,494 shares of the treasury shares are held to cover the share option programme of the Group as described in note 5.5.

The Board of Directors has been authorised to allow the Santa Fe Group to acquire treasury shares in the period until the next Annual General Meeting up to a combined nominal value of 10% of the share capital; as permitted under section 48 of the Danish Companies Act. The purchase price may not deviate by more than 10 per cent from the official price quoted on NASDAQ Copenhagen at the time of acquisition.

Capital and treasury shares	Shares of DKK 70	Nominal value DKK '000	Nominal value EUR '000
01.01.2017	12,348,060	864,364	115,862
31.12.2017 / 01.01.2018	**12,348,060**	**864,364**	**115,862**
31.12.2018	**12,348,060**	**864,364**	**115,862**

As at 31 December 2018, the share capital included 1,095 (2017: 1.095) half shares.

Treasury shares	Shares of DKK 70	Nominal value DKK '000	Nominal value EUR '000	% of share capital
01.01.2017	338,494	23,695	3,176	2.74
Treasury shares granted	-36,000	-2,520	-338	-0.29
31.12.2017 / 01.01.2018	**302,494**	**21,175**	**2,838**	**2.45**
Movement 2018	-	-	-	-
31.12.2018	**302,494**	**21,175**	**2,838**	**2.45**

4.1 Shareholders' equity (continued)

EURm	2018	2017
Earnings per share		
Profit/loss from continuing operations	-56.0	11.6
Non-controlling interest	0.0	0.4
Santa Fe Group's share of profit from continuing operations	-56.0	11.2
Profit from discontinued operations	-13.9	-7.3
Non-controlling interest	0.0	0.0
Santa Fe Group's share of profit from discontinued operations	-13.9	-7.3
Average number of shares outstanding	12,348,060	12,348,060
Average number of own shares	302,494	311,494
Average number of shares excluding own shares	12,045,566	12,036,566
Average dilution effect of outstanding options	-	-
Diluted average number of shares	**12,045,566**	**12,036,566**

At 31 December 2018, all of the outstanding share options are out-of-the-money.

Outstanding share options, as further explained in note 5.5, may dilute EPS in the future.

EURm	2018	2017
Earnings per share (EUR)	**-5.8**	**0.3**
from continuing operations	-4.6	0.9
from discontinued operations	-1.2	-0.6
Earnings per share diluted (EUR)	**-5.8**	**0.3**
from continuing operations	-4.6	0.9
from discontinued operations	-1.2	-0.6
Equity per share (EUR)	**1.7**	**6.9**

4.2 Financial income and expense

§ **Accounting policies**

Financial income and expenses comprise interest income and expenses, changes in the fair value of securities, exchange gains and losses on debt and transactions in foreign currencies, as well as amortisation of financial assets and liabilities, etc.

Financial income/expenses

EURm	2018	2017
Interest income on financial assets measured at amortised cost	0.2	0.0
Foreign exchange gains	1.4	0.5
Dividends from shares, external	0.0	0.1
Other interest income	0.0	0.0
Total financial income	**1.6**	**0.6**
Interest expenses and fees on financial liabilities measured at amortised cost	3.8	1.3
Foreign exchange losses	0.9	0.4
Total financial expenses	**4.7**	**1.7**
Total, net	**-3.1**	**-1.1**

4.3 Financial instruments by category

The fair value of financial instruments traded in active markets (e.g. publicly traded available-for-sale securities) is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using generally accepted valuation techniques based on observable input from active markets exclusive of trading in unquoted markets. The fair value of financial liabilities for disclosure purposes is estimated by discounting future contractual cash flows at the current market interest rate.

Financial instruments by category

EURm	**2018**	2017
Financial assets measured at fair value through OCI		
Other investments (fair value is not based on observable market data, but is based on the net present value of expected future cash flow using a discount factor of 6% p.a. (6% p.a.))	1.6	1.6
Total	**1.6**	**1.6**
Financial assets measured at amortised cost		
Trade receivables	48.0	61.0
Other receivables[1], non-current and current	13.6	37.7
Bank and cash balances	20.7	18.9
Total	**82.3**	**117.6**
Financial liabilities measured at amortised cost		
Non-current borrowings	2.8	3.2
Bank loans, current, etc.	37.2	28.5
Trade payables	39.6	51.9
Other liabilities[2], current	5.1	11.1
Total	**84.7**	**94.7**

[1] Excluding non financial instruments such as prepayments, staff receivables etc. of EUR 6.1m (EUR 7.4m).
[2] Excluding non financial instruments such as public debt, staff payables etc. of EUR 15.7m (EUR 19.9m).

The fair value of the financial assets are approximately equal to the carrying amount.

For trade receivables and payables as well as other receivables and payables this is due to the short term nature of these balances.

For non-current borrowings and bank loans this is based on floating interest rate based balances and assumed minimal changes in credit risk.

4.4 Financial liabilities

§ Accounting policies

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases. Financial liabilities also include the outstanding obligation under finance leases, measured at amortised cost.

Financial liabilities are classified as current liabilities unless the Santa Fe Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowings

EURm	**2018**	2017
Non-current borrowings:		
Bank loans	0.0	0.0
Finance lease liabilities	2.8	3.2
Total	**2.8**	**3.2**
Current borrowings:		
Bank loans	36.8	28.0
Finance lease liabilities	0.4	0.5
Total	**37.2**	**28.5**
Total borrowings	**40.0**	**31.7**
Maturity of current and non-current borrowings:		
Less than one year	37.2	28.5
Between one and five years	1.1	1.2
More than five years	1.7	2.0
Total	**40.0**	**31.7**

At 31 December 2018/2017 all non-current borrowings are floating interest rate based.
The borrowings are exposed to interest rate and currency risk, refer to note 4.5.
Financial covenants are described in note 4.5 under liquidity risk.

4.4 Financial liabilities (continued)

The Santa Fe Group was in breach of a condition to upstream dividend from its subsidiary in China before year end, due to circumstances outside the control of the Santa Fe Group. The Group obtained a waiver before the breach occurred.

At 31 December 2018/2017 all non-current and current borrowings are floating interest based. The borrowings are exposed to interest rate and currency risk, refer to note 4.5. Financial covenants are described in note 4.5 under liquidity risk.

The Santa Fe Group has entered into financial lease contracts of which the main contract is related to a warehouse lease in France with a finance lease liability (present value of minimum lease payments) of EUR 2.9m (2017: EUR 3.1m).

Finance lease liabilities are payable as listed above. The carrying amount of financially leased assets is disclosed in note 3.2.

Finance lease liabilities are payable as follows:

	2018			2017		
EURm	Future minimum lease payments	Interests	Present value of minimum lease payments	Future minimum lease payments	Interests	Present value of minimum lease payments
Less than one year	0.5	0.1	0.4	0.6	0.1	0.5
Between one and five years	1.3	0.2	1.1	1.5	0.2	1.3
More than five years	1.8	0.1	1.7	2.1	0.2	1.9
	3.6	**0.4**	**3.2**	**4.2**	**0.5**	**3.7**

4.5 Financial risks

Group policy for managing risk and capital
Given the international scope of the Santa Fe Group's business activities, the Group is exposed to financial market risk, i.e. the risk of losses as a result of adverse movements in exchange rates and interest rates. The Group is also exposed to financial counterparty credit risk, liquidity and funding risk.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks. Therefore, the Group's financial management is focused on managing or reducing financial risks relating to operations and funding, in particular on reducing the volatility of the Santa Fe Group's cash flows in local currencies. The Group currently does not apply any financial derivatives for hedging.

The Santa Fe Group's financial risk management activities are centralised and co-ordinated within a policy framework approved by the Board of Directors. It is the Group's policy not to engage in any active speculation in financial risks. Therefore, the Group's financial management is focused on managing or reducing financial risks relating to operations and funding, in particular on reducing the volatility of the Santa Fe Group's cash flows in local currencies. The Group currently does not apply any material financial derivatives for hedging.

The Board of Directors reviews the Group's capital structure on an ongoing basis to ensure that the capital structure is appropriate, relative to the Group's commitments, strategy and future prospects. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019.

The Board of Directors has considered the Group's cash flow forecasts and the expected compliance with the Company's financial covenants for a period of not less than 12 months from the date of approval of these financial statements. Based on this review, the Board of Directors recognises the significant uncertainty inherent in forecasting future financial performance and cash flows for the Group, that the working capital availability is perceived to be tight and that material financial uncertainty prevails for the Group and for the parent Company. The Board of Directors have agreed with the Group's financing partners on a number of steps to solidify the Group's cash flow for the year, and continue to work on initiatives to strengthen the capital structure of the Group. On this basis the Board of Directors has assessed the Group will be able to comply with its financial covenants and continue as a going concern.

Santa Fe will aim to maintain a financial gearing (NIBD/EBITDA before special items) below 2. Free Cash Flow will be allocated to reduce debt if the financial gearing exceeds target. Whenever the financial gearing is within range, Free Cash Flow will be held for investments, value creating acquisitions or allocated to shareholders. Allocation to shareholders will primarily be in the form of share buybacks.

Credit risk
Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from trade and other receivables and cash and cash equivalents.

The credit risk lies in the potential insolvency of a counterpart and is thus equal to the sum of the positive net market values in respect of the corresponding business partners. At the balance sheet date, the total credit risk amounts to EUR 82.3m (EUR 117.6m) corresponding to the amounts of trade and other receivables in addition to cash and cash equivalents recognised in the balance sheet.

The available funds (cash and cash equivalents) of the Group are placed as demand or time deposits at relatively short terms. The Group is exposed to the risk that financial counterparties may default on their obligations towards the Santa Fe Group. This risk is managed by having maximum exposure limits on each financial counterparty.

4.5 Financial risks (continued)

§ Accounting policies

Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Loss allowances for impaired trade receivables are provided following an expected credit-loss model. The loss ratio is determined on the basis of historical data for losses realised.

Impairment of trade receivables

EURm	**2018**	2017
Balance at the beginning of the year	1.2	1.1
Translation adjustment	0.0	0.0
Additions during the year	0.3	0.3
Realised losses during the year and reversals	-0.5	-0.2
Balance at the end of year	1.0	1.2

No significant losses were incurred in respect of individual trade receivables in 2018 and 2017. Generally, no security is required from customers regarding sales on credit.

The impairment assessments of trade receivables are now considered based on the IFRS 9 expected credit loss model, where previously an incurred loss model was applied. The changes in accounting policies have had no impact on equity and net profit/loss for the year.

The Santa Fe Group has no significant concentration of credit risk. The Group has policies in place that ensure sales of services are made to customers with an appropriate credit history. The customer mix within the Group contains a large proportion of financially strong corporate clients, who are requesting longer payment terms. Private customers, which is a very small part of the business, generally pay in advance and do not pose a significant credit risk. Generally, no security is required from customers regarding sales on credit. The credit quality of receivables that are neither past due nor impaired is assessed as high. Historically losses related to trade receivables have been limited, which is reflected by an allowance for doubtful trade receivables of only 2.0% (1.9%) of gross trade receivables. Initiatives taken over the past years in order to reduce the balance of overdue receivables includes new procedures for invoicing, stricter internal credit control and follow up procedures as well as a tighter credit policy. Collections during 2018 did progress but there is still room for further improvement. The overdue receivables as percentage of gross trade receivables by the end of 2018 increased to 35% (2017: 28%). A significant explanation to the increase is that Australia is no longer part of the Santa Fe Group and Australia had a high share of private customers and thereby a very low overdue percentage.

Trade receivables past due compound as follows:

Credit risk, liquidity risk, currency risk and interest rate risk

EURm	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	**2018**
Receivables, not due	31.4						31.4
Receivables past due but not impaired		4.2	2.7	2.1	4.0	3.6	16.6
							48.0
In % of receivables not due and due but not impaired	65	9	6	4	9	7	
Expected loss ratio	0.0%	0.0%	0.6%	1.1%	3.5%	19.7%	
Impaired receivables past due	0.0	0.0	0.0	0.0	0.1	0.9	1.0
							49.0
Allowances for doubtful trade receivables							-1.0
Total trade receivables (net)							**48.0**

			month (due)				
EURm	not due	0 - 1	1 - 2	2 - 3	3 - 6	> 6	2017
Receivables, not due	43.8						43.8
Receivables past due but not impaired		5.0	3.8	2.7	3.4	2.3	17.2
							61.0
In % of receivables not due and due but not impaired	72	8	6	4	6	4	
Impaired receivables past due						1.2	1.2
							62.2
Allowances for doubtful trade receivables							-1.2
Total trade receivables (net)							**61.0**

4.5 Financial risks (continued)

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities as they fall due because of inability to realise assets or obtain adequate funding. The Group aims at ensuring that a liquidity position is maintained in order to service its financial obligations as they fall due.

On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, which refinanced the previous facilities from HSBC and Danske Bank during Q1 2018. The facility is a combined EUR 30m 6 years Senior Secured Unitranche Loan and a short term EUR 10m Credit Facility, which was subsequently amended to a short term EUR 8m Credit Facility. Terms and conditions are as customary for such loans. The loan does not require any mandatory instalments. The Santa Fe Group has options to prepay up to EUR 11m of the Senior Secured Unitranche Loan without penalty under certain conditions. The loan facility can be fully prepaid after 3 years and 9 months after the closing date against prescribed prepayment fees. The agreement offer the Lender a right to nominate a non-voting board observer to the Parent's Board of Directors at no less than two 2 meetings yearly.

At the end of 2018, the Group's borrowings include loans of EUR 38m (EUR 24m), which are subject to a cash covenant and includes certain restrictions on future dividend payments of the Santa Fe Parent.

According to the loan agreements, the Santa Fe Group must comply with the covenants by the end of each quarter. The Group updates its covenant calculations on a monthly basis to monitor any potential breach of the financial covenants. A breach of covenants may require the Group to repay the loans earlier than the stipulated 3 years and 9 months term.

Santa Fe Group was in 2018 impacted by a substantial cash drain from operational losses primarily in Australia, taxes paid, primarily related to the gain on the Records Management divestment in China, and CORE technology investments. This was to some extent offset by the cash proceeds received from the Records Management transaction in China (EUR 12.5m), release of a EUR 3.7m of Records Management holdback and sale of a building in Copenhagen for a cash consideration of EUR 1.9m. The Group had a net debt position at the end of 2018 of EUR 19.3m (EUR 12.8m).

The Santa Fe Group was in breach of a condition to upstream dividend from its subsidiary in China before year end, due to circumstances outside the control of the Santa Fe Group. The Group obtained a waiver before the breach occurred. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

The Board of Directors has considered the Group's cash flow forecasts and the expected compliance with the Company's financial covenants for a period of not less than 12 months from the date of approval of these financial statements.

Contractual maturities of financial liabilities:

EURm	Carrying amount	Contractual maturity incl. interest (cash flow) Total	< 1 years	1 - 5 years	> 5 years
2018					
Non-derivative financial instruments					
Borrowings (non-current and current)	40.0	45.3	42.2	1.3	1.8
Trade payables	39.6	39.6	39.6		
Other liabilities	5.1	5.1	5.1	-	-
2017					
Non-derivative financial instruments					
Borrowings (non-current and current)	31.7	33.1	29.4	1.5	2.2
Trade payables	51.9	51.9	51.9	-	-
Other liabilities	11.1	11.1	11.1	-	-

Based on this review, the Board of Directors recognises the significant uncertainty inherent in forecasting future financial performance and cash flows for the Group, that the working capital availability is perceived to be tight and that material financial uncertainty prevails for the Group and for the parent Company. The Board of Directors have agreed with the Group's financing partners on a number of steps to solidify the Group's cash flow for the year, and continue to work on initiatives to strengthen the capital structure of the Group. On this basis the Board of Directors has assessed the Group will be able to comply with its financial covenants and continue as a going concern.

The contractual maturity overview represents the contractual undiscounted cash flows including estimated interest payments. Interest payments are based on current market conditions.

Obligations regarding operating lease agreements are not included, but are disclosed in note 5.3.

Contractual commitments regarding property, plant and equipment are not reflected in the overview but the Group has not entered into any contractual agreements by the end of 2018 or 2017.

Currency risk
The Group is exposed to foreign exchange risk on balance sheet items, partly in terms of translation of debt denominated in a currency other than the functional currency of the relevant Group entity, and partly in terms of translation of net investments in entities with a functional currency other than EUR. The former risk affects the net profit.

The Group is exposed to translation risks from currency translation into the Group reporting currency (EUR). The Santa Fe Group's business activities are conducted in different currencies: Asia Pacific currencies, US Dollars and European currencies. In order to minimise the currency risk, the Santa Fe Group seeks to match the currency denomination of income and expenses and of assets and liabilities on a country-by-country basis. The Santa Fe Group's functional currency varies from country to country and outside Europe is typically different from the reporting currency of the Group (EUR). The objective of the Santa Fe Group's currency

4.5 Financial risks (continued)

management strategies is to minimise currency risks relating to the functional currencies, i.e. to protect profit margins in local currency.

In a number of countries (particularly in Asia Pacific) where the Group has significant activities, the currency correlates partly with the USD. Other significant currencies which may impact the results are GBP and CHF. Developments in exchange rates between EUR and the functional currencies of subsidiaries impacted the Santa Fe Group full-year revenue and EBITDA before special items negatively by EUR 4.6m and EUR 0.1m respectively which primarily was linked to decreasing exchange rate for GBP and AUD versus the EUR.

Interest rate risk
The Santa Fe Group is directly exposed to interest rate fluctuations in connection with its funding and liquidity portfolio. The risk is managed by matching the duration of assets and liabilities and by ensuring a smooth rollover profile. Santa Fe is also indirectly exposed as a result of the impact of interest rates on the macro economies of the countries in which Santa Fe Group operates its businesses.

The Group is exposed to mainly floating interest rate risk on bank balances and borrowings. The floating interest rate risk is unchanged after the refinancing which took place in Q1 2019 (cf. section 4.4 - Financial liabilities and section 4.5 - Liquidity risk). All interest bearing assets, EUR 20.7m (EUR 18.9m) and interest bearing liabilities, EUR 40.0m (EUR 31.7m) are reprised within one year.

At the end of 2018, the combined interest rate risk was EUR -0.1m (EUR -0.1m) in the case of a one-percentage point change in the interest rates (impact on net profit and equity). The sensitivity analysis is based on a weighted average of the monthly net interest bearing debt during the year.

4.6 Cash and cash equivalents

§ Accounting policies

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

Cash and cash equivalent

EURm	**2018**	2017
Cash held direct	11.7	11.8
Cash held on behalf of clients	8.0	6.1
Petty cash	0.2	0.2
Restricted cash	0.8	0.8
Total	**20.7**	**18.9**

4.7 Statement of cash flow

§ Accounting policies

Cash flows from operating activities are presented using the indirect method and stated as the consolidated operating profit/loss (EBIT) adjusted for non-cash operating items, including depreciation, amortisation and impairment losses, provisions and changes in working capital, interest received and paid and corporation taxes paid. Working capital comprises current assets less current liabilities excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

Cash flows from investing activities comprise cash flows from business acquisitions and disposals and cash flows from the purchase and sale of intangible assets, property, plant and equipment and investments as well as dividends from associated companies. The cash flow effect of the acquisitions and disposals of companies is shown separately in cash flows from investing activities.

Cash flows from financing activities comprise changes in the amount or composition of the Group's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders including non-controlling interests.

Cash and cash equivalents comprise cash as well as short term securities with a term to maturity of less than 3 months, which are easily realisable and only subject to immaterial risk of change in value. Bank overdrafts are shown under borrowings in current liabilities in the balance sheet.

4.8 Change in working capital

EURm	**2018**	2017
Changes in inventories	-0.1	-0.1
Changes in trade receivables	6.3	-5.8
Changes in trade payables	-5.0	0.3
Changes in other receivables/payables	0.0	0.3
Total	**1.2**	**-5.3**

4.9 Other non-cash items

EURm	2018	2017
Gains/losses on disposal of intangible and tangible assets	-0.4	-0.1
Changes in provisions	-0.6	-2.3
Share based payments	0.1	0.1
Foreign currency and other adjustments	-0.2	-2.2
Total	**-1.1**	**-4.5**

4.10 Divestment of Record Management activities

EURm	2018	2017
Purchase Price	0.4	25.9
Transaction costs	-0.2	-0.9
Provision for warranties etc.	0.5	-
Carrying amount of assets disposed	-0.1	-8.0
Gain on divestment	**0.6**	**17.0**
Non-cash items:		
Carrying amount of assets disposed	0.1	8.0
10% cash holdback	3.7	-2.6
Provision for warranties etc.	-0.7	-
Deferred consideration [1]	12.5	-12.5
Proceeds from divestment	**16.2**	**9.9**

[1] Proceeds received 3rd January 2018 in China.

Divestment of Records Management
As previously announced (announcements no. 7/2016 and 11/2016) Santa Fe Group entered into an agreement to divest its Records Management activities in 10 markets to Iron Mountain Inc. against a cash consideration of EUR 27.1m. On 30 December 2016, the transaction was closed in 5 of these markets and the closing of the 5 other markets was completed end February 2017 and 28 April 2017.

On 15 November 2017, the Santa Fe Group finalised and signed the agreement to divest the Records Management business in China and a warehouse property in Beijing to Iron Mountain Inc. against a cash consideration of EUR 23m. The business sale closed end of 2017, whereas it has not yet been possible to close the property sale. Santa Fe Group has opened up for other potential buyers to present offers for the property in order to expedite a transaction. Current expectation is a transaction can be closed during 2019 and consequently the carrying amount of the Beijing warehouse amounting to EUR 1.6m has been classified as asset held for sale at the balance sheet date. All holdbacks related to the divestment of Records Management in 10 markets (cf. announcement no 7/2016) have been released during the first 10 months of 2018. The total released amount is EUR 2.7m. A further EUR 1.0m holdback related to the China transaction was released in December 2018.

The divestments resulted in a total divestment gain during 2017 of approximately EUR 17.0m, net proceeds received before tax of EUR 9.9m and deferred consideration of EUR 12.5m which was received early January 2018. The net gain before tax from the divestment is recognised as special items.

During Q1 2018 the Santa Fe Group finalised the sale of the last remaining Records Management activity in Portugal. The transaction took the form of an asset transfer against a cash consideration of EUR 0.4m with an associated divestment gain of EUR 0.3m.

The divestments resulted in a total divestment gain during 2018 of approximately EUR 0.6m, net proceeds received before tax of EUR 16.2m. The net gain before tax from the divestment is recognised as special items.

05 Other disclosures

5.1 Income tax expense

§ Accounting policies

The tax for the year consists of current tax and changes in deferred tax for the year. The tax for the year is recognised in the Income Statement, other comprehensive income or equity.

Income tax expense

EURm	**2018**	2017
Current tax on profit for the year	1.9	7.1
Change in deferred tax during the year	0.0	-0.4
Corporate income tax	**1.9**	**6.7**
Withholding tax	0.7	0.6
Income tax expense	**2.6**	**7.3**
Profit before income tax	-53.4	18.9
Share of profit in associates	0.0	-0.2
Profit before income tax, excluding share of profit in associates	**-53.4**	**18.7**
Reported effective corporate tax rate (per cent)	**-3.6**	**35.8**
Danish corporate tax rate in per cent	22.0	22.0
Corporation tax rate explanation		
Calculated Danish corporate income tax expense	-11.7	4.1
The tax effect from:		
Non-taxable reversal of impairment losses	-	-0.2
Differences from non-taxable income / non-deductible expenses	-	-0.3
Non-deductible impairment losses of intangibles assets	9.2	0.0
Difference in tax rate of non-Danish companies	-	0.6
Tax losses for which no deferred tax asset was recognised	4.4	1.9
Utilisation of tax losses not previously recognised	-0.1	-
Prior year tax adjustment	-0.1	0.0
Other	0.2	0.6
Reported corporate income tax expense	**1.9**	**6.7**

5.2 Deferred tax

§ Accounting policies

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Under Danish tax legislation, the losses can be carried forward indefinitely. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Adjustment is made for deferred tax concerning unrealised intercompany profits and losses eliminated. Changes in deferred tax due to changed tax rates are recognised in the income statement.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Santa Fe Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group did not recognise deferred tax assets of EUR 14.5m (EUR 18.9m) in respect of tax losses carried forward amounting to EUR 65.0m (EUR 76.6m) due to uncertainty with respect to utilisation within a foreseeable future.

The tax losses are primarily related to the Parent Company, the UK entities and Germany and under Danish/UK/German tax legislation, the losses can be carried forward indefinitely. Deferred tax has not been calculated on temporary differences relating to investments in subsidiaries and associates as these investments are not expected to be sold within the foreseeable future. No significant tax liabilities have been identified in this respect.

5.2 Deferred tax (continued)

Deferred tax

EURm	**2018 Assets**	**2018 Liabilities**	2017 Assets	2017 Liabilities
Fixed assets	0.6	1.4	0.2	1.7
Current assets, net	0.1	0.1	0.2	0.0
Current debt	0.0	0.0	0.1	0.0
Other liabilities	0.1	0.1	0.0	0.0
Losses carried forward	0.5	0.0	0.6	0.0
Provisions	0.3	0.1	0.7	0.0
Deferred tax assets / liabilities	1.6	1.7	1.8	1.7
Set-off within legal tax unit	0.2	0.2	0.2	0.2
Deferred tax assets / liabilities	**1.4**	**1.5**	**1.6**	**1.5**

5.3 Operating leasing obligations

§ Accounting policies

Leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases.

All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of benefits.

Leasing obligations

EURm	**2018**	2017
Operating lease cost expensed:	8.9	15.5
Total commitments fall due as follows (undiscounted):		
Within one year	8.6	12.5
Between one and five years	17.5	24.2
After five years	1.1	11.3
Total	**27.2**	**48.0**

Leasing obligations relate mainly to leases of warehouses, offices, vehicles and office equipment etc.

Total commitments represent the total minimum payments at the balance sheet date, undiscounted. A number of operational leases related to warehouse and office buildings include a right of first refusal in case of disposal to third party.

5.4 Fees to auditors appointed at the annual general meeting

Audit fees

EURm	**2018**	2017
Auditors appointed at the annual general meeting including network firms[1]		
Statutory audit	0.2	0.3
Other assurance services	0.1	0.0
Tax/VAT advisory services	0.1	0.1
Other non-audit services	0.1	0.1
KPMG Statsautoriseret Revisionspartnerselskab		
Statutory audit	0.1	0.1
Other assurance services	0.0	0.0
Tax/VAT advisory services	0.0	0.0
Other non-audit services	0.1	0.1

Fees for services other than statutory audit of the financial statements provided by KPMG Statsautoriseret Revisionspartnerselskab comprise services relating to financial due diligence and accounting advisory services.

5.5 Incentive schemes

Share option programme 2017
An incentive pay scheme was adopted at the Annual General Meeting held on 27 March 2017. The new Long-Term Incentive Programme based on share options (the "LTIP") could grant up to 510,500 share options to the Executive Board and certain other employees under the LTIP. The general guidelines have been published on the investor section of the Santa Fe Group's website (http://investor.thesantafegroup.com).

The terms governing the LTIP are in accordance with the Remuneration Policy and Incentive Guidelines as approved by the Company's general meeting on 27 March 2017. The grant was offered as part of the Company's continued efforts to create value and align performance with shareholder interest. The share options were granted under two schemes – a Basic Scheme with a vesting period of 3 years and an Accelerated Scheme with a vesting period of 4 years. For the Basic Scheme, the exercise price per share option having vested corresponds to the share price current at grant. For the Accelerated Scheme, the exercise price per share option having vested corresponds to 140% of the share price current at grant. For both schemes, options may vest subject to realising a specific target for EBITDA before special items by the end of the financial year immediately preceding the end of the vesting period and subject to continued employment and retained ownership of a specific number of Santa Fe shares. Subsequent to vesting, the share options may be exercised for a two-year period during open trading windows subject to continued employment and retained ownership of specific number of Santa Fe shares. Options having vested, which have not been exercised during the exercise period, will lapse without further notice or compensation.

There are no cash settlement alternatives. The share options are partly covered by Santa Fe Group A/S's holding of treasury shares.

Share options outstanding as of 31 December 2018 have an expected remaining duration of 1.2 years with an exercise price of DKK 58.1 (EUR 7.8) per option for the basic programme and 2.2 years with an exercise price of DKK 81.3 (EUR 10.9) per option for the accelerated programme.

The total cost recognised in the income statement in 2018 was EUR 0.0m after adjustment for expected number of options to ultimately vest. The fair value per option on the grant date was calculated at EUR 2.43 (DKK 18.1) and EUR 1.85 (DKK 13.8) for the basic and accelerated programme respectively in 2017.

Additionally, and as contemplated by the Remuneration Policy and Incentive Guidelines as approved by the Company's Annual General Meeting, the Board of Directors decided to grant 36,000 restricted Santa Fe shares to certain Executives within the Santa Fe Group. The restricted shares are subject to a two-year retention period prior to their unconditional release. The total cost recognised in the income statement in 2018 was EUR 0.1m (2017: EUR 0.1m) after adjustment for the illiquidity factor during the retention period.

The 36,000 share grant was covered by Santa Fe Group A/S's holding of treasury shares.

Share option programme 2018
The Board of Directors of Santa Fe Group A/S decided to grant up to 311,500 share options to the Executive Board and certain other employees under the LTIP programme adopted at the Annual General Meeting held on 27 March 2017. The terms governing the LTIP are in accordance with the Remuneration Policy and Incentive Guidelines as approved by the Company's general meeting on 27 March 2017.

The share options were granted with a vesting period of 3 years and an exercise price per share of DKK 37.9 (EUR 5.1), being the average closing price for the first 20 trading days following the Annual General Meeting held on 27 March 2018. The options vest at the date of publication of the Santa Fe Group's annual report for 2020 and are exercisable for a two-year period during open trading windows subject to continued employment and retained ownership of a specific number of Santa Fe shares.

Share options outstanding as of 31 December 2018 have an expected remaining duration of 2.2 years.

The total cost recognised in the income statement in 2018 was EUR 0.0m after adjustment for expected number of options to ultimately vest. The fair value per option on the grant date was calculated at EUR 1.24 (DKK 9.3) in 2018.

Incentive schemes

EURm	Basic Scheme **2018**	Basic Scheme 2017	Acc-elerated Scheme 2017
Calculation of the grant date fair value of the outstanding share options using Black Scholes formula was based on the following assumptions:			
Grants			
Share price (DKK)	37.9	58.5	58.5
Exercise price (DKK)	37.9	58.1	81.3
Expected duration (years)	5.0	4.9	5.9
Dividend yield (%) - The exercise price is adjusted for dividend	0.0	0.0	0.0
Risk-free interest rate (%)	-0.3	-0.4	-0.2
Volatility (%) - historic over the last two years	28.6	36.5	36.5

Incentive schemes

		Number of share options					Fair value 2018		Fair value 2017	
Grant year	Exercise year	1 Jan	Granted	Expired/ lapsed	31 Dec	Exercise price, DKK	EUR per option	EURm	DKK per option	EURm
Executive Management										
2017 [1]	2020	47,000			47,000	58.1	0.0	0.0	0.0	0.0
2017 [2]	2021	132,000			132,000	81.3	0.0	0.0	0.0	0.0
2018	2021		87,000		87,000	37.9				
Total		**179,000**	**87,000**	**0**	**266,000**			**0.0**		**0.0**
Management Team										
2017 [1]	2020	67,000		-12,000	55,000	58.1	0.0	0.0	0.0	0.0
2017 [2]	2021	146,300		-27,000	119,300	81.3	0.0	0.0	0.0	0.0
2018	2021		36,000		36,000	37.9				
Total		**213,300**	**36,000**	**-39,000**	**210,300**			**0.0**		**0.0**
Other Senior Executives										
2017 [1]	2020	41,000		-12,000	29,000	58.1	0.0	0.0	0.0	0.0
2018	2021	0	74,500		74,500	81.3	0.0	0.0	0.0	0.0
Total		**41,000**	**74,500**	**-12,000**	**103,500**			**0.0**		**0.0**
Total		**433,300**	**197,500**	**-51,000**	**579,800**			**0.0**		**0.0**

[1] Basic scheme
[2] Accelerated scheme

5.6 Non-controlling interests

§ Accounting policies

The share of the non-controlling interests of profit/loss for the year and of equity in subsidiaries that are not wholly-owned is included as part of the Group's profit/loss and equity respectively, but are disclosed separately.

Buyout of minority shareholder in Chinese subsidiary
On 20 March 2017, the Santa Fe Group entered into an agreement with the Chinese partner to acquire their 50% minority shareholding and thereby giving Santa Fe 100% ownership over the Chinese subsidiary. On 7 July 2017, having obtained all regulatory approvals the Santa Fe Group completed the acquisition of the remaining 50% of the shares in Sino Santa Fe for a consideration of RMB 39.7m (equivalent to EUR 5.0m).

Up until 30 June 2017 Sino Santa Fe China was consolidated 100% into the income statement and balance sheet, and the minority share in China was disclosed separately as non-controlling interests in the profit/loss and equity respectively. As from the completion date no non-controlling interest is reported in the Income Statement. The cash consideration paid has been set off against the carrying amount of the non-controlling interests in the equity and the residual between cash consideration paid and the carrying amount has reduced retained earnings

5.7 Discontinued operations

§ Accounting policies

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operations
- Is a part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprensive income (OCI) is represented as if the operation had been discontinued from the start of the comparative year.

Assets, which according to the Santa Fe Group's strategic plan are to be sold, are classified as assets held for sale when their carrying amount is primarily expected to be realised in connection with a sale within 12 months. Such assets and related liabilities are presented separately in the balance sheet.

On 21 December 2018 (Company Announcement No 10/2018 and No 13/2018) the Santa Fe Group A/S closed the transaction with Kobus Fourie, Managing Director for Santa Fe Australia, whereby the Santa Fe and Wridgways activities in Australia were divested for a total price of AUD 1 (one). The transaction took the form of a share transfer.

The Santa Fe Relocation business continues in Australia under a Franchise Agreement.

The Australian business has been classified as a discontinued operation in 2018. The comparative consolidated statements of profit and loss and OCI has been represented to show the discontinued operation separately from continuing operations.

In connection with closing of the sale in December 2018, the Santa Fe Group's share of the accumulated negative foreign exchange adjustments related to Santa Fe Australia has been recycled from other comprehensive income and recognised in net loss from discontinued operations (in the income statement) in the amount of EUR 6.1m.

Net loss from discontinued operations for 2018 amounts to EUR 7.2m. The accounting impact of the divestment as a whole was a net accounting loss for 2018 of EUR 13.9m.

Discontinued operations

EURm	**2018**	2017
Revenue	**47.5**	**51.2**
Operating profit before amortisation, depreciation, impairment and special items	**-5.5**	**-4.1**
Special items, net	-0.3	-0.7
Operating profit before amortisation, depreciation and impairment	**-5.8**	**-4.8**
Impairment of goodwill and trademarks, etc.	0.9	1.5
Operating profit/loss	**-6.7**	**-6.3**
Net Financials	-0.5	-0.2
Profit before income tax expense	**-7.2**	**-6.5**
Income tax expense	0.0	0.8
Profit from discontinued operations	**-7.2**	**-7.3**
Loss on divestment of Santa Fe Australia	-6.7	0.0
Tax on divestment	0.0	0.0
Net loss from discontinued operations	**-13.9**	**-7.3**
Net cash flows from operating activities	-5.2	-4.9
Net cash from investing activities	0.1	-0.1
Net cash flows from financing activities (Funding from Santa Fe Group)	5.0	4.4
Changes in cash	**0.1**	**-0.7**

5.7 Discontinued operations (continued)

EURm	2018
Intangible assets	0.0
Property, plant and equipment	2.5
Inventories	0.0
Trade receivables	8.0
Work in Progress	2.0
Other receivables	1.3
Cash and cash equivalents	0.5
Current and non-current borrowings	3.4
Trade payables	7.5
Other liabilities including provisions	6.1
Net liabilities sold	**-2.7**
Non-controlling interests	0.0
Santa Fe's share of equity	-2.7
Recycling of accumulated negative foreign exchange translation adjustments from equity (other comprehensive income)	-6.1
Allowance for doubtful loan receivable	-3.3
Loss on divestment recognised in income statement (discontinued operations)	**-6.7**
Cash consideration received	0.0
Cash and cash equivalents, disposed of	-0.5
Cash outflow, net	**-0.5**

5.8 Associates

§ Accounting policies

Associates are entities over which the Santa Fe Group has significant influence but not control, normally representing a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are measured using the equity method.

EURm	Country of incorporation	% Interest held	Santa Fe Group's share of profit	Santa Fe Group's investment in associates
2018				
Asiatic Acrylics Company Ltd. [1]	Thailand	51.00	0.0	2.3
Beijing Zhongboa Drinking Water Co. Ltd.	China	34.89	0.0	0.3
Alfa Relocation Management A/S	Denmark	50.00	0.0	0.2
			0.0	**2.8**
2017				
Asiatic Acrylics Company Ltd. [1]	Thailand	51.00	0.1	2.3
Beijing Zhongboa Drinking Water Co. Ltd.	China	34.89	0.0	0.3
Alfa Relocation Management A/S	Denmark	50.00	0.1	0.2
			0.2	**2.8**

[1] Santa Fe is not in control.

5.9 Contingent assets and liabilites

Significant accounting estimates
Management assesses the existence of contingent liabilities on an ongoing basis and in this regard considers if the criteria for recognising a provision is in effect. These judgements may involve advice from external experts, legal advisors, etc.

Legal proceedings pending and disputes, etc.
Certain claims have been raised against the Santa Fe Group including tax related disputes. The Danish tax authorities disagree with the tax treatment of certain group internal transactions. The outcome is subject to considerable uncertainty, however the Company disagrees with the position of the tax authorities and believes that the outcome of the dispute will be in favour of the Company or will not have a material effect on the financial position of the Santa Fe Parent. The Company view has been confirmed by the tax authorities (Skatteankestyrelsen) early 2019 in the most significant out of three cases and Management believe that there is an equally strong case on the remaining cases. Based on this, no provision has been recognised regarding this contingent liability. In the opinion of Management, the outcome of other disputes will not have any material effect on the financial position of the Santa Fe Parent apart from what has already been recognised or disclosed in the financial statements.

Change of control
In case of a takeover of the Group (change of control) certain contracts and loan agreements may become terminable at short notice.

5.10 Related parties

Ownership
The Santa Fe Group has no related parties with controlling interest.

Related parties in the Group comprise affiliated companies and associates, as listed on pages 98-99, members of the Board of Directors, Executive Board and other senior executives. Remuneration to the Board of Directors and the Executive Board is disclosed in note 2.4 and note 5.5. Shares held by the Board of Directors and the Executive Board are disclosed on page 35-36.

Transactions
The Santa Fe Group had no transactions with associates during 2018. The Group have received dividends from associated companies of EUR 0.2m (EUR 0.2m). Furthermore, the Group had no intercompany balances outstanding with associated companies at the end of the year. Intercompany transactions are eliminated in the consolidated financial statements. No further transactions with related parties have taken place during the year. Please refer to note 2.4 and 5.5 regarding remuneration of Management and for Management's possession of Santa Fe Group A/S shares and options.

Contingent assets and liabilities

EURm	**2018**	2017
Other guarantees	0.3	0.9

5.11 Subsequent events

After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

No other material events have taken place after 31 December 2018.

Today 15:22

Dear Janna,

I was informed by your **unpacking** supervisor, **Gabriel Accola**, that **handyman services** are required for your new chandelier. Shall we have a chat and discuss your preferred date and time?

Fabio Berlinger
Global Mobility Consultant

Parent company financial statements

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NOTES

Parent company financial statements

Income statement

DKKm	Note	**2018**	2017
Revenue and other income from subsidiaries		3	3
Other external expenses		4	4
Staff costs	9	4	3
Operating loss before amortisation, impairments, depreciation and special items		**-5**	**-4**
Special items, net		10	2
Operating profit/loss		**5**	**-2**
Financing income	4	6	15
Financing expenses	5	818	6
Profit/loss before income tax expenses		**-807**	**7**
Income tax expense	6	0	0
Net profit/loss for the year		**-807**	**7**
Proposed distribution of profit/loss			
Retained earnings		-807	7
Total		**-807**	**7**

Statement of comprehensive income

Net profit/loss for the year		-807	7
Total net comprehensive income for the year		**-807**	**7**

Balance sheet - assets

DKKm	Note	**31.12.18**	31.12.17
Non-current assets			
Investment in subsidiaries	11	135	952
Receivables from subsidiaries	12	16	10
Total non-current assets		**151**	**962**
Current assets			
Receivables from subsidiaries	12	46	68
Other receivables	12	2	2
Cash and cash equivalents		0	0
Total current assets		**48**	**70**
Total assets		**199**	**1,032**

Balance sheet - equity and liabilities

DKKm	Note	**31.12.18**	31.12.17
Equity			
Share capital	13	864	864
Retained earnings		-662	144
Treasury shares		-21	-21
Total equity		**181**	**987**
Liabilities			
Non-current liabilities			
Provision for other liabilities and charges	12	4	16
Total non-current liabilities		**4**	**16**
Current liabilities			
Bank overdraft		0	18
Payables to subsidiaries	12	1	0
Other liabilities	12	3	1
Current tax payable	12	10	10
Total current liabilities		**14**	**29**
Total liabilities		**18**	**45**
Total equity and liabilities		**199**	**1,032**

Parent company financial statements

Statement of changes in equity

DKKm	Share capital	Retained earnings	Treasury shares	Proposed dividend for the year	Total equity
Equity at 1 January 2018	**864**	**144**	**-21**		**987**
Comprehensive income for 2018					
Net profit/loss for the year		-807			-807
Net loss for the year realised through merger with subsidiary					0
Total comprehensive income for the year		**-807**		**0**	**-807**
Transactions with shareholders					**0**
Share grant		1	0		1
Total transactions with shareholders	**0**	**1**	**0**	**0**	**1**
Equity at 31 December 2018	**864**	**-662**	**-21**	**0**	**181**

No dividend is proposed for 2018. The company has lost more then 50% of the share capital. At the 2018 Annual General meeting the Board of Directors will propose to reduce the nominal value of the share from DKK 70 to DKK 3.5.

DKKm	Share capital	Retained earnings	Treasury shares	Proposed dividend for the year	Total equity
Equity at 1 January 2017	**864**	**140**	**-24**	**0**	**980**
Comprehensive income for 2017					
Net profit/loss for the year		7			7
Total comprehensive income for the year		**7**		**0**	**7**
Transactions with shareholders					
Share grant		-3	3		0
Total transactions with shareholders	**0**	**-3**	**3**	**0**	**0**
Equity at 31 December 2017	**864**	**144**	**-21**	**0**	**987**

No dividend is proposed for 2017

Further information about the share capital is disclosed in note 4.1 in the consolidated financial statements.

The Parent Company's policy for managing capital is disclosed in note 15. The Group policy for managing capital is disclosed in note 4.5 in the consolidated financial statements.

Cash Flow Statement

DKKm	Note	**31.12.18**	31.12.17
Cash flows from operating activities			
Operating profit		**5**	**-2**
Adjustment for:			
Depreciation			
Other non-cash items	16	-8	-1
Change in working capital	17	25	-1
Interest received		0	0
Interest paid		0	0
Tax paid		0	0
Net cash flow from operating activities		**22**	**-4**
Cash flows from investing activities			
Changes in non-current receivables from subsidiaries		-4	4
Net cash flow from investing activities		**-4**	**4**
Net cash flow from operating and investing activities		**18**	**0**
Cash flows from financing activities			
Repayment of borrowings		-18	0
Net cash flow from financing activities		**-18**	**0**
Changes in cash and cash equivalents		**0**	**0**
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of period		**0**	**0**

1. Accounting policies of the Parent Company

For general information about the Parent Company, Santa Fe Group A/S, reference is made to note 1.1 in the consolidated financial statements.

The Parent Company's principal activities include investment activities, operation of corporate functions and the holding of shares in subsidiaries, etc.

Basis of preparation
The separate financial statements of the Parent Company have been included in the Annual Report as required by the Danish Financial Statements Act.

The separate financial statements of the Parent Company for 2018 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

The functional currency of the Parent Company is DKK and the financial statements of the Parent Company are presented in DKK million.

When amounts of DKK 0m are used, the actual number is less than DKK 500 thousand unless otherwise stated.

Changes in accounting policies
Refer to the description included in note 1.2 in the consolidated financial statements. None of the changes in accounting policies referred to have impacted the Parent Company's accounting policies for recognition and measurement.

Financial statements of the Parent Company
The accounting policies of the Parent Company are consistent with those applied in the consolidated financial statements (refer to section 1-5 in the consolidated financial statements) with the following exceptions:

Foreign currency translation adjustments of balances with subsidiaries, which are neither planned nor likely to be settled in the foreseeable future, and which are therefore considered to form part of the net investment in the subsidiary, are recognised in the Parent Company's income statement as financial items.

Dividends from subsidiaries are recognised in the Parent Company's income statement when the right to receive payment has been established (at the date of declaration). If the dividend exceeds the total comprehensive income of the subsidiary during the period, an impairment test is carried out.

Investments in subsidiaries are measured at cost in the Parent Company's financial statements. If an indication of impairment is identified, an impairment test is carried out as described in the accounting policies of the consolidated financial statements (note 3.1). If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the Parent Company's income statement as financial items.

If the Parent Company has a legal or constructive obligation to cover a negative net asset value of a subsidiary, this obligation is recognised by means of a provision.

For share-based payments to employees of subsidiaries, the value of services received in exchange for granted options is recognised over the vesting period as part of the cost of investments in subsidiaries.

In the statement of cash flows, changes in current receivables/payables to/from subsidiaries are classified as changes in working capital within cash flows from operating activities. Changes in non-current receivables/payables from subsidiaries are classified as cash flows from investing activities.

2. Significant accounting estimates and judgments

In connection with the preparation of the parent company financial statements, management has made accounting estimates and judgements that affect the assets and liabilities reported at the balance sheet date as well as the income and expenses reported for the financial period.

Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

Management assesses that, in respect of the financial reporting for the Parent Company, no accounting estimates or judgements are made when applying the Parent Company's accounting policies which are significant to the financial reporting apart from those disclosed in note 3.1 to the consolidated financial statements regarding impairment tests and going concern (note 1.7).

3. New accounting regulation

Reference is made to note 1.5 in the consolidated financial statements.

None of the described new accounting standards (IAS and IFRS) and interpretations (IFRIC) are expected to have a significant effect on the Parent Company's financial statements.

4. Financial income

DKKm	**2018**	2017
Interest income on receivables from subsidiaries measured at amortised cost	2	6
Impairment loans, reversed	2	8
Impairment investment, reversed	0	1
Foreign exchange gains	2	0
Total	**6**	**15**

5. Financial expenses

DKKm	**2018**	2017
Interest expenses and fee on financial liabilities measured at amortised cost	0	1
Impairment investment	818	0
Foreign exchange losses	0	5
Total	**818**	**6**

6. Income tax expense

DKKm	**2018**	2017
Current tax on profit for the year	0	0
Change in deferred tax during year	0	0
Corporate income tax	**0**	**0**
Income tax expense	**0**	**0**
Profit before income tax	**-807**	**7**
Reported effective corporated tax rate (%)	**0.0**	**0.0**
Danish corporate tax rate in per cent	22.0	22.0
Corporate tax rate explanation		
Calculated Danish corporate income tax expense	-178	2
Corporate tax rate explanation:		
Differences from non-taxable income / non-deductable expenses	0	0
Non-deductable impairment of investment in subsidiaries and reversals of impairment of loans from subsidiaries	180	-2
Tax losses for which no deferred tax asset was recognised	-2	0
Corporate income tax expense	**0**	**0**

The Parent Company did not recognise deferred tax assets of DKK 44m (DKK 47m) in respect of tax losses carried forward (within the Danish joint taxation scheme) amounting to DKK 196m (DKK 206m) and temporary deductible differences of DKK 4m (DKK 6m) due to uncertainty with respect to utilisation.

7. Audit fee

DKKm	**2018**	2017
KPMG Statsautoriseret Revisionspartnerselskab		
Statutory audit	1	1
Other assurance services	0	0
Tax/VAT advisory service	-	-
Other non-audit services	0	0

8. Number of employees

DKKm	**2018**	2017
Santa Fe Parent, average	2	2

9. Staff costs

DKKm	**2018**	2017
Salaries and wages to employees	2	1
Salaries to the Executive Board of the Parent Company*	1	1
Board fees to the Board of Directors of the Parent Company	1	1
Total staff costs	**4**	**3**

*Salaries paid by the Parent Company. Salaries paid by Santa Fe Group to the Executive Board of the Parent Company are disclosed in note 2.4 to the consolidated financial statements.

Employment contracts for members of the Executive Board contain terms and conditions that are common to those of their peers in companies listed on NASDAQ Copenhagen - including terms of notice and non-competition clauses.

10. Incentive schemes

Please refer to note 5.5 in the consolidated financial statements for information related to the Executive Board of the Parent Company.

11. Investment in subsidiaries

DKKm	**2018**	2017
Cost		
01.01.	1,733	1,397
Additions, through conversion of receivable, from Santa Fe Group Limited, to equity	0	335
Addition through share grant contribution to Santa Fe Group Limited	1	1
Cost 31.12.	1,734	1,733
Impairment:		
01.01	-781	-782
Impairment for the year	-818	0
Reversal	0	1
Impairment 31.12	-1,599	-781
Carrying amount 31.12.	**135**	**952**

Impairment in 2018 relates to Santa Fe Group Limited following the impairment losses recognised by the Santa Fe Group combined with a general negative development in the underlying business during 2018. The impairment is based on a value in use assessment, primarily based on the key assumptions disclosed in note 3.1 in the consolidated financial statements for the two CGUs in the Santa Fe Group (EMEA and Asia), with the necessary adjustments relevant for the Santa Fe Parent.

Additions in 2017 relates to capital increase in Santa Fe Group Limited by conversion of intercompany receivable to share capital.

A list of subsidiaries and the Group's associates is included on page 98-99.

12. Financial instruments by category

DKKm	**2018**	2017
Financial assets measured at amortised cost		
Receivables from subsidiaries, current and non-current	62	78
Other receivables, current	2	2
Cash and cash equivalents	0	0
Total	**64**	**80**
Financial liabilities measured at amortised cost		
Bank overdraft, current	0	18
Payables to subsidiaries, current	1	0
Other liabilities, current and non-current	17	27
Total	**18**	**45**

Fair value is estimated to be in line with carrying amounts, due to the short term nature of the balances and the Santa Fe Parent's control over its subsidiaries.

13. Share capital and treasury shares

Please refer to note 4.1 in the consolidated financial statements.

14. Borrowings

DKKm	2018	2017
Non-current borrowings:		
Bank loans	0	0
Total	**0**	**0**
Current borrowings:		
Bank overdraft	0	18
Total	**0**	**18**
Maturity of non-current and current borrowings:		
Less than one year	0	18
Between one and five years	0	0
More than five years	0	0
Total	**0**	**18**

At 31 December 2018 all borrowings are floating interest based. The borrowings are exposed to interest rate risk, currency risk and financial covernants related to the borrowings which are decribed in note 15.

15. Credit risk, liquidity risk, currency risk and interest rate risk

Policy for managing risk
The Santa Fe Parent's policy for managing risk is an integral part of the Group policy as described in note 4.5 to the consolidated financial statements.

The recent years' internal Group restructurings has made the Santa Fe Parent an integrated part of the Santa Fe Group's liquidity management. Accordingly, the Santa Fe Parent is highly dependent on the financial performance of the Santa Fe Group.

Santa Fe Parent is primarily exposed to liquidity and funding risk, and to a lesser extent to financial market risks from movements in foreign exchange rates.

The Santa Fe Parent's financial risk management activities follow a policy framework approved by the Board of Directors. It is the Santa Fe Parent's policy not to engage in any active speculation in financial risks. Therefore, the Parent's financial management is focused on managing or eliminating financial risks relating to operations and funding.

Managing capital
Santa Fe Parent aims at maintaining a conservative debt-equity ratio. Currently the Santa Fe Group's capital management is controlled within the 100% owned subsidiary Santa Fe Group Limited.

Credit risk
Santa Fe Parent has limited external credit risk related to liquid funds. Credit risk related to subsidiaries is managed as part of the Group policy.

Liquidity risk
Liquidity risk is the risk of the Santa Fe Parent being unable to meet its obligations as they fall due because of inability to realise assets or obtain adequate funding. The Santa Fe Parent and Group aim at maintaining a liquidity position which is sufficient to service financial obligations as they fall due.

On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, which refinanced the previous facilities from HSBC and Danske Bank during Q1 2018. The facility is a combined EUR 30m 6 years Senior Secured Unitranche Loan and a short term EUR 10m Credit Facility, which was subsequently amended to a short term EUR 8m Credit Facility. Terms and conditions are as customary for such loans. The loan does not require any mandatory instalments. (cf. note 4.5 (Liquidity risk) - in the consolidated financial statements).

The Santa Fe Group was in breach of a condition to upstream dividend from its subsidiary in China before year end, due to circumstances outside the control of the Santa Fe Group. The Group obtained a waiver before the breach occurred. After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

The Board of Directors has considered the Group's cash flow forecasts and the expected compliance with the Company's financial covenants for a period of not less than 12 months from the date of approval of these financial statements.

Based on this review, the Board of Directors recognises the significant uncertainty inherent in forecasting future financial performance and cash flows for the Group, that the working capital availability is perceived to be tight and that material financial uncertainty prevails for the Group and for the parent Company. The Board of Directors have agreed with the Group's financing partners on a number of steps to solidify the Group's cash flow for the year, and continue to work on initiatives to strengthen the capital structure of the Group. On this basis the Board of Directors has assessed the Group will be able to comply with its financial covenants and continue as a going concern.

The Santa Fe Parent had liquid funds at the end of 2018 of DKK 0m (DKK 0m).

15. Credit risk, liquidity risk, currency risk and interest rate risk (continued)

Currency risk
Santa Fe Parent is exposed to foreign exchange risk on balance sheet items, primarily in terms of translation of intercompany receivables/payables and loan balances denominated in a currency other than the functional currency of the Santa Fe Parent (DKK). This risk affects net financial items and is managed at Group level. At year-end, intercompany receivables and external bank overdraft are primarily denominated in EUR. Bank balances are primarily held in DKK or EUR to minimise the net currency exposure.

Interest rate risk
The Santa Fe Parent exposure to interest rate fluctuations is very low due to limited funding portfolio end of 2018 as the funding is centralised in the 100% owned subsidiary Santa Fe Group Limited. The Santa Fe Parent is by the end of 2018 not exposed to floating interest rate risk on overdraft facilities as there were no loans or overdraft facilities. Available interest bearing liabilities, DKK 0m (DKK 18m) are reprised within one year. Intercompany receivables are primarily based on short-term floating interest rates.

At the end of 2018, the combined interest rate risk was DKK 0.0m (DKK -0.1m) in the case of a one-percentage point increase in the interest rates (impact on net profit and equity). The sensitivity analysis is based on a weighted average of the monthly net interest bearing debt during the year.

16. Other non-cash items

DKKm	**2018**	2017
Provision	-12	-2
Foreign currency and other working capital adjustments	4	1
Total	**-8**	**-1**

17. Changes in working capital

DKKm	**2018**	2017
Changes in current receivables/payables to/from subsidiaries	23	1
Changes in other receivables/liabilities	2	-2
Total	**25**	**-1**

18. Contingent liabilities

DKKm	**2018**	2017
Guarantees and similar commitments	**0**	**0**

The Santa Fe Parent has declared that apart from funding needed to service the Parent Company's operating expenses and external borrowings, it will not request repayment of intercompany receivables in the amount of DKK 42m until such time as the 100% owned subsidiary Santa Fe Group Limited, UK, is in a position to do so.

The Santa Fe Group A/S is jointly taxed with other Danish companies in the Group. As the administration company, the Santa Fe Group A/S, has several unlimited liabilities for Danish corporate income taxes and interests within the joint taxation.

Legal proceedings pending and disputes, etc.
Certain claims have been raised against the Santa Fe Parent including tax related disputes. The Danish tax authorities disagree with the tax treatment of certain group internal transactions. The outcome is subject to considerable uncertainty, however the Company disagrees with the position of the tax authorities and believes that the outcome of the dispute will be in favour of the Company or will not have a material effect on the financial position of the Santa Fe Parent. The Company view has been confirmed by the tax authorities (Skatteankestyrelsen) early 2019 in the most significant out of three cases and Management believe that there is an equally strong case on the remaining cases. Based on this, no provision has been recognised regarding this contingent liability. In the opinion of management, the outcome of other disputes will not have any material effect on the financial position of the Santa Fe Parent apart from what has already been recognised or disclosed in the financial statements.

19. Related party transactions

Please refer to note 5.10 in the consolidated financial statements. Royalties and dividends received from subsidiaries are disclosed separately in the income statement.

Receivables from and payables to subsidiaries are disclosed separately in the balance sheet. Interest income and expense is disclosed separately in note 5 and 6. Accumulated impairments of receivables from subsidiaries amounts to DKK26m (DKK 28m)

20. Subsequent events

After year-end, Santa Fe Group reached agreement with Proventus Capital Partners on the financing arrangements for 2019. The final maturity date for the entire amount of EUR 38m outstanding under the Facilities Agreement has been amended to 1 April 2020, whereby no repayments become due within 2019. Information undertakings and standard financial maintenance covenants with respect to EBITDA, cash flow and interest coverage have been agreed upon, and the Group has agreed to a restructuring plan with the aim of significantly reducing the cost base thereby strengthening the Group's competitiveness and profitability.

No other material events have taken place after 31 December 2018.

REPRESENT 06

Today 15:22

Dear Sandra,

I am pleased to inform you that **Ryan's** enrolment at **Anglo-American School of Moscow** school has been accepted and the school year will start on **14 September**. As requested, I have also arranged a school bus which will pick up **Ryan** at **08:05** every morning. Please do not hesitate to inform me if you need anything else.

Ànn Andreiko
Global Mobility Consultant

Definitions

Equity per share	Santa Fe Group's share of equity divided by the number of shares of DKK 70 nominal value each adjusted for portfolio of own shares and dilution effect of share options.
P/BV	Year-end stock exchange quotation divided by equity per share.
Market value	Year-end stock exchange quotation multiplied by the number of shares excluding treasury shares.
EPS	Earnings per share equals net profit in EUR per share of DKK 70 nominal value each adjusted for portfolio of treasury shares and dilution effect of share options.
P/E ratio	Year-end stock exchange quotation divided by earnings per share.
EBITIDA margin	EBITDA in per cent of revenue.
Operating margin	Operating profit (EBIT) in per cent of revenue.
Return on average invested capital (ROIC)	EBIT in per cent of average invested capital.
Return on equity parent	Santa Fe Group's share of net profit in per cent of Santa Fe Group's share of equity (average opening/closing balances).
Equity ratio	Santa Fe Group's share of equity in per cent of total assets.
Cash and cash equivalents	Bank and cash balances included in current and non-current assets.
Working capital employed	Inventories plus trade receivable less trade payable and prepayments from customers.
Invested capital	Intangible assets plus property, plant and equipment plus current assets (excl. receivables from associates and bank and cash balances) less: non-interest bearing liabilities and provisions.
Interest bearing debt	Non-current debt plus current bank debt and accounts payable to associates.
Net interest bearing debt	Interest bearing debt less cash and cash equivalents.
EBITDA	Earnings before interest, taxes, depreciation and amortisation (operating profit before depreciation and amortisation).
Payout ratio	Paid dividends to Santa Fe Group's shareholders during the year in per cent of Santa Fe Group's share of net profit/loss for the year.

Subsidiaries and associates

Share capital		Entities per Business	Share in % Direct	SFG
		SANTA FE GROUP		
THB	60,150,000	Santa Fe (Thailand) Ltd., Thailand	100.00	100.00
THB	19,000,000	Santa Fe Enterprises Ltd., Thailand	100.00	100.00
THB	9,700,000	Santa Fe Services Ltd., Thailand	100.00	100.00
MYR	500,000	Santa Fe Relocation Services Sdn. Bhd., Malaysia	100.00	100.00
GBP	650,000	Santa Fe Relocation Services Limited, United Kingdom	100.00	100.00
EUR	915,000	Santa Fe International Relocation SAS, France	100.00	100.00
EUR	1,025,000	Santa Fe Relocation Services GmbH, Germany	100.00	100.00
EUR	750,081	Santa Fe Relocation Services SA, Spain	100.00	100.00
EUR	3,006	Record Storage S.L., Spain	100.00	100.00
EUR	483,300	Santa Fe Relocation Services SA, Portugal	100.00	100.00
EUR	1,377,250	Santa Fe Relocation Services NV, Belgium	100.00	100.00
EUR	820,000	Santa Fe Relocation Services SA, Luxembourg	100.00	100.00
EUR	74,551	Santa Fe B.V., Netherlands	100.00	100.00
EUR	1,000,000	Interdean Relocation Services S.R.L. Unipersonale, Italy	100.00	100.00
CHF	196,000	Santa FeRelocation Services Switzerland SA, Switzerland	100.00	100.00
EUR	35,000	Santa Fe Eastern Europe Ges.m.b.H, Austria	100.00	100.00
KZT	900,000	Interdean Central Asia LLC, Kazakhstan	100.00	100.00
KZT	69,700,000	Santa Fe Relocation Services LLC, Kazakhstan	100.00	100.00
BGN	10,000	Santa Fe Bulgaria EOOD, Bulgaria	100.00	100.00
RSD	403,804	Santa Fe Relocation Services D.O.O, Serbia	100.00	100.00
UAH	294,500	Interdean International Relocation Ukraine LLC, Ukraine	100.00	100.00
RUR	3,330,466	OOO IDX International LLC, Russia	100.00	100.00
RON	153,130	Santa Fe Relocation Services Romania Srl, Romania	100.00	100.00
EUR	72,673	Santa Fe Relocation Services Ges.m.b.H, Austria	100.00	100.00
CZK	1,877,000	Santa Fe Relocation spol s.r.o, Czech Republic	100.00	100.00
HUF	30,000,000	Santa Fe Relocation Services Kft., Hungary	100.00	100.00
PLN	650,000	Santa FeRelocation Services SpZoo, Poland	100.00	100.00
EUR	6,639	Santa Fe SRO, Slovakia	100.00	100.00
HKD	920,000	Santa Fe Transport International Limited, Hong Kong	100.00	100.00
CNY	11,046,000	Sino Santa Fe International Transportation Services Co. Ltd., China	100.00	100.00
SGD	3,000,000	Santa Fe Relocation Services (S) Pte. Ltd., Singapore	100.00	100.00
MOP	25,000	Santa Fe Macau Limited, Macau	100.00	100.00
CNY	1,000,000	Sino Santa Fe Real Estate (Beijing) Co. Ltd., China	100.00	100.00
CNY	100,000	Sino Santa Fe Real Estate (Shanghai) Co. Ltd., China	100.00	100.00
TWD	14,800,000	Santa Fe Relocation Services, Taiwan	100.00	100.00
WON	450,000,000	Santa Fe Relocation Services, Korea	100.00	100.00
JPY	80,000,000	Santa Fe Relocation Services Japan K.K., Japan	100.00	100.00

Subsidiaries and associates

Share capital		Entities per Business	Share in % Direct	Share in % SFG
		SANTA FE GROUP (continued)		
INR	2,400,000	Santa Fe Moving Services Private Limited, India	100.00	100.00
INR	100,000	Santa Fe India Private Limited, India	100.00	100.00
VND	3,900,000,000	Santa Fe Joint Stock Company, Vietnam	100.00	100.00
AED	300,000	Santa Fe Relocation Services LLC, United Arab Emirates	100.00	100.00
MNT	196,000,000	Santa Fe Relocation Services LLC., Mongolia	100.00	100.00
QAR	200,000	Santa Fe Relocation Services (LLC), Qatar	100.00	100.00
ZAR	4,100,000	Santa Fe Relocation Services (PTY), South Africa	100.00	100.00
KES	3,000,000	Santa Fe Relocation Services Ltd, Kenya	100.00	100.00
ZAR	100	Santa Fe Mobility Services (PTY), South Africa	100.00	100.00
MMK	42,900,000	Santa Fe Mobility Services (Myanmar) Limited, Myanmar	100.00	100.00
USD	400,000	Santa Fe Group Americas, Inc., USA	100.00	100.00
BRL	154,701	Santa Fe Group Limited, Brazil	100.00	100.00
PHP	16,000,000	Santa Fe Moving and Relocation Services Phils., Inc., Philippines	100.00	100.00
EUR	172,123,491	Santa Fe Group Limited, United Kingdom	100.00	100.00
EUR	213,334	Santa Fe Europe Limited, United Kingdom	100.00	100.00
HKD	28,000,000	Santa Fe Holdings Ltd., Hong Kong	100.00	100.00
IDR	550,000,000	PT Relokasi Jaya, Indonesia	100.00	100.00
IDR	5,795,151,600	PT Relokasi Jaya, Indonesia	100.00	100.00
DKK	500,000	Alfa Relocation Management A/S, Denmark	50.00	50.00
		OTHER ACTIVITIES PER COUNTRY:		
		ASIA		
		China		
USD	10,000,000	The East Asiatic Company (China) Ltd., Beijing	100.00	100.00
CNY	2,605,000	Beijing Zhongbao Drinking Water Co. Ltd., Beijing	34.89	34.89
		Thailand		
THB	150,000,000	Asiatic Acrylics Company Ltd., Bangkok	51.00	51.00
THB	36,250,000	The East Asiatic 2010 (Thailand) Company Ltd., Bangkok	49.00	100.00
		EUROPE		
		Denmark		
DKK	200,000	Ejendomsanpartsselskabet af 31. Maj 1996, Copenhagen	100.00	100.00

SANTA FE
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Assignment Management
Immigration
Destination Services
Moving

We make it easy

Layout and production: Noted