Santa Fe
GROUP

SANTA FE RELOCATION

2017 Annual Report

Assignment Management
Immigration
Destination Services
Moving

We make it easy

Santa Fe DNA

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

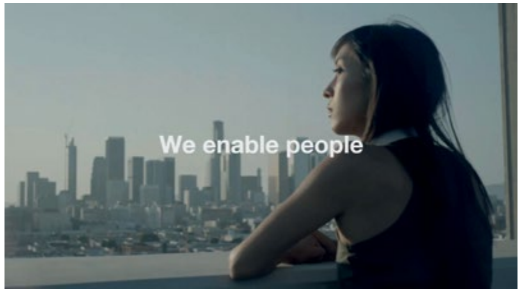
Our mission is to deliver exceptional relocation experiences for our customers.

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.



PLAY **VIDEO**

CONTENTS

REFLECTION 01

Highlights 07

MANAGEMENT REVIEW

REPLAY 02

Letter to our shareholders 10
2020 strategy update 12
The strategic agenda in 2018 14

REVIEW 03

Financial highlights and key ratios 18
Unique value proposition 19
Global leader 20
Financial review 21
Business line performance 25

RESPONSIBILITY 04

Sustainability 29
Corporate governance 31
Board of directors 34
Risk management 36
Internal controls 39
Shareholder information 41
Statement by the boards 43
Independent auditors' report 44

FINANCIAL STATEMENTS

REPORT 05

Consolidated 50
Parent company 79

REPRESENT 06

Definitions 88
Subsidiaries and associates 89
Contacts 92

REFLECTION 01

Today 15:22

Dear Buana,

Our immigration specialists are here to assist with your **visa**, **work permit** and **residence permit** in preparation for your move to Dubai.

Aasir Mwangi
Immigration Consultant

Our journey through numbers

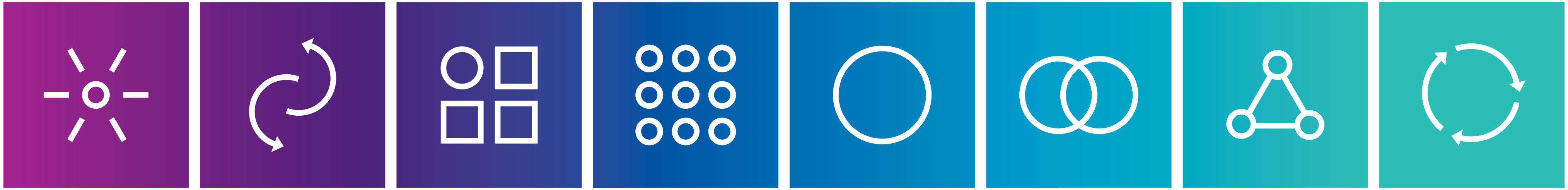
We are **2,386** people speaking **67** languages working in **96** offices in **47** countries thriving as **one** team.

2017

120 years trading	**1,500** clients	**47%** Fortune Global 100 companies serviced	**€299,800,000** revenue	**€11,500,000** ongoing commitment to our state of the art digital platform
100% completion of our Code of Business Conduct training	**100%** completion of our integrity education series	**55,000** relocations	**376** relocation and assignment management team specialists	**160** immigration team members
36,000 visa and immigration applications	**78,600** active assignees	**€105,000,000** expense payments on behalf of our customers	**€602,000,000** worth of insured belongings moved	**One** global mobility company covering the entire relocation journey

The mobility journey

We are a global mobility company. We cover the entire relocation journey, from moving, destination services, immigration, through to full assignment management solutions.



Opportunity

Structure of package

Cost projections

Balance sheet calculations

Acceptance

Pre-assignment briefing of the relocating employee

Preparation

Visa and immigration

Work permit

Home sale

Move

Packing

Storage

Shipping

Travel arrangements

Customs clearance

Arrival

Delivery

Unpacking

Visa and immigration

Temporary accommodation

Home and school search

Settle-in

Orientation

Settling-in

Registrations

Language and culture training

Spousal support

Affinity services with partners*

On assignment

Ongoing assignment support

Tenancy management

Expense management

Compensation and payroll management

Visa Renewal

Tax equalisation

Repatriation

De-registration

Lease terminations

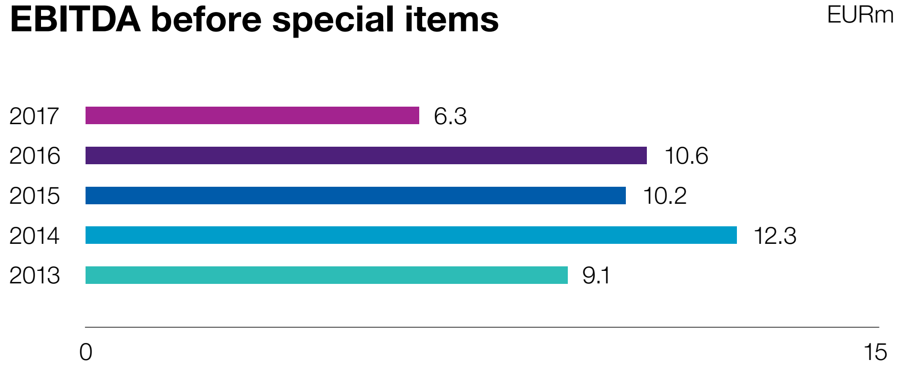
Travel arrangements

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

Financial highlights

Revenue

EBITDA before special items



-11.5% Growth
in EUR from 2016-2017

-10.1% Growth
in local currency from 2016-2017

4.9% Growth
in relocation services, local currency

15.9% ROIC
Return on invested capital

Revenue by segment

Europe	46%	50%
Asia	34%	30%
Australia	17%	17%
Americas	3%	3%

Revenue by business line

Moving	79%	80%
Relocation	15%	18%
Records Mgmt.	6%	2%

MANAGEMENT REVIEW

REPLAY 02

Today 15:22

Dear Takashi,

We'd like to remind you that your **virtual survey** will take place tomorrow at **13:00**.

Katharina Müller
Global Mobility Specialist

Letter to our shareholders

PROGRESSING AGAINST TOUGH MARKET CONDITIONS

2017 was a tough year for the global relocation industry with declining activity levels across most markets, and despite better than expected wins of new clients, we did not meet our original financial objectives for the year. We did reach our strategic milestones, not least with acquisitions and divestments, as well as the launch of industry leading technology solutions. We remain confident in our strategy, the market, the needs of our customers, and in leading the digitisation of the mobility business.

Our operational activities were also affected during 2017 by political uncertainty and soft market conditions in key markets with many corporate customers holding back relocation of employees internationally. The Brexit uncertainty in particular had a significant impact on relocations into and out of the UK, but also the markets across Asia were weak. Santa Fe continued to suffer heavy losses in Australia, although improvements were seen towards the end of the year. On a more positive note, activity levels in continental Europe – our main sales region - were strong on the back of new corporate customers. Adding it all up, revenue in continuing operations declined by 6.4% in local currencies. Revenue from Relocation Services, grew by 4.9% in local currencies, and especially our Immigration Services proved very successful. Relocation Services constituted 18% (15%) of total revenue in 2017.

The operating result (EBITDA before special items) of EUR 6.3m was lower than in 2016 and also below the original outlook at the beginning of the year. The divestment of Records Management is the main reason for the decline in operating result compared to 2016. The original outlook for the year was based on expectations that organic growth in the continuing moving- and relocation services together with reduced losses in Australia would be able to compensate for the divested Records Management activities. These expectations were not met. However, the Company responded swiftly to the challenging market conditions and margins improved for the continuing moving- and relocation services outside Australia, despite the decline in revenue.

Santa Fe's cash flow for the year was impacted by the EUR 5.0m buy-out of our 50% minority partner in China as well as EUR 5.0m invested in the new CORE technology platform. The Company's debt was reduced by EUR 9.5m primarily out of proceeds from the divestment of Records Management. Leverage remains comfortably low and by year end the Company's net interest bearing debt was EUR 12.8m. In February 2018, a new financing agreement was signed with Proventus Capital for a EUR 40m 6-year facility to refinance existing facilities and provide the Group with more flexibility.

Strategy execution as planned

During 2017, we completed the buy-out of our 50% minority partner in China and the divestment of our Records Management activities in all countries except for Portugal, where the activities were sold in February, 2018. These transactions have enabled Santa Fe to focus on realizing the strategic ambition of becoming the leading global relocation company and have provided the means to invest in new technology. Phase 1 of our CORE technology platform was rolled out globally during 2017, whereby all initiations can now be made on the new platform. New customer- and assignee portals were launched during the year. With these technology solutions, we now provide a customer interface which is second-to-none in the industry, both from a customer engagement perspective and from a technical- and data security perspective.

We were pleased to welcome new corporate customers, including a handful of very large global Assignment Management customers, into our global customer base.

We were also very honoured to be recognized for the service we deliver to our customers by receiving the 2017 EMMA awards in Europe for Best International Moving Company and Best Relocation Management Company – along with many other accreditations from customers and analysts in the mobility industry.

We remain very confident in our strategy, but with the setback in the markets, and consequently our financial performance in 2017, it will take longer than expected before we will be able to reach the financial performance targets originally set for 2020.

Pursuing new growth

In 2018-19, as we continue the shift towards the growth phase of our strategy, we are focusing on the launch and sales of enhanced products and solutions to existing and new customers, including our newly established and unique home-sale capabilities in the US market. At the same time, we continue the full implementation of our new CORE technology platform, as well as a hard focus on the turn-around of the Australian business.

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.

As the stronger operational- and technology platform is being established, we will be able to start reviewing acquisition opportunities as an avenue to grow and realize synergies in this very fragmented industry.

2018 outlook

We expect the consolidated revenue to be around the same level as the continuing business in 2017 (EUR 295m), driven by new customers, development of new services and solutions, gradual recovery of activity levels in the UK and Australia, offset by the divestment of the Records Management business and the loss of a large customer as announced at the end of 2016.

Consolidated EBITDA before special items is expected to be around the same level as in 2017 (EUR 6.3m). The divested Records Management activities will have a negative impact of around EUR 3m when comparing 2017 to 2018. We expect this to be countered by improvements for the continuing activities due to the lower cost base secured through a number of restructuring initiatives in both Europe and Australia, including the implementation of the Service Centre in Manila.

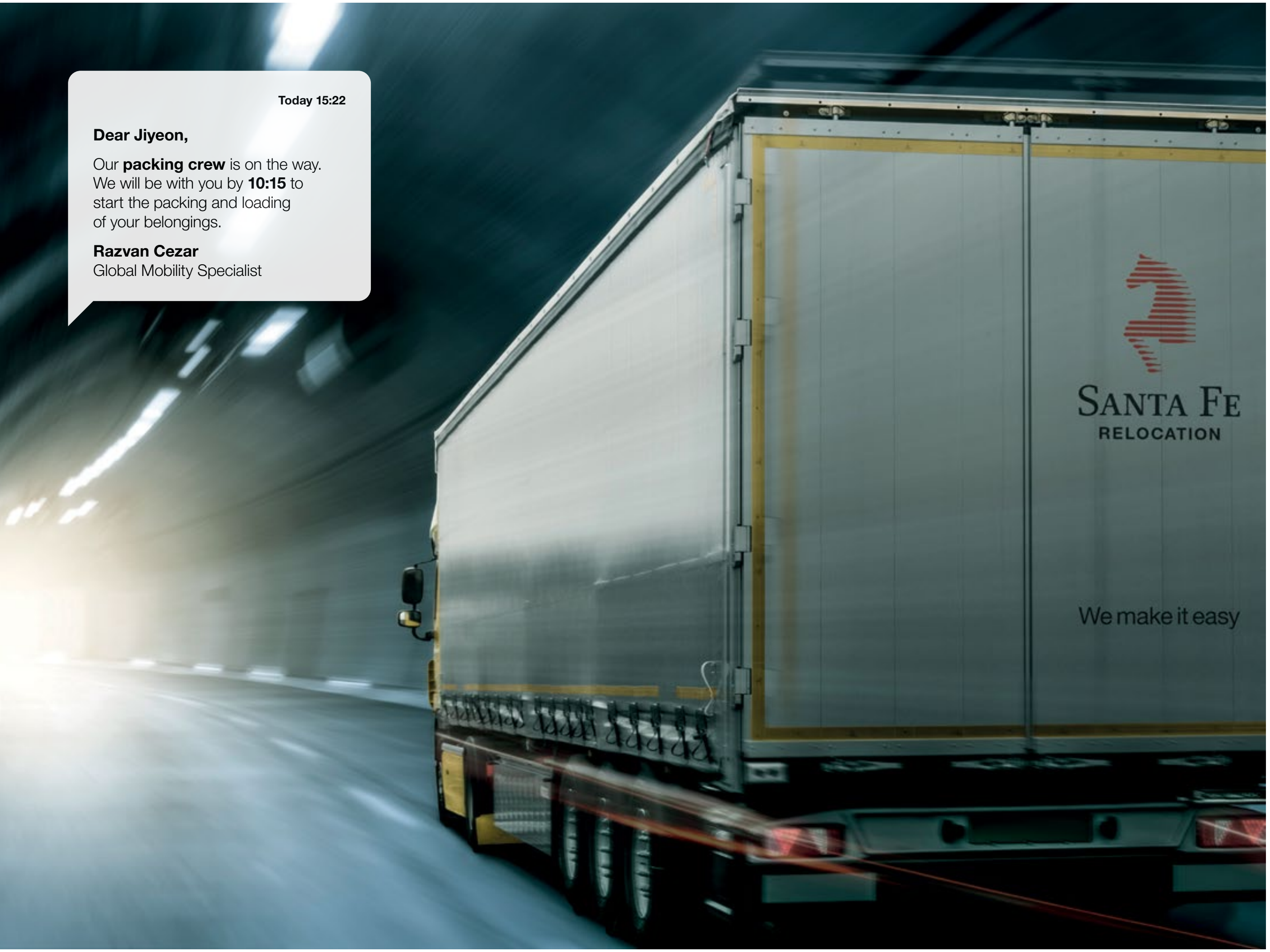
We have an exciting year ahead of us with a number of important strategic initiatives, shifting the business to growth, and embarking on the next phase of our strategy. Our goal remains to become the global industry leader, delivering exceptional relocation experiences for our customers, while creating attractive and sustainable returns for our shareholders. We are confident that our dedicated organisation of high performing employees, our unique technological platform and our comprehensive range of mobility services will enable us to reach our ambitions in close cooperation with our customers around the world.

A great thanks goes out to all our talented colleagues around the world for their impressive dedication and commitment, every day delivering great experiences to our customers.

Henning Kruse Petersen
Chairman of the Board

Martin Thaysen
Group CEO

2020 strategy update



Santa Fe's Strategy is aiming at establishing Santa Fe Relocation as the global leader of the mobility industry by 2020.

The strategy takes a three-phased approach to reaching this ambition: In 2015-16, 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 2017-18, 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 by 2020 and achieve attractive margins by 2022.

Attractive 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 regional 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.

Over the coming years, Santa Fe will pursue organic growth driven by these trends in the global mobility market – and in the longer term explore opportunities for further consolidating the highly fragmented industry.

"Fix the Core" Moving Services

Santa Fe offers Moving Services from a strong global platform with high and uniform quality standards and own facilities in 47 countries. However, significant seasonality fluctuations in activity levels and a declining demand in key markets are placing additional pressure on the Moving Services margins. A key priority in the 2020 Strategy is therefore to further strengthen Moving Services' competitive edge and to improve earnings without compromising services or quality.

Under the "Fix the Core" programme several measures were executed in 2015 and 2016, which we benefitted from in 2017. The main focus in 2017 was on migrating finance and other back-office processes to the recently established service centre in Manila. The global roll-out of Phase 1 of the CORE technology programme had a limited impact on internal efficiency in 2017 and is expected to contribute more in 2018. We did not demonstrate sufficient progress in Australia during 2017, where margins declined and only towards the end of the year did we start to see an impact of the various performance improvement initiatives undertaken during the year. Strict cost control was maintained across the organisation, along with several procurement initiatives.

The initiatives launched under 'Fix the Core' hold the potential to increase Moving Services' EBITDA before special items margin by around 3 percentage points from the starting point in 2015 after having invested around 0.75 percentage points to fund additional technology investments. Approximately 50% of the targeted impact has been realised by end of 2017 and the remaining improvement potential will be realised gradually up to 2022.

Growth in Relocation Services

Another key element in the 2020 Strategy is to enhance our focus on Relocation Services. Since 2012, the business line has shown average annual growth rates of 18.7% in EUR and the 2020 Strategy aims at continuing 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. While brand recognition and customer retention are generally high, Santa Fe only has a relatively small share of the customers' total transactions and the spend per assignee does not match the full potential. Through Client Management, Santa Fe is seeking to take advantage of the significant business potential that lies with existing customers and become these customers' extended mobility department, providing solutions for all their relocation and mobility needs. The very successful development of our Immigration Services in 2017 confirms the potential for this approach. At the same time, Santa Fe aims to bring in new corporate customers and strengthen the proposition towards the consumer market, i.e. individuals relocating without the support of an employer.

Highly skilled relocation professionals are available 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 implementation of a new CORE technology platform was kicked off with the signing of the Salesforce contracts in January 2016, and Phase 1 of the implementation has during 2017 been rolled out globally. 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 in 2018 and 2019.

Financial targets

Santa Fe Group expects to generate organic revenue growth at an average annual rate of 6-8% in local currencies from 2019. Relocation Services is expected to deliver double-digit growth. For 2018 specifically, revenue is expected to be around the same level as the continuing business in 2017 (EUR 295m) due to the loss of a very significant customer.

By 2022, Santa Fe expects to achieve an EBITDA before special items margin of around 7%. Progress will be driven partly by improving efficiencies in the Moving operation, and partly by the growth in the higher-margin Relocation Services. It was originally anticipated that 7% EBITDA margin could be achieved by 2020, but the setbacks encountered by Santa Fe during 2017 unfortunately means this timeline is no longer seen as realistic.

The strategic agenda in 2018

In accordance with the 2020 Strategy, we have turned our focus towards securing growth, while we will continue to generate efficiency gains under the "Fix the Core" programme.

Strategic approach

2017-2018

Growth

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

2019-2020

Leader

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

Priorities in 2018

Strategic area	Targeted milestones	Estimated impact
Fix the Core	Streamline processes, supported by technology	Continued efficiency gains realised on an annual basis
	Off-shoring of back-office functions	Savings potential of around EUR 1m annually, partly realised in 2017 and fully in 2018
	Strengthen operating model and asset utilisation in Australia	Improvement potential of EUR 2-3m annually, majority of which will be realised in 2018
Grow Relocation Services	Client Management Programme	Stronger servicing and more value to key clients, supporting growth and expansion
	Sales of RAMS and IMMS	Further growth and expansion to reach double digit growth in 2018 and 2019
Technology	Expand functionality of CORE technology	Allows Santa Fe to leverage technology to fuel growth and drive efficiency gains
People	Investment in scaling up organisational capacity and capabilities	Ensure service quality, and readiness for development, sales and implementation of new services and contracts
Other activities	Exit non-strategic activities	Focuses business and release cash

Driving growth

The immediate market outlook for corporate international mobility is rather soft, as geopolitical uncertainty dampen relocation activity levels for many large multinational companies. 2016 and 2017 both gave Santa Fe Relocation a very satisfactory intake of new corporate customers, but like-for-like activity levels were down for most existing clients and one of Santa Fe's largest clients will shift to a competing provider early 2018.

We will in 2018 be directing increased focus and investment towards the development of customer solutions and services as well as investing in further development of our people. We have in 2017 welcomed our new Group Chief Commercial Officer, Group Technology Officer and Group Digital Officer, and added Global Key Client Managers and sales executives to our existing sales organisation. All elements are important to spearhead our growth agenda in 2018. Our Key Client Programme remains a strategic focus area for us, as we seek to deepen our relationship with existing Key Clients, ensuring continued value creation supplementing the drive to securing new client wins in all markets.

The build-up of the Immigration Services (IMMS) and 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.

Improving margins

The drive to improve margins from the current unacceptable level will continue. In 2018 focus will increasingly turn towards our processes within the organisation and the opportunities for streamlining these processes, supported by technology. Improved asset utilisation and strict cost discipline will continue to deliver efficiency gains. All in all, we expect efficiency gains of around EUR 3m to materialise as a result of ongoing initiatives (cf. the table "Priorities in 2018").

In 2016, a Service Centre was established in Manila, Philippines, and a number of back office functions were migrated from the UK to Manila. During 2017 we followed through with back office functions from a number of offices in Western Europe and Asia, whereby the Service Centre reached a size of 100 staff by end of 2017. We expect continued growth in our Service Centre to reach around 150 employees by end of 2018.

Capital Allocation and Capital Structure

The Santa Fe 2020 Strategy will require ongoing investments over the coming years – primarily in technology – and in turn also acquisitions. 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. In February, 2018 the Company entered into a financing agreement with Proventus Capital Partners for a 6-year EUR 40m facility to refinance existing facilities and provide financial flexibility for the coming years. With the signing of the agreement, The Board of Directors considers that the capital structure is appropriate to facilitate necessary investments.

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.

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.

No dividend is proposed based on the consolidated financial statements and the parent company financial statements for 2017.

Financial targets

KPI	2016	2017	Financial targets – adjusted
Organic growth, local currency	-7.1%	-10.1%	Annual average 6-8% in local currency from 2019
EBITDA margin (before special items)	3.1%	2.1%	7% - by 2022 (under current IFRS)
Share of relocation services	15%	18%	25-30% by 2020
Growth in relocation services, local currency	-0.6%	4.9%	Annual double-digit growth
Return on invested capital (ROIC)	-4.1%	15.9%	15% - by 2022 (under current IFRS)

REVIEW 03

Today 15:22

Dear Chloe,

We're pleased to inform you that your dog Hercules has arrived safely in **Australia** and is now undergoing the relevant **health checks** at the airport.

Zikri Tengku
Global Mobility Specialist

Financial highlights

EURm	**2017**	2016	2015	2014*	2013*
Consolidated income statement					
Revenue	299.8	338.6	373.6	338.1	315.8
Earnings before depreciation, amortisation and special items (EBITDA before special items)	6.3	10.6	10.2	12.3	9.1
Special items, net	12.3	7.6	-0.7	-2.5	0.0
Earnings before depreciation and amortisation (EBITDA)	18.6	18.2	9.5	9.8	9.1
Operating profit (EBIT)	13.5	-3.7	1.8	-34.9	-23.6
Financials, net	-1.2	-2.4	-3.4	-2.5	-16.9
Share of profit in associates	0.2	0.2	0.6	0.1	0.2
Profit before taxes (EBT)	12.5	-5.9	-1.0	-37.3	-40.3
Income tax	8.2	4.6	2.3	-3.6	-0.6
Profit from continuing operations	4.3	-10.5	-3.3	-33.7	-39.7
Profit from discontinued operations	0.0	0.0	-0.1	0.4	0.0
Profit for the year	4.3	-10.5	-3.4	-33.4	-39.7
Earnings per share (diluted) EUR, continuing operations	0.3	-1.0	-0.3	-2.9	-3.4

EURm	**2017**	2016	2015	2014*	2013*
Consolidated balance sheet					
Total assets	211.8	234.7	241.3	239.7	710.5
SFG's share of equity	83.5	86.8	96.8	97.0	152.6
Non-controlling interests	0.0	2.2	1.7	2.4	37.3
Continuing operations:					
Working capital employed	7.1	2.8	12.2	18.0	13.1
Net interest bearing debt. end of year	12.8	-2.4	9.6	20.2	31.2
Net interest bearing debt, average	7.1	4.0	14.9	25.7	28.9
Invested capital	90.6	79.3	101.0	114.8	141.7
Cash and cash equivalents	18.9	43.6	30.5	18.7	27.8
Investment in intangible assets and property, plant and equipment	6.9	6.0	3.8	5.3	8.1
Cash flow					
Operating activities	-13.3	4.6	12.5	-5.3	1.7
Investing activities	4.6	8.6	-0.4	-29.1	-6.6
Financing activities	-14.5	-0.3	-1.0	-16.9	52.4
Ratios					
EBITDA margin (%), before special items	2.1	3.1	2.7	3.6	2.9
Operating margin (%)	4.5	-1.1	0.5	-10.3	-7.5
Equity ratio (%)	39.4	37.0	40.1	40.5	21.5
Return on average invested capital (%)	15.9	-4.1	1.6	-27.2	-14.5
Return on parent equity (%)	4.6	-12.9	-4.1	35.2	-81.3
Equity per share (diluted)	6.9	7.2	8.1	8.1	12.7
Number of employees end of year, continuing operations	2,386	2,679	2,908	2,969	3,019

*Income statement 2013-14 reflecting continuing operations (Santa Fe Group).
The ratios have been calculated in accordance with definitions on page 88.

A 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 376 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 2017, 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 moved EUR 602,000,000 worth of insured belongings in 2017 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

Global leader

The Santa Fe Group is a global leader in international mobility, handling around 40,000 international relocations and around 15,000 domestic relocations (predominantly in Australia) 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.

Contract wins

The commercial activity level remained high throughout 2017 and the Santa Fe Group had a net intake of new corporate customers. Activity levels are driven by potential customers exploring opportunities to improve overall mobility set-up, but also by increased outsourcing of relocation and assignment management services.

To further underpin the Relocation Services activities, a Consulting Services Unit assists corporate customers in benchmarking their mobility policies and practices. These advisory services add significant value to the customers' relationship with the Group.

Our markets and market drivers

Santa Fe is offering global mobility services through dedicated entities across six continents.

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 a 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 12-13.

Financial review

Consolidated income statement

Revenue and EBITDA before special items ended in line with the most recent outlook as announced on 16 November 2017.

Revenue of the Santa Fe Group was EUR 299.8m in 2017 (EUR 338.6m) corresponding to a revenue decrease of 11.5% in EUR and 10.1% in local currencies. Revenue in the continuing Moving and Relocation Services businesses decreased by 6.4% in local currencies to EUR 294.5m (EUR 319.7m).

Developments in exchange rates between the reporting currency EUR and the functional currencies of subsidiaries affected the Group revenue negatively by EUR 4.7m. This was mainly due to the depreciation of the GBP versus EUR partly offset by the appreciation of the AUD versus EUR.

Currency impact

EURm	Growth	**2017**
Revenue 2016		338.6
Currency translation adjustment	-1.4%	-4.7
Divestments, Records Management	-3.7%	-12.5
Organic growth in local currencies	-6.4%	-21.6
Revenue 2017	**-11.5%**	**299.8**

EBITDA before special items reached EUR 6.3m (EUR 10.6m). The divestment of Records Management activities and the reduced revenue had a negative impact on earnings, which to some degree was offset by fixed costs savings, primarily within staff costs.

Currency impact

EURm	Growth	**2017**
EBITDA before special items 2016		10.6
Currency translation adjustment	-3.8%	-0.4
Divestments, Records Management	-28.3%	-3.0
Organic growth in local currencies	-8.5%	-0.9
EBITDA before special items 2017	**-40.6%**	**6.3**

Special items were an income of EUR 12.3m in 2017 (EUR 7.6m) mainly due to the gain of EUR 17m from the divested Records Management business in 6 countries (Korea, Macau, Indonesia, India, the Philippines and China) offset by restructuring costs incurred in relation to migrations to the Service Centre in Manila and the Fix the Core programme across many countries but in particular UK, Switzerland, Germany, France and China. Merger and Acquisition costs did include professional fees related to the buyout of the Joint Venture partner in China as well as other M&A projects. The warehouse and other restructuring costs in Australia continued.

Special Items

EURm	**2017**	2016
Gain on divestment of Records Management activities in 6 countries (2016: 5 countries)	17.0	12.2
Germany restructuring costs	-0.3	-1.5
Restructuring costs related to Fix the Core programme	-1.9	-2.3
Transition cost, Manila Service Centre	-1.2	-
Restructuring costs, Australia (severance pay and closing of branches)	-0.7	-0.8
Cost related to Merger and Acquisition	-0.6	-
Total	**12.3**	**7.6**

Reported EBITDA was a profit of EUR 18.6m (EUR 18.2) supported by the divestment gain in special items.

Amortisation and depreciation of intangibles, property, plant and equipment in 2017 amounted to EUR 5.6m (EUR 7.1m) primarily following the write-off of the WridgWays trademark end 2016 as well as ceased depreciation from assets held for sale and subsequently divested related to the Records Management business. This was partly countered by increased amortisations related to the new CORE technology platform.

Financial expenses and income, net was an expense of EUR 1.2m during 2017 (EUR 2.4m) primarily related to interest including capitalised financing and legal expenses on bank facilities of EUR 1.3m (EUR 1.7m). Net exchange gains were EUR 0.0m (- EUR 0.9m).

The **effective tax rate** for 2017 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 Australia and Europe.

Net profit/loss in 2017 was a net profit of EUR 4.3m (Net loss of EUR 10.5m).

Non-controlling interests' share of net profit attributable to the minority shareholder in Santa Fe China declined to EUR 0.4m for 2017 (EUR 1.3m) following the completed 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 2017 was a profit of EUR 3.9m (Net loss of EUR 11.8m).

Consolidated balance sheet

Total equity by the end of 2017 was EUR 83.5m (EUR 89.0m) corresponding to a solvency ratio (Equity ratio) of 39.4% (37.0%) based on the Santa Fe Group share of equity. The equity was negatively impacted by the acquisition of the remaining 50% of the shares in Sino Santa Fe and by foreign currency translation adjustments.

Working capital employed amounted to EUR 7.1m (EUR 2.8m). The increase was to some extent due to a temporary less efficient collection process following the migration to the Service Centre in Manila, combined with a lower trade payables position compared to end of December 2016.

Invested capital increased by 18% in local currencies to EUR 90.6m (EUR 79.3m). The increase was primarily a result of EUR 14.0m 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 the increased working capital employed off set by a lower amount of assets held for sale compared to last year.

Return on average invested capital (ROIC) in 2017 was 15.9% (12.3% adjusted for impairment of the Australian business) benefitting from the Records Management divestment gain. Adjusted for special items and impairment of the Australian business, the comparable ROIC was 1.4% 2017 versus 3.9% during the same period last year.

Net interest bearing debt amounted to EUR 12.8m (EUR -2.4m) weakened by CORE technology investments, the buy-out of the minority partner in China and working capital funding caused by a backlog in collections by end of Q4.

Due to high investment activity and pressure on the operating cash flow during 2017 the Santa Fe Group was in breach of two covenants on the main financing facility by 31 December 2017. The banks waived the breach in February 2018. The amount drawn under the facility at 31 December 2017 amounts to EUR 24m and as a consequence of the waiver only being received after the annual closing, the entire amount outstanding on the facility has been presented as current debt. However, the Group agreed terms on a refinancing on 27 February 2018, which will replace the current bank financing with new long term financing.

Net interest bearing debt

EURm	**2017**	2016
Loans and credit facilities	28.0	32.5
Mortgage	-	4.1
Finance lease	3.7	4.6
Total borrowings	**31.7**	**41.2**
Cash and cash equivalents	-18.9	-43.6
Net interest bearing debt	**12.8**	**-2.4**

Cash flow from operating activities of EUR -13.3m (EUR 4.6m) turned negative as a result of lower than expected earnings, a deterioration of working capital and taxes paid on the Records Management divestment gain.

Cash inflow from investing activities of EUR 4.6m (EUR 8.6m) was primarily related to proceeds of EUR 9.9m from the closing of the Records Management divestment in the remaining 5 markets partly offset by investments in development and software costs associated with the new technology platform for the Santa Fe Group.

Cash outflow from financing activities was EUR 14.5m (EUR 0.3m) related to repayment of bank facilities of EUR 9m following the Records Management divestment and ordinary installments. The acquisition of the 50% non-controlling interests in China impacted the cash flow from financing activities negatively by EUR 5.0m.

Condensed cash flow statement

EURm	**2017**	2016
Cash flow from operating activities	-13.3	4.6
Cash flow from investing activities	4.6	8.6
Free cash flow	-8.7	13.2
Cash flow from financing activities	-14.5	-0.3
Cash flow for the year	**-23.2**	**12.9**

Other events and strategic initiatives

Establishment of Service Centre

During Q1, Santa Fe Group announced the formal opening of its Manila Service Centre in the Philippines. The Service Centre has taken over several European back-office functions from the UK, France, Germany, Spain, Switzerland and Benelux offices. In Asia, back-office functions in Singapore and the Philippines have also been transferred and Hong Kong is now in transition. Furthermore, an IT team to support the ongoing Salesforce development has been established. Further centralisation of other Group and operational functions will be considered on an ongoing basis. The new resource centre is supporting Santa Fe offices with accounting, operational and IT processes delivered by more than 100 dedicated employees. The centralisation of the support functions will further enhance service levels towards clients, strengthen global processes and further improve operational efficiencies and margins.

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 December 30 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 divestment is expected to result in a divestment gain of approximately EUR 19m and net proceeds after tax of around EUR 15m. The transaction will predominantly take the form of an asset transfer. The business sale did close end of 2017, whereas the property sale is expected to close end of Q1 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.

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.

Build-up in the USA
As previously announced, the Group has for some time been scanning the market for acquisition and partnership opportunities that could add supplementary services and capabilities, particularly within home sales, to Santa Fe's American operations and place the Group in a much stronger position. As an alternative to an outright acquisition, the Group has in February 2018 entered into an agreement with Fidelity Residential Solutions, which will enable the Group to offer home-sale services to clients in the US.

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. Further enhancements to Phase 1 have been completed over the summer, including upgrades to client and assignee. More than 9,000 assignees have until end of December engaged with Santa Fe through the portals. Various options remain under consideration for Phase 2. The total investment to be recognised during 2017 was EUR 5.0m.

Long Term Incentive Programme
A new long-term incentive programme was launched end of March 2017 (announcement no. 5/17). The programme grants up to 510,500 share options to the Executive Board and certain other employees. Executives in Santa Fe have purchased shares in the Company, and on the back of the shares purchased, been granted share options. On completion of the 2017 grant, management now holds 104,865 shares in Santa Fe Group A/S, and a total of 475,300 options have been granted to the participants (of which 179,000 to the Executive Board). Additionally the Board of Directors has 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 Company expects to cover its obligations to deliver restricted shares and shares upon exercise of share options through its portfolio of treasury shares. The terms governing the programme are in accordance with the Remuneration Policy and Incentive Guidelines as approved by the annual 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. For further details please refer to note 5.5.

Subsequent events
On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, subject to customary conditions being satisfied, which will refinance the existing facilities during Q1 2018. The facility is a combined EUR 30m six years Senior Secured Unitranche Loan and a short term EUR 10m 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. (cf. note 4.5 - Liquidity risk).

No other material events have taken place after 31 December 2017.

2018 Outlook

The consolidated **revenue** is expected to be around the same level as the continuing business in 2017 (EUR 295m), driven by new customers, development of new services and solutions, gradual recovery of activity levels in the UK and Australia, offset by the divestment of the Records Management business and the loss of a large customer as announced at the end of 2016.

Consolidated **EBITDA before special items** is expected to be around the same level as in 2017 (EUR 6.3m). The divested Records Management activities will have a negative impact of around EUR 3m when comparing 2017 to 2018. We expect this to be countered by improvements for the continuing activities due to the lower cost base secured through a number of restructuring initiatives in both Europe and Australia, including the implementation of the Service Centre in Manila.

Special items are expected to be a net gain of around EUR 5m including the net gain from the divestment of the warehouse building in Beijing related to the Records Management divestment in China. Additional restructuring in Europe and Australia will continue but at a reduced level.

Financial expenses are expected to be higher than in 2017 due to higher cost on new facilities expected to refinance existing facilities during Q1 2018.

Non-controlling interests' share of net profit was eliminated in the second-half year 2017 following the acquisition of the 50% minority shareholding in Santa Fe China and will be zero in 2018.

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 outflow of DKK 4m (a net inflow of DKK 204m)
+ Cash balances at 31 December 2017 amounted to DKK 0m (DKK 0m)
+ Total assets at year end were DKK 1,032m (DKK 1,028m).
+ Total equity at year end totalled DKK 987m (DKK 980m) of which DKK 144m (DKK 140m) was retained earnings.

Disclaimer The 2018 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 at the Northern Hemisphere as well as the local fourth quarter peak season in Australia. Hence, the majority of revenue and earnings may be recognised in these periods.

Business line performance

Business and pipeline development

2017 started very strongly from a Business Development perspective with a couple of new Strategic clients being successfully implemented very quickly after having been signed up, and in general a good intake of new corporate customers throughout the year. The intake of new large clients exceeded the number of large clients lost. The Sales Organisation was strengthened during the year and a strong opportunity pipeline created, which is being managed much more systematically than in the past and which provides good comfort that we will be able to welcome a number of new corporate clients also during 2018. When comparing the pipeline with our existing business, the relocation services constitute a higher share of the pipeline than of our current revenue base, consistent with our strategic ambition of achieving a higher share of relocation services.

During 2017, the Santa Fe brand and logo were sharpened to improve our digital presence, and we successfully revived the WridgWays brand in the important domestic consumer market in Australia. The increased focus on digital marketing bore fruit in terms of increased consumer leads on our websites and a 65% increase in followers on digital media.

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 18% of total revenue in 2017 versus 15% 2016. 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 2017 from Moving Services decreased by 8.6% in local currencies and by 9.9% in EUR to a total of EUR 241.4m (EUR 267.9m).

Relocation Services

Revenue in 2017 increased by 4.9% in local currencies and 2.5% in EUR amounting to EUR 53.1m (EUR 51.8m).

Records Management

Revenue in 2017 decreased to EUR 5.3m (EUR 18.9m) as a result of the divestment of the activities in 11 markets in the period from December 2016 to December 2017.

EUROPE

Overall 2017 revenue in Europe of EUR 149.8m (EUR 156.1m) was 2.3% below 2016 in local currencies. The continent performed well, whereas the UK business was hard hit by the continuing Brexit uncertainty and the depreciation of the GBP versus the EUR.

Revenue from **Moving Services** in Europe decreased 4.6% in local currencies during 2017 to EUR 117.8m (EUR 125.6m). Germany continued to perform well following a successful turnaround coupled with important contract wins during 2017. Likewise, most other markets on the European continent performed well. The UK market, however, is still impacted by the Brexit uncertainties affecting both in- and outbound relocations and many especially small- to midsized companies have generated lower activity levels than last year.

Relocation Services within Europe 2017 increased by 9.2% in local currencies to EUR 31.7m (EUR 29.7m). The increase was primarily seen in Germany, France and UK.

EBITDA before special items in Europe was a profit of EUR 5.0m compared to a profit of EUR 4.2m in 2016. The lower

Revenue by business lines and segments

	2017					2016					Change in %, EUR	Change in %, LC
EURm	**Europe**	**Asia**	**Australia**	**Americas**	**Santa Fe Group**	**Europe**	**Asia**	**Australia**	**Americas**	**Santa Fe Group**	**Santa Fe Group**	**Santa Fe Group**
Moving Services	117.8	69.0	49.3	5.3	**241.4**	125.6	80.5	55.7	6.1	**267.9**	-9.9	-8.6
Relocation Services	31.7	16.1	1.9	3.4	**53.1**	29.7	16.9	2.0	3.2	**51.8**	2.5	4.9
Records Management	0.3	5.0	0.0	0.0	**5.3**	0.8	18.1	0.0	0.0	**18.9**	-72.0	-71.1
Total revenue	**149.8**	**90.1**	**51.2**	**8.7**	**299.8**	**156.1**	**115.5**	**57.7**	**9.3**	**338.6**	**-11.5**	**-10.1**
Change in %, EUR	-4.0	-22.1	-11.3	-6.5	-11.5							
Change in %, LC	-2.3	-19.8	-12.1	-4.3	-10.1							

revenue did impact results and notably UK realised revenue with a lower margin due to a less favourable customer mix. Lower fixed costs following the restructurings executed during 2016 did offset some of the impact.

ASIA

Revenue in Asia in 2017 reached EUR 90.1m (EUR 115.5m). In local currencies revenue declined by 19.8% or by 10.3% in the continuing Moving & Relocation businesses.

Revenue from **Moving Services** in Asia decreased 11.9% in local currencies to EUR 69.0m (EUR 80.5m). The decline in revenue was widespread across the Asian region. Lower support from existing clients and reduced support from US agents were the main factors.

Revenue from **Relocation Services** in Asia was EUR 16.1m (EUR 16.9m) equivalent to a 2.5% decline in local currencies, as lower moving activity adversely impacted activity in relocation services.

Revenue from the **Records Management** business in Asia declined to EUR 5.0m (EUR 18.1m) resulting from the divestment of the activities in 11 markets. The Records Management business in China, which was divested end of 2017, performed well.

EBITDA before special items in Asia in 2017 of EUR 8.8m (EUR 15.1m) was negatively impacted by the divested Records Management business. The continuing Moving and Relocation Services realised an EBITDA before special items of EUR 6.5m (EUR 9.3m), mainly due to the lower realised revenue from the moving business.

AUSTRALIA

In Australia, the 2017 revenue was EUR 51.2m (EUR 57.7m) equivalent to a decrease of 12.1% in local currency.

To drive top-line growth, Santa Fe Group was pleased to announce the appointment of Kobus Fourie as Managing Director for Santa Fe Australia on 11 August. With accomplishments in transformational leadership, Kobus Fourie is seasoned in achieving top line growth, strengthening of customer service and quality, as well as improving financial business performance.

The Australian **Moving Services** revenue decreased by 12.4% in 2017 in local currency to EUR 49.3m (EUR 55.7m).

Revenue from **Relocation Services** from the emerging business declined slightly in local currency by 4.4% at EUR 1.9m (EUR 2.0m).

EBITDA before special items in Australia in 2017 was a loss of EUR 4.9m (EUR 4.3m). The restructuring implemented during 2016 was not fully able to mitigate the revenue decline, and it is clear that focus in coming quarters needs to be on revenue restoration and growth.

A number of initiatives were initiated during Q4 2017 in order to boost growth. The WridgWays brand has been relaunched as part of a new focus on the Australian domestic consumer market. Furthermore, a number of improvements to the local Australian website have been launched to enhance the user-friendliness, increase the traffic on the webpage and ease the ability to receive specific pricing information.

AMERICAS

Revenue in Americas in 2017 reached EUR 8.7m (EUR 9.3m) or a decrease of 4.3% in local currency. Efforts to make inroads into the corporate relocation market in the US are ongoing. In the absence of an immediate acquisition, other options for building home-sale capabilities have been explored. The Santa Fe Group has in February 2018 entered into an agreement with Fidelity Residential Solutions, which will enable the Group to offer home-sale services to clients in the US.

Revenue from **Moving Services** in Americas was EUR 5.3m (EUR 6.1m).

Revenue from **Relocation Services** in Americas was EUR 3.4m (EUR 3.2m).

Continued investment in organisational capabilities and positioning in USA drove an increase in SG&A cost.

EBITDA before special items was EUR 0.0m (EUR -0.3m).

Consolidated quarterly summary

EURm

	2017					2016				
	Q1	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
Europe										
Revenue	**30.8**	**35.0**	**50.1**	**33.9**	**149.8**	**34.7**	**34.8**	**52.1**	**34.5**	**156.1**
– Growth vs. same qtr. prev. year (%)	-11.2	0.6	-3.8	-1.7	-4.0	-5.2	-12.6	-13.3	-13.3	-11.5
EBITDA before special items	**-1.3**	**0.2**	**5.1**	**1.0**	**5.0**	**-1.4**	**-0.2**	**5.6**	**0.2**	**4.2**
– EBITDA margin (%)	-4.2	0.6	10.2	2.9	3.3	-4.0	-0.6	10.7	0.6	2.7
Asia										
Revenue	**21.1**	**22.8**	**26.1**	**20.1**	**90.1**	**25.3**	**27.6**	**35.1**	**27.5**	**115.5**
– Growth vs. same qtr. prev. year (%)	-16.6	-17.4	-25.6	-27.3	-22.1	2.4	-3.2	-3.3	-9.5	-3.7
EBITDA before special items	**0.6**	**2.0**	**4.2**	**2.0**	**8.8**	**1.3**	**2.8**	**6.7**	**4.3**	**15.1**
– EBITDA margin (%)	2.8	8.8	16.1	10.0	9.8	5.1	10.1	19.1	15.6	13.1
Australia										
Revenue	**17.5**	**11.1**	**10.6**	**12.0**	**51.2**	**17.3**	**12.0**	**12.3**	**16.1**	**57.7**
– Growth vs. same qtr. prev. year (%)	1.2	-7.5	-13.8	-25.5	-11.3	-18.8	-23.6	-18.5	-6.9	-16.9
EBITDA before special items	**-0.4**	**-2.0**	**-1.6**	**-0.9**	**-4.9**	**-0.5**	**-1.8**	**-1.4**	**-0.6**	**-4.3**
– EBITDA margin (%)	-2.3	-18.0	-15.1	-7.5	-9.6	-2.9	-15.0	-11.4	-3.7	-7.5
Americas										
Revenue	**2.0**	**2.1**	**2.3**	**2.3**	**8.7**	**2.5**	**2.0**	**2.9**	**1.9**	**9.3**
– Growth vs. same qtr. prev. year (%)	-20.0	5.0	-20.7	21.1	-6.5	316.7	11.1	0.0	-29.6	16.3
EBITDA before special items	**-0.3**	**-0.2**	**0.2**	**0.3**	**0.0**	**-0.2**	**-0.1**	**0.2**	**-0.2**	**-0.3**
– EBITDA margin (%)	-15.0	-9.5	8.7	13.0	0.0	-8.0	-5.0	6.9	-10.5	-3.2
Unallocated and other										
EBITDA before special items	**-0.2**	**-0.1**	**-0.9**	**-1.4**	**-2.6**	**-0.4**	**-0.7**	**-1.8**	**-1.2**	**-4.1**
SANTA FE Group										
Revenue	**71.4**	**71.0**	**89.1**	**68.3**	**299.8**	**79.8**	**76.4**	**102.4**	**80.0**	**338.6**
– Growth vs. same qtr. prev. year (%)	-10.5	-7.1	-13.0	-14.6	-11.5	-4.1	-11.0	-10.5	-11.3	-9.4
EBITDA before special items	**-1.6**	**-0.1**	**7.0**	**1.0**	**6.3**	**-1.2**	**0.0**	**9.3**	**2.5**	**10.6**
– EBITDA margin (%)	-2.2	-0.1	7.9	1.5	2.1	-1.5	0.0	9.1	3.1	3.1

RESPONSIBILITY 04

Today 15:22

Dear Batsaikhan,

Welcome to **South Africa**.
Your **temporary accommodation** is booked until the **28th June**.

The address is:
11 Rose Street, Bo-Kaap, Cape Town, 8001, South Africa.

We hope you enjoy your stay.

Léa Peeters
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 Social Responsibility (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 2017, which is available at:

http://investor.thesantafegroup.com/common/download/download.cfm?companyid=ABEA-4AIUSN&fileid=972330&filekey=502E0DF3-604F-47C2-90B3-62D42619DFC3&filename=Santa_Fe_Group_CoP_Report_2017.pdf 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.

	2016 Key Commitments	2017 Actions	2017 Key KPI results	2018 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.	16.27% 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 organisation.	Numerous initiatives undertaken globally such as wellbeing activities, quiet rooms and launch of the Santa Fe DNA and Values. Performance management tools have been made available to office based colleagues.	4% increase in employee engagement.	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.	Understanding the reasons why some waste is not being recycled and work on 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.	5% increase in waste recycled. 27.33% decrease in electricity consumption, which resulted in 21.31% decrease in Scope 2 GHG emissions. 12.4% decrease in energy consumed per cubic meter transported on our fleet by road, which resulted in 48% decrease in Scope 1 GHG emissions.	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 meter 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 2017.

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 36-38).

+ A description of internal controls related to the financial reporting (page 39-40).

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 seven teleconferences during 2017. 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 34-35.

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 behavior 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: http://investor.thesantafegroup.com/common/download/download.cfm?companyid=ABEA-4AIUSN&fileid=972331&filekey=7DFAF3B5-E2C8-44CA-8572-AC24FB91F833&filename=Corporate_Governance_report_2017.pdf

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

3.1.4 Retirement age for members of the Board of Directors

Recommendation
The Committee recommends that the company's articles of association stipulate a retirement age for members of the Board of Directors.

Explanation
The Santa Fe Group complies only partially with the Recommendation. The retirement age for members of the Board of Directors is stipulated in the Rules of Procedures for the Board of Directors as opposed to the company's articles.

3.4.3 Audit committee

Recommendation
The Committee recommends that the Board of Directors set up a formal audit committee composed such that:

+ the chairman of the Board of Directors is not chairman of the audit committee, and
+ between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market.

Explanation
The Santa Fe Group complies only partially with the Recommendation. Due to the size of the Board of Directors (four 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
The Committee recommends that the Board of Directors establish a nomination committee chaired by the chairman of the Board of Directors with at least the following preparatory tasks:

+ describe the qualifications required by the Board of Directors and the Executive Board,
+ annually assess the structure, size, composition and results of the Board of Directors and the Executive Board, as well as recommend any changes to the Board of Directors,
+ annually assess the competences, knowledge and experience of the individual members of management, and report to the Board of Directors in this respect,
+ consider proposals from relevant persons, including shareholders and members of the Board of Directors and the Executive Board for candidates for the Board of Directors and the Executive Board, and
+ propose an action plan to the Board of Directors on the future composition of the board of directors, including proposals for specific changes.

Explanation
The Santa Fe Group complies only partially with the Recommendation. Due to the size of the Board of Directors (four 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
The Committee recommends that the Board of Directors establish a remuneration committee with at least the following preparatory tasks:

+ to recommend 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,
+ make proposals to the Board of Directors on remuneration for members of the Board of Directors and the Executive Board, as well as ensure 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 about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and
+ recommend a remuneration policy applicable for the company in general.

Explanation
The Santa Fe Group complies only partially with the Recommendation. Due to the size of the Board of Directors (four 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.

4.2.3 Disclosure of total remuneration granted to each member of the Board of Directors and the Executive Board

Recommendation
The Committee recommends that the total remuneration granted to each member of the Board of Directors and the Executive Board by the company and other companies in the group, including information on the most important contents of retention and retirement/ resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.

Explanation
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. 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 http://investor.thesantafegroup.com/common/download/download.cfm?companyid=ABEA-4AIUSN&fileid=972331&filekey=7DFAF3B5-E2C8-44CA-8572-AC24FB91F833&filename=Corporate_Governance_report_2017.pdf For further information, please refer to note 2.5 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 2017 was approved at the Annual General Meeting in 2017 and is disclosed in note 2.5 to the consolidated financial statements. The remuneration for 2018 will be submitted for approval at the Annual General Meeting to be held on 27 March 2018.

Board of Directors

				
Name	**Henning Kruse Petersen**	**Preben Sunke**	**Jakob H. Kraglund**	**Michael Hauge Sørensen**
	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
Joined	2006	2007	2016	2015
Born	1947	1961	1967	1973
Nationality	Danish	Danish	Danish	Danish
Chairman of the Board of Directors	C.W. Obel A/S Den Danske Forskningsfond Scandinavian Private Equity A/S Erhvervsinvest Management A/S The Financial Compliance Group A/S Howart University A/S Firstaiders A/S Lunar Holding ApS Lunar Way A/S Midgard Denmark K/S Cursum A/S	Slagteriernes Arbejdsgiverforening	None	TOP-TOY A/S, Denmark TT Holding II A/S TT Holding III A/S Fristads Kansas Group AB, Sweden
Deputy Chairman of the Board of Directors	Asgard Ltd. Skandinavisk Holding A/S Fritz Hansen A/S	None	None	None
Member of the Board of Directors	Scandinavian Tobacco Group A/S ProActive A/S William H. Michaelsens Legat The EAC Foundation Midgard Group, Inc. Dekka Holdings Ltd.	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
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.
Holding of SFG shares as of 31/12/17	105,766	2,800	9,200	0
	Independent	Independent	Independent	Independent

Executive Board

		
Name	**Martin Thaysen**	**Christian Møller Laursen**
	Group CEO of the parent company, Santa Fe Group A/S and the Santa Fe Group	Group Chief Financial Officer of the parent company, Santa Fe Group A/S and the Santa Fe Group
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 31/12/17	60,000	20,000
Number of share options	122,000	57,000

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 39-40. + 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 launched the implementation of a new CORE technology platform based on Salesforce. Santa Fe will undertake a phased implementation and Phase 1 was implemented in November 2016 and fully deployed end of February 2017. Further enhancements to Phase 1 have been completed during 2017, including upgrades to client and assignee portals.
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.
General Data Protection Regulation (GDPR) Compliance	
The Santa Fe Group is required to be compliant with the GDPR legislation coming into force in May 2018. 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 handling personal data in a manner that is not compliant with GDPR.	+ The Santa Fe Group has a CISSP (Certified Information Systems Security Professional) and a Certified GDPR Practitioner within the organisation, to constantly monitor compliance in this area. + A roadmap for the steps necessary to be taken for GDPR compliance 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 an important management tool for the Santa Fe Group to achieve its strategic ambition and to sustain and improve performance. The internal control system mitigates risks and ensures 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 policies and guidelines for compliance. 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 three times 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 adjusted to match the risks in the financial reporting processes.

Based on the annual risk assessment, additional controls have been implemented during 2017 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 management 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 report through an internal control reporting software, enabling the entities to confirm compliance and to upload supporting documentation on a monthly basis. During 2017 the software has been upgraded several times with new features to further strengthen the control environment and to improve the efficiency of the reporting. The system has been operative for almost two years in the major reporting entities. The implementation for the remaining part of the organisation has been initiated and is in process.

Senior Management receives bimonthly updates on the internal control process, including suggestions for further improvement.

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 introduction of the new internal control software in 2016 has improved consistency in the testing of controls for 2017.

Shareholder information

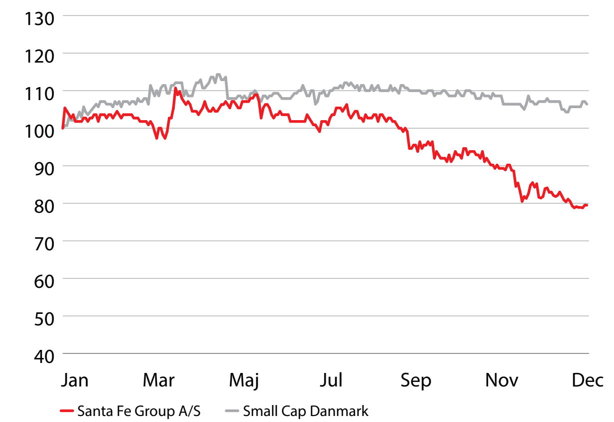
Investor relations
Santa Fe Group provides information to investors and analysts about the Group's businesses and financial performance with the aim of ensuring transparency and a fair valuation of the share.

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 http://investor.thesantafegroup.com/analysts.cfm.

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

The Santa Fe Group share 2017

Indexed share price, DKK



The Santa Fe Group share
The shares were traded at a price of DKK 44.5 at the end of the year on NASDAQ Copenhagen A/S. The share yielded an overall decrease of 21% during 2017. By comparison, the SmallCap index increased by 6% during that period.

The daily average turnover of Santa Fe Group shares in 2017 was around DKK 0.9m, corresponding to a total traded volume of DKK 217m (DKK 329m). On 31 December 2017, the market capitalisation of the Santa Fe Group was DKK 536m.

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 2.5, page 60, and note 5.9, page 77.

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 864,324,300, 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 2017, Santa Fe Group held 302,494 (338,494) 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 67.

Ownership information
At the end of 2017 11,724 shareholders were listed in Santa Fe Group's register of shareholders (13,000). About 71% (73%) of Santa Fe Group's total share capital is held by registered shareholders. The ten largest shareholders (excluding own shares) hold in aggregate 20% (19%) of the registered share capital. Approximately 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 2017, the members of the Board of Directors and Executive Board combined held a total of 197,766 Santa Fe Group shares (104,266 shares). The Executive Board further held 179.000 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:
Tuesday, 27 March 2018 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.

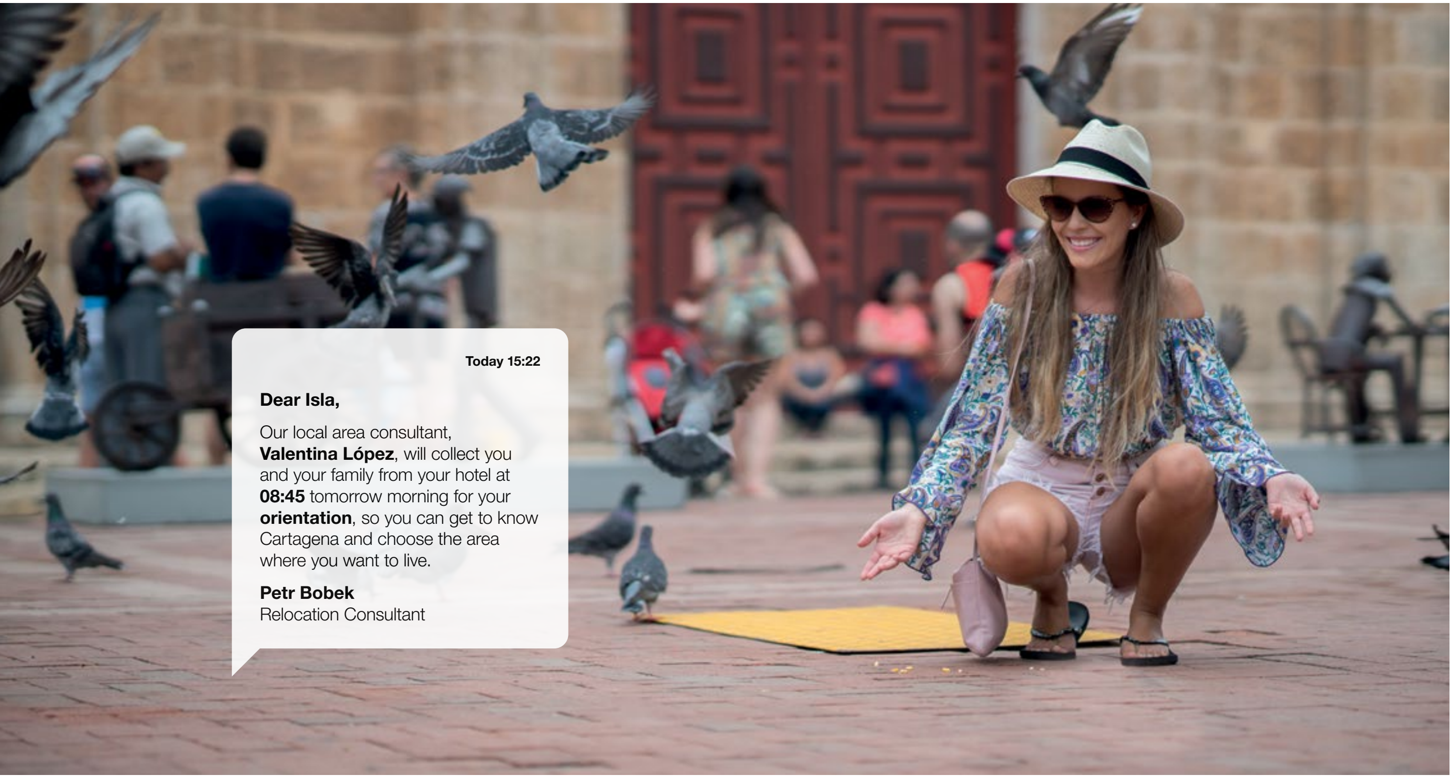
Santa Fe Group aims to maintain the necessary equity to fund the group's operations and to achieve the group strategy. Excess capital will be distributed to the shareholders through dividend payments including interim dividends and/or share buybacks. Ordinary dividends are determined at annual general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

The Board of Directors will propose to the Annual General Meeting that no ordinary dividend be paid in respect of the 2017 financial year.

Trading and share key figures as of 31 December

	2017	2016	2015	2014	2013
Share closing price	44.5	56.0	65.5	52.0	79.5
Share high/low	44/62	71/54	79/45	94/51	124/76
Total number of outstanding shares	12.348.060	12.348.060	12.348.060	12.348.060	12.348.060
Treasury Shares	302.494	338.494	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	622	645	722	722	1.139
Market value (DKKm)*	536	673	787	624	955
Earnings per share (DKK) (EPS)**	2.2	-7.4	-2.2	-21.7	-25.5
Equity per share*	52	54	60	60	95
Dividend per share (DKK)	0	0	0	16	0
P/E ratio	20.2	-7.6	-29.8	-2.4	-3.4
P/BV	0.9	1.0	1.1	0.9	0.8
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 2018

01.03.	Annual Report 2017
27.03.	Annual General Meeting
17.05.	Interim Report Q1 2018
30.08.	Interim Report H1 2018
15.11.	Interim Report Q3 2018

Announcements to NASDAQ Copenhagen A/S during 2017, refer to the website:http://investor.thesantafegroup.com/releases.cfm

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 2017.

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 2017 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 2017.

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, 1 March 2018

Executive Board:

Martin Thaysen

Christian Møller Laursen

Board of Directors:

Henning Kruse Petersen
Chairman

Preben Sunke
Deputy Chairman

Michael Hauge Sørensen

Jakob Holmen Kraglund

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 2017 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January – 31 December 2017 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 2017 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies, for the Group as well as for the Parent Company (the financial statements).

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.

Appointment

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 2 years including the financial year ending 31 December 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for 2017. 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
Financing	
At 31 December 2017, the Group's credit facilities required extension or refinancing no later than first quarter 2019. The Group's liquidity was stressed, and the Group was in breach of its credit facilities of EUR 24 million based on a cash flow covenant. A waiver was obtained after 31 December 2017. Hence, the credit facilities are presented as current liabilities in the balance sheet. The Group's financing facilities have been considered a key audit matter due to the need for refinancing and the breach of covenant. On 27 February 2018, the Group entered into a financing agreement with Proventus Capital Partners (Proventus) for a EUR 40m loan facility which, subject to customary conditions being satisfied, is to be used to refinance the existing facilities during 2018. Reference is made to note 1.7 regarding Management's assessment of the Group's ability to continue as a going concern and the description of interest and liquidity risks in note 4.5 to the consolidated financial statements.	For the purpose of our audit, the procedures we carried out included the following: + We assessed 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 + We evaluated Management's going concern assessment, including Management's projected cash flows and funding needs. + We assessed whether the new financing agreement with Proventus, including the conditions that are required to be satisfied, will enable the Group to refinance its current credit facilities. + We have read notes 1.7 and 4.5 to the consolidated financial statements and assessed whether the description of the going concern assumption and description of interest rate and liquidity risks have been fairly presented.
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 margin improvements and the applied discount rate. + We have discussed with and challenged Management on their expectations of the future, including the Group's 2020 strategy. + The expected growth rates and margin improvements 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 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 made, including key assumptions, uncertainties and sensitivity analyses, has been fairly presented and is in accordance with the requirements of 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 performed tests of the operating effectiveness 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 that are based on last years' revenue and the budgeted revenue for 2017. Significant deviations between the recognised revenue and our expectations have been investigated and assessed for reasonableness. + 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 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, 1 March 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen State Authorised Public Accountant mne 15839	Lau Bent Baun State Authorised Public Accountant mne 26708

FINANCIAL STATEMENTS

REPORT 05

Today 15:22

Dear Harry,

We're happy to hear that today's **home search** was successful. We will start the **lease negotiation** on your behalf immediately, so that you and your family can move into your new home as soon as possible.

Lagertha Sørensen
Relocation Consultant

Consolidated financial statements

CONTENTS

Income statement 51
Statement of comprehensive income 51
Balance Sheet 52
Statement of Changes in Equity 53
Cash Flow Statement 54

NOTES

01 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

1.1 General information 55
1.2 Changes in accounting policies and estimates 55
1.3 Consolidated financial statements 55
1.4 Foreign currency translation 56
1.5 New accounting regulation 56
1.6 Significant accounting estimates and judgements 57
1.7 Going concern 57

02 RESULT FOR THE YEAR

2.1 Operating segments 58
2.2 Revenue 59
2.3 Direct cost 59
2.4 Other external expenses 59
2.5 Staff costs 60
2.6 Other operating income 60
2.7 Special items 60

03 OPERATING ASSETS AND LIABILITIES

3.1 Intangible assets 61
3.2 Property, plant and equipment 64
3.3 Other receivables 65
3.4 Employee benefits 65
3.5 Other liabilities 66
3.6 Provisions 66

04 CAPITAL STRUCTURE AND FINANCING ITEMS

4.1 Shareholders' Equity 67
4.2 Financial income and expense 68
4.3 Financial instruments by category 68
4.4 Financial liabilities 69
4.5 Financial risks 70
4.6 Cash and cash equivalents 73
4.7 Statement of cash flow 73
4.8 Change in working capital 73
4.9 Other non-cash items 73
4.10 Divestment of Record Management activities 73

05 OTHER DISCLOSURES

5.1 Income tax expense 74
5.2 Deferred tax 74
5.3 Operating leasing obligations 74
5.4 Fees to auditors appointed at the annual general meeting 75
5.5 Incentive schemes 75
5.6 Non-controlling interests 76
5.7 Associates 77
5.8 Contingent assets and liabilities 77
5.9 Related parties 77
5.10 Subsequent events 77

Financial statements

Consolidated income statement

EURm	Note	2017	2016
Revenue	2.1	**299.8**	**338.6**
Direct costs		171.3	191.4
Other external expenses		27.7	29.8
Staff costs	2.5	97.5	108.6
Other operating income	2.6	3.0	1.8
Operating profit before amortisation, depreciation, impairment and special items		**6.3**	**10.6**
Special items, net	2.7	12.3	7.6
Operating profit before amortisation, depreciation and impairment		**18.6**	**18.2**
Amortisation and depreciation of intangibles, property, plant and equipment	3.1,3.2	5.6	7.1
Impairment of property, trademarks and other intangibles	3.1,3.2	-0.5	14.8
Operating profit/loss		**13.5**	**-3.7**
Financial income	4.2	0.6	0.4
Financial expenses	4.2	1.8	2.8
Share of profit in associates	5.7	0.2	0.2
Profit/loss before income tax expense		**12.5**	**-5.9**
Income tax expense	5.1	8.2	4.6
Profit/loss from continuing operations		**4.3**	**-10.5**
Profit/loss from discontinued operations		**0.0**	**0.0**
Net profit/loss for the year		**4.3**	**-10.5**
Attributable to:			
Equity holders of the parent		3.9	-11.8
Non-controlling interests	5.6	0.4	1.3
Earnings per share (EUR)	4.1	0.3	**-1.0**
From continuing operations		0.3	-1.0
From discontinued operations		0.0	0.0
Earnings per share diluted (EUR)		**0.3**	**-1.0**
From continuing operations		0.3	-1.0
From discontinued operations		0.0	0.0

Consolidated statement of comprehensive income

EURm	Note	2017	2016
Net profit/loss for the period		**4.3**	**-10.5**
Other comprehensive income for the period			
Items not reclassifiable to the income statement			
Actuarial gain/(losses), defined benefit obligations		0.0	0.8
Taxes		0.0	-0.2
Total items not reclassifiable to the income statement, net of tax		**0.0**	**0.6**
Items reclassifiable to the income statement			
Foreign currency translation adjustments, foreign entities		-4.9	1.1
Taxes		-	-
Total items reclassifiable to the income statement, net of tax		**-4.9**	**1.1**
Total comprehensive income , net of tax		**-4.9**	**1.7**
Total comprehensive income		**-0.6**	**-8.8**
Total comprehensive income attributable to:			
Equity holders of the parent		-1.0	-10.0
Non-controlling interests		0.4	1.2

Financial statements

Consolidated balance sheet – assets

EURm	Note	**31.12.17**	31.12.16
Non-current assets			
Intangible assets	3.1	60.5	58.8
Property, plant and equipment	3.2	15.3	20.7
Investment in associates	5.7	2.8	3.4
Other investments	4.3	1.6	1.7
Deferred tax	5.2	1.6	2.6
Other receivables		1.2	1.5
Total non-current assets		**83.0**	**88.7**
Current assets			
Inventories		1.8	2.0
Trade receivables	4.5	61.0	59.9
Work in Progress		15.7	17.5
Other receivables	3.3	28.2	15.5
Current tax receivable		0.6	0.4
Cash and cash equivalents		18.9	43.6
		126.2	138.9
Assets held for sale	3.2	2.6	7.1
Total current assets		**128.8**	**146.0**
Total assets		**211.8**	**234.7**

Consolidated balance sheet – equity and liabilities

EURm	Note	**31.12.17**	31.12.16
EQUITY			
Share capital	4.1	115.9	115.9
Translation reserve		-7.2	-2.4
Treasury shares		-2.9	-3.2
Retained earnings		-22.3	-23.5
Sante Fe Group's share of equity		**83.5**	**86.8**
Non-controlling interests		-	2.2
Total equity		**83.5**	**89.0**
LIABILITIES			
Non-current liabilities			
Borrowings	4.4	3.2	28.7
Deferred tax	5.2	1.5	1.9
Provisions for other liabilities and charges	3.6	3.3	4.5
Defined benefit obligations	3.4	1.7	1.7
Total non-current liabilities		**9.7**	**36.8**
Current liabilities			
Borrowings	4.4	28.5	12.5
Trade payables	4.5	51.9	56.3
Work in progress		5.9	7.3
Other liabilities	3.5	25.1	27.9
Current tax payable		5.7	1.9
Provisions for other liabilities and charges	3.6	1.5	3.0
		118.6	108.9
Liabilities held for sale		0.0	0.0
Total current liabilities		**118.6**	**108.9**
Total liabilities		**128.3**	**145.7**
Total equity and liabilities		**211.8**	**234.7**

Financial statements

Consolidated statement of changes in equity

EURm	Share capital	Trans-lation-reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-controlling 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 period								
Profit for the year	-	-	-	3.9	-	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 reclassified				0.0		0.0		0.0
Tax on other comprehensive income, reclassified				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 other comprehensive income for the period	**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.

EURm	Share capital	Trans-lation-reserve	Treasury shares	Retained earnings	Proposed dividend for the year	SFG's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2016	**115.9**	**-3.6**	**-3.2**	**-12.3**	**0.0**	**96.8**	**1.7**	**98.5**
Comprehensive income for the period								
Profit/Loss for the year	-	-	-	-11.8	-	-11.8	1.3	-10.5
Other comprehensive income								
Foreign currency translation adjustments, foreign entities	-	1.2	0.0	-	-	1.2	-0.1	1.1
Actuarial gain/(losses), defined benefit obligations reclassified	-	-	-	0.8	-	0.8	-	0.8
Tax on other comprehensive income, reclassified	-	-	-	-0.2	-	-0.2	-	-0.2
Total other comprehensive income	0.0	1.2	0.0	0.6	0.0	1.8	-0.1	1.7
Total other comprehensive income for the period	**0.0**	**1.2**	**0.0**	**-11.2**	**0.0**	**-10.0**	**1.2**	**-8.8**
Transactions with the equity holders								
Interim dividends paid to shareholders	-	-	-	-	-	0,0	-0.7	-0.7
Total transactions with the equity holders	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.7**	**-0,7**
Equity at 31 December 2016	**115.9**	**-2.4**	**-3.2**	**-23.5**	**0.0**	**86.8**	**2.2**	**89.0**

No ordinary dividends are proposed for 2016.

Financial statements

Consolidated cash flow statement

EURm	Note	**31.12.17**	31.12.16
Cash flows from operating activities			
Operating profit/loss		13.5	-3.7
Adjustment for:			
Depreciation, amortisation and impairment losses	3.1,3.2	4.9	21.9
Gain on divestment of Records Management activities	4.10	-17.0	-12.2
Other non-cash items	4.9	-4.1	1.5
Change in working capital	4.8	-5.6	3.8
Interest paid		-1.0	-1.7
Interest received		0.1	0.1
Corporate tax paid		-4.1	-5.1
Net cash flow from operating activities		**-13.3**	**4.6**
Cash flows from investing activities			
Dividends received from associates		0.5	0.2
Investments in intangible assets and property, plant and equipment	3.1,3.2	-6.5	-5.7
Proceeds from sale of non-current assets		0.5	0.4
Divestment of Records Management activities	4.10	9.9	13.4
Change in non-current investments		0.2	0.3
Net cash flow from investing activities		**4.6**	**8.6**
Net cash flow from operating and investing activities		**-8.7**	**13.2**
Cash flows from financing activities			
Proceeds from borrowings		4.7	2.4
Repayment of borrowings		-13.9	-1.7
Capitalised financing and legal expenses		-0.3	-0.3
Purchase of non-controlling interests in subsidiaries		-5.0	-
Dividends paid out to non-controlling interests in subsidiaries		0.0	-0.7
Net cash flow from financing activities		**-14.5**	**-0.3**
Changes in cash and cash equivalents		**-23.2**	**12.9**
Cash and cash equivalents at beginning of year		43.6	30.5
Translation adjustments of cash and cash equivalents		-1.5	0.2
Cash and cash equivalents at end of year		**18.9**	**43.6**

01 Basis of preparation of the consolidated financial statement

The consolidated financial statements of the Santa Fe Group for 2017 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 1 March 2018, the Board of Directors approved this annual report for publication and approval by the shareholders at the annual general meeting to be held on 27 March 2018.

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

The Group's subsidiaries and associates are listed on pages 89-90.

1.2 Changes in accounting policies and estimates

The Group has adopted the IFRS standards and amendments that are effective from 1 January 2017. None of these have affected recognition and measurement. The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

Financial statements

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 2017:

IFRS 9, IFRS 14, IFRS 15, amendments to IAS 1, IAS 16, IAS 27, IAS 28, IAS 38, IAS 39, IAS 41, IFRS 7, IFRS 9, IFRS 10, IFRS 11, IFRS 12 and annual improvements to IFRSs cycle 2012-2015

Of the above, IFRS 9, IFRS 14, IFRS 15, amendments to IAS 28, IFRS 10 and IFRS 12 have not 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, none of the new standards or interpretations are expected to have a significant impact on recognition and measurement for the Santa Fe Group, though the analysis of the expected impact from the implementation of IFRS 9 and IFRS 15 have not yet been completed, as further described below:

IFRS 9 Financial Instruments, which replaces IAS 39, changes the classification and thus also the measurement of financial assets and liabilities. The classification under IFRS 9 is based on a more logic approach closely related to the Group's business model and the characteristics of the underlying cash flows. Further, a new impairment model is introduced for financial assets, according to which impairment is based on expected loss. IFRS 9 is expected to become mandatory for the Santa Fe Group's annual report for 2018. The impact of adopting IFRS 9 is expected to be limited; however, it is undetermined at this point.

IFRS 15 Revenue from Contracts with Customers was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The new standard replaces all current accounting standards and interpretations on revenue recognition and is expected to become mandatory for the Santa Fe Group's annual report for 2018. A detailed impact analysis of adopting IFRS 15 has not yet been carried out; however, the impact is expected to be limited.

IFRS 16 Leases was issued in January 2016 and will be effective for reporting periods beginning on 1 January 2019 or later. 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. The Santa Fe Group has not yet made a thorough impact assessment of the new standard. However, it is expected that IFRS 16 will have material impact, as the group's minimum lease payments related to operating leases (primarily warehouses, offices, vehicles and office equipment, etc.) amount to approximately EUR 48m (undiscounted) at year-end 2017 (refer to note 5.3), which potentially should be recognised in the balance sheet.

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:

+ Revenue (note 2.2)
+ Special items (note 2.7)
+ Impairment testing (note 3.1)
+ Contingent liabilities (5.8)

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. Based on estimated future prospects, expectations of future cash flow, availability of credit facilities, etc.

In February, 2018 the Company entered into a financing agreement with Proventus Capital for a 6-year EUR 40m facility to refinance existing facilities and provide financial flexibility for the coming years. With the signing of the agreement, The Board of Directors considers that the capital structure is appropriate to facilitate necessary investments.

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.

Management has concluded that there are no factors giving reason to doubt whether the Santa Fe Group can and will continue operations for at least 12 months from the balance sheet date.

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 21-27.

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, Australia 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 Parent company.

Group	Europe		Asia		Australia		Americas		Santa Fe Group (Reportable segment)		Parent and unallocated activities		Santa Fe Group	
EURm	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Income statement														
Total revenue	173.3	182.1	117.2	142.3	53.4	60.3	11.3	11.4	355.2	396.1	-	-	355.2	396.1
Internal revenue	23.5	26.0	27.1	26.8	2.2	2.6	2.6	2.1	55.4	57.5	-	-	55.4	57.5
External revenue	**149.8**	**156.1**	**90.1**	**115.5**	**51.2**	**57.7**	**8.7**	**9.3**	**299.8**	**338.6**	**-**	**-**	**299.8**	**338.6**
Operating profit before amortisation, depreciation and special items (EBITDA)	**5.0**	**4.2**	**8.8**	**15.1**	**-4.9**	**-4.3**	**0.0**	**-0.3**	**8.9**	**14.7**	**-2.6**	**-4.1**	**6.3**	**10.6**
Special items, net	-1.6	-2.8	16.7	12.5	-0.7	-0.8	-0.3	0.0	14.1	8.9	-1.8	-1.3	12.3	7.6
Amortisation and depreciation	2.0	2.3	1.4	1.8	1.0	3.0	0.0	0.0	4.4	7.1	1.2	0.0	5.6	7.1
Impairment	-	-	-	-	0.4	14.8	-	-	0.4	14.8	-0.9	-	-0.5	14.8
Reportable segment operating profit/loss (EBIT)	**1.4**	**-0.9**	**24.1**	**25.8**	**-7.0**	**-22.9**	**-0.3**	**-0.3**	**18.2**	**1.7**	**-4.7**	**-5.4**	**13.5**	**-3.7**
Financials, net	0.4	-1.1	0.5	0.0	-0.3	0.0	-0.3	-0.3	0.3	-1.4	-1.5	-1.0	-1.2	-2.4
Share of profit from associates	-	-	-	-	-	-	-	-	-	-	0.2	0.2	0.2	0.2
Profit/loss before tax	**1.8**	**-2.0**	**24.6**	**25.8**	**-7.3**	**-22.9**	**-0.6**	**-0.6**	**18.5**	**0.3**	**-6.0**	**-6.2**	**12.5**	**-5.9**
Income tax expense	0.6	0.2	6.7	4.0	0.8	0.4	0.0	0.0	8.1	4.6	0.1	0.0	8.2	4.6
Reportable segment profit/loss	**1.2**	**-2.2**	**17.9**	**21.8**	**-8.1**	**-23.3**	**-0.6**	**-0.6**	**10.4**	**-4.3**	**-6.1**	**-6.2**	**4.3**	**-10.5**
Discontinued operations														
Net profit/loss for the year	**1.2**	**-2.2**	**17.9**	**21.8**	**-8.1**	**-23.3**	**-0.6**	**-0.6**	**10.4**	**-4.3**	**-6.1**	**-6.2**	**4.3**	**-10.5**
Balance sheet														
Segment assets	113.3	113.1	62.8	71.4	14.6	21.6	4.3	2.9	195.0	209.0	16.8	25.7	211.8	234.7
Investment in intangible assets and property, plant and equipment	0.6	0.6	0.7	1.0	0.4	0.3	0.0	0.0	1.7	1.9	5.2	4.1	6.9	6.0
Investment in associates	-	-	-	-	-	-	-	-	-	-	2.8	3.4	2.8	3.4
Segment liabilities	45.5	54.6	30.9	34.8	13.0	17.7	3.1	2.2	92.5	109.3	35.8	36.4	128.3	145.7

Financial statements

2.1 Operating segments (continued)

Revenue by business lines and segments	2017					2016				
EURm	Europe	Asia	Aus-tralia	Ame-ricas	Santa Fe Group	Europe	Asia	Aus-tralia	Ame-ricas	Santa Fe Group
Moving Services	117.8	69.0	49.3	5.3	241.4	125.6	80.5	55.7	6.1	267.9
Relocation Services	31.7	16.1	1.9	3.4	53.1	29.7	16.9	2.0	3.2	51.8
Records Management	0.3	5.0			5.3	0.8	18.1			18.9
Total revenue	**149.8**	**90.1**	**51.2**	**8.7**	**299.8**	**156.1**	**115.5**	**57.7**	**9.3**	**338.6**

	External revenue		Non-current assets [1]	
EURm	**2017**	2016	**2017**	2016
Australia	51.2	57.7	3.6	5.0
United Kingdom	37.3	43.1	0.8	0.8
Germany	34.1	29.5	1.1	1.2
Hong Kong	16.5	28.8	10.6	12.1
France	29.1	28.4	6.5	7.0
China	17.6	23.0	2.3	5.1
Singapore	15.1	18.0	0.4	0.6
Other [2]	98.9	110.1	56.1	54.3
Total operating segments	**299.8**	**338.6**	**81.4**	**86.1**

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

2.2 Revenue

§ Accounting policies

Revenue comprises the fair value for the sale of services, net of value-added tax, rebates and discounts and after elimination of intercompany sales in the Santa Fe Group.

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction (typically related to moving and relocation services).

Income related to records management is recognised on an accrual basis in accordance with the agreements.

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, Relocation Services and Records Management. The revenue recognition criteria vary between the individual business lines.

The individual moving jobs performed by Santa Fe Group typically span over several weeks and sometimes even months, and at the close of accounting periods significant accounting estimates and judgements are made regarding services in progress where cut-off criteria have been established to ensure revenue and cost 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

§ 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.

2.4 Other external expenses

§ Accounting policies

Other external expenses comprise 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.

Financial statements

2.5 Staff costs

§ Accounting policies

Staff cost include wages and salaries, pensions, social security costs and other staff costs. 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.

Staff costs and special items

EURm	2017	2016
Salaries and wages to employees	79.0	90.7
Salaries to the Executive Board of the Parent Company	1.3	1.2
Board fees to the Board of Directors of the Parent Company (fixed fee only)	0.2	0.2
Equity-settled share-based payment transactions, Executive Board of the Parent company [2]	0.1	-
Pension, defined contribution schemes [1]	3.7	4.0
Pension, defined benefit schemes	0.3	0.4
Social security costs	9.7	10.3
Other staff expenses	5.7	4.6
Total staff costs including special items	100.0	111.4
of which special items	-2.5	-2.8
Total staff costs	**97.5**	**108.6**
Of which compensation to Executive Board		
Salaries and other short-term employee benefits	1.3	1.2
Equity-settled share-based payment [2]	0.1	0.0
Total	**1.4**	**1.2**

[1] For further see note 3.4
[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.

EURm	2017	2016
Number of employees		
Santa Fe Group average	2,498	2,792
Santa Fe Group, end period	2,386	2,679

2.6 Other operating income

§ Accounting policies

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

EURm	2017	2016
Profit on Sale of Fixed Assets	0.4	0.4
Reversed provisions related to potential claims	1.0	
Other	1.6	1.4
Total	**3.0**	**1.8**

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 the 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	2017	2016
Gain on divestment of Records Management activities in 6 countries (2016: 5 countries)	17.0	12.2
Germany restructuring costs	-0.3	-1.5
Restructuring cost related to Fix the Core programme	-1.9	-2.3
Transition cost, Manila Service Centre	-1.2	
Restructuring cost, Australia (serverance pay and closing of branches)	-0.7	-0.8
Cost related to Merger and Acquisition	-0.6	
Total	**12.3**	**7.6**

Special items, EUR 12.3m in total (EUR 7.6m), include severance pay as well as other staff costs of EUR 2.5m (EUR 2.8m) as further detailed in note 2.5 "Staff costs".

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 associating 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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.

Financial statements

3.1 Intangible assets (continued)

EURm	Goodwill	Trademarks	Software	Other [1]	Total
2017					
Cost:					
01.01.	84.4	46.9	10.5	11.9	153.7
Translation adjustments	-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	0.4	0.0	0.0	0.0	0.4
Amortisation for the year	0.0	0.0	1.3	0.5	1.8
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 mainly related do customer relationships.

EURm	Goodwill	Trademarks [1]	Software	Other [2]	Total
2016					
Cost:					
01.01.	83.2	46.4	6.4	11.8	147.8
Translation adjustment	1.2	0.5	0.2	0.1	2.0
Reclassified to assets held for sale	0.0	0.0	0.0	0.0	0.0
Additions	0.0	0.0	4.1	0.0	4.1
Disposals	0.0	0.0	0.2	0.0	0.2
31.12.	84.4	46.9	10.5	11.9	153.7
Amortisation/impairment:					
01.01.	32.8	33.3	5.7	4.6	76.4
Translation adjustments	0.9	0.1	0.1	0.0	1.1
Impairment for the year	0.0	12.0	0.0	2.8	14.8
Amortisation for the year	0.0	1.5	0.4	0.9	2.8
Disposals	0.0	0.0	0.2	0.0	0.2
31.12.	33.7	46.9	6.0	8.3	94.9
Carrying amount 31.12.	**50.7**	**0.0**	**4.5**	**3.6**	**58.8**

[1] The WridgWays (Australia) trademark has during 2016 been fully written off through amortisation of EUR 1.5m and impairment of EUR 12.0m
[2] Other intangible assets are mainly related to customer relationships.

Impairment assessment of cash-generating units. At 31 December 2017, Management completed the annual impairment testing of cash generating units to which goodwill is allocated. The impairment testing was done in Q4 2017 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.

		Trademarks		Goodwill	
		2017	2016	**2017**	2016
Acquisition:	**Country:**				
Santa Fe Asia [1]	Asia			10.1	11.2
Wridgways [3] Australia Ltd.	Australia	0.0	0.0	0.0	0.0
Interdean [3] International Relocation Group [2]	EMEA	0.0	0.0	39.0	39.1
Other					0.4
Total		**0.0**	**0.0**	**49.1**	**50.7**

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

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.

Financial statements

3.1 Intangible assets (continued)

For Europe the revenue growth is expected to be above the GDP growth (according to www.tradingeconomics.com) as result of expected gain of market share, an increased range of services sold to existing customers as well as an increase in relocation services driven by implementation of new contracts won in 2017.

EBITDA margins are assumed to be at the same level until 2020 and then gradually improve from current levels in the remaining forecast period to the levels assumed in the terminal period primarily driven by changed mix towards a higher share of relocation services (higher margin) as well as initiatives taken under the 'Fix the Core' programme as described on page 13-15. Some of the main drivers in Europe are the clustering of the country management into more agile units under one management which has reduced cost. Other cost saving initiatives relates to the use of warehouses in cheaper locations/countries including securing a higher utilisation of warehouses and off-shoring of certain back-office functions into Manila.

Working capital is assumed to decrease in 2018, which is linked to the continued effort to reduce overdue receivables following a disappointing cash flow development during 2017 and improved collection processes in the Service Centre in Manila.

Capital expenditure (maintenance) is assumed in line with annual depreciation. However, the CORE technology programme (refer to page 13,15) will result in additional capital expenditures during the forecast period, which have been anticipated in the forecast through increased management charges into the CGU. Growth in the terminal period is unchanged from last.

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
The carrying value of goodwill, trademark and other intangibles related to the WridgWays acquisition is EUR 0m subsequent to the impairment losses recognised during 2013-2016. The results did not improve during 2017 and there were no foundation for a reversal of the impairment of the trademark or other intangibles.

In 2016, Australia was impacted by the continued weak market conditions with intensive competition and pressure on margins. At 31 December 2016, the value in use calculation showed an impairment loss related to Wridgways Australia Ltd. in the amount of EUR 14.8m (in addition to EUR 37.4m recognised in 2013 and 2014), of which EUR 12.0m related to the WridgWays trademark and EUR 2.8m related to customer relations. Impairment losses have been recognised in the income statement in a separate line in 2016.

Sensitivity test
In 2017, revenue in EMEA decreased by 1.8 per cent in local currencies, however earnings and EBITDA margins improved by 0.8 percentage points due to cost reductions related to the "Fix the Core" programme. At 31 December 2017, the recoverable amount of the cash-generating unit exceeds its carrying amount (including goodwill) by EUR 24m (EUR 0.5m). The increase in the recoverable amount is primarily due to improved profitability within the CGU. Sensitivity tests show that the allowed decline for the EBITDA margin is 1.1 percentage points (2016: 0.0 percentage points) in each year of the forecast (2017-2021) and terminal period, before the recoverable amount of the cash-generating unit equals its carrying amount (including goodwill) all other things being equal. A reasonably possible change in the other key assumptions applied for EMEA will not result in an impairment.

For the other cash generating units, it is Management's assessment that reasonably possible changes in the key assumptions will not result in an impairment of goodwill and trademarks.

Key assumptions [3]		Revenue (CAGR) 2017-2021 (%)		EBITDA margin in the terminal period (%)		Growth in the terminal period (%)		Discount rates before tax (%)		Discount rates after tax (%)	
		2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Santa Fe Asia [1]	Asia	4.5	2.2	7.8	13.9	1.0	1.0	11.6	15.6	8.9	11.2
Interdean International Relocation Group [2]	EMEA	2.2	3.9	4.3	3.8	1.0	1.0	11.0	11.2	9.0	9.0

[1] 16 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.

3.2 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.

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, Records Management in China	-0.2	-1.7	-0.2	-2.1
Disposals	-0.0	-0.5	-0.8	-1.3
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	0.6	1.8	1.4	3.8
Reversal of impairment for the year [2]	-0.9	0.0	0.0	-0.9
Disposals, Records Management in China	-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 are expected to be fulfilled during H1 2018 which will conclude and close 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.

Financial statements

3.2 Property, plant and equipment (continued)

EURm	Land and buildings etc.	Other assets, installations, IT equipment etc.	Trucks, vehicles etc.	Total
2016				
Cost:				
01.01.	19.6	23.5	16.1	59.2
Translation adjustment	0.3	0.1	0.2	0.6
Additions	0.1	1.4	0.4	1.9
Disposals	0.1	0.4	1.7	2.2
Disposals, Records Management	0.2	3.9	0.5	4.6
Reclassified to assets held for sale [1]	5.2	3.3	0.3	8.8
31.12.	14.5	17.4	14.2	46.1
Depreciation/Impairment:				
01.01.	6.9	11.8	8.8	27.5
Translation adjustment	0.0	0.2	0.1	0.3
Depreciation for the year	0.7	1.9	1.7	4.3
Disposals	0.1	0.3	1.7	2.1
Disposals, Records Management	0.1	2.5	0.3	2.9
Reclassified to assets held for sale	0.8	0.7	0.2	1.7
31.12.	6.6	10.4	8.4	25.4
Carrying amount 31.12.	**7.9**	**7.0**	**5.8**	**20.7**
Carrying amount of financial leases	5.3	0.5	1.9	7.7

[1] Fixed assets reclassified to assets held for sale relates to the divested Record Management activities in 5 countries not finally closed as at 31 December 2016. The assets are primarily a warehouse in Indonesia as well as rackings and other equipment in operational leased warehouse in other locations.

The Santa Fe Group was 31 December 2017/16 not contractually committed to any future investments related to property, plant and equipment.

3.3 Other receivables

EURm	2017	2016
Holdback and sale proceeds Records Management [1]	16.7	1.5
Deposits	1.6	2.9
Prepayments	3.2	3.7
Other receivables	6.7	7.4
Total	**28.2**	**15.5**

[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 are 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 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	2017	2016
Fair value of plan assets	-2.7	-2.7
Present value of obligations	4.4	4.4
Net liability recognised (funded plans) 31.12.	**1.7**	**1.7**

Financial statements

3.4 Employee benefits (continued)

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 0.70% (0.90%) 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 0.2m (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 increase the liability by less than EUR 0.1m (less than EUR 0.1m).

Other long-term benefits
A number of employees are covered by a long-service benefit plan including jubilee benefits. The liability recognised in the balance sheet is the present value of the obligation at the balance sheet date calculated using the projected unit credit method.

3.5 Other liabilities

EURm	**2017**	2016
Other liabilities by origin:		
Staff payables	6.9	9.6
Duties to public authorities	3.3	3.7
Other accrued expenses	14.9	14.6
Total	**25.1**	**27.9**

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	**2017**	[1] Other provisions	Employee benefits	2016
01.01.	5.8	1.7	7.5	0.7	1.5	2.2
Translation adjustment	0.0	-0.1	-0.1	0.0	0.0	0.0
Utilised	0.6	0.2	0.8	0.3	0.2	0.5
Disposal, record management activities	-	0.5	0.5			
Reversed	1.7	0.0	1.7	0.2	0.0	0.2
Additions	0.2	0.1	0.3	2.7	0.4	3.1
Reclassified	0.1	0.0	0.1	2.9		2.9
31.12.	**3.8**	**1.0**	**4.8**	**5.8**	**1.7**	**7.5**
Non-current	2.3	1.0	3.3	2.8	1.7	4.5
Current	1.5	0.0	1.5	3.0		3.0
	3.8	**1.0**	**4.8**	**5.8**	**1.7**	**7.5**

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

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 (105,300) 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
01.01.2016	12,348,060	864,364	115,862
31.12.2016 / 01.01.2017	**12,348,060**	**864,364**	**115,862**
31.12.2017	**12,348,060**	**864,364**	**115,862**

As at 31 December 2017, the share capital included 1,095 (2016: 1,139) half shares.

Treasury shares	Shares of DKK 70	Nominal value DKK '000	Nominal value EUR '000	% of share capital
01.01.2016	338,494	23,695	3,176	2.74
31.12.2016 / 01.01.2017	**338,494**	**23,695**	**3,176**	**2.74**
Treasury shares granted	-36,000	-2,520	-338	-0.29
31.12.2017	**302,494**	**21,175**	**2,838**	**2.45**

Earnings per share

EURm	**2017**	2016
Profit/loss from continuing operations	4.3	-10.5
Non-controlling interest	0.4	1.3
Santa Fe Group's share of profit from continuing operations	3.9	-11.8
Profit from discontinued operations	0.0	0.0
Non-controlling interest	-	-
Santa Fe Group's share of profit from discontinued operations	0.0	0.0
Average number of shares outstanding	12,348,060	12,348,060
Average number of own shares	311,494	338,494
Average number of shares excluding own shares	12,036,566	12,009,566
Average dilution effect of outstanding options	0	0
Diluted average number of shares	**12,036,566**	**12,009,566**

Financial statements

4.1 Shareholders' equity (continued)

At 31 December 2017, 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.

EUR	2017	2016
Earnings per share (EUR)	**0.3**	**-1.0**
from continuing operations	0.3	-1.0
from discontinued operations	0.0	0.0
Earnings per share diluted (EUR)	**0.3**	**-1.0**
from continuing operations	0.3	-1.0
from discontinued operations	0.0	0.0

4.2 Financial income and expense

§ Accounting policies

Financial income and expenses comprise interest income and expenses, changes in the fair value of securities and derivative financial instruments not acquired for hedging purposes, exchange gains and losses on debt and transactions in foreign currencies, as well as amortisation of financial assets and liabilities, etc.

EURm	2017	2016
Interest income on financial assets measured at amortised cost	0.0	0.1
Foreign exchange gains	0.5	0.2
Dividends from shares, external	0.1	0.0
Other interest income	0.0	0.1
Total financial income	**0.6**	**0.4**
Interest expenses and fees on financial liabilities measured at amortised cost	1.3	1.7
Foreign exchange losses	0.5	1.1
Total financial expenses	**1.8**	**2.8**
Total, net	**-1.2**	**-2.4**

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.

EURm	2017	2016
Available for sale financial assets measured at fair value		
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	1.7
Total	**1.6**	**1.7**
Financial assets measured at amortised cost		
Trade receivables	61.0	59.9
Other receivables[1], non-current and current	37.7	25.3
Bank and cash balances	18.9	43.6
Total	**117.6**	**128.8**
Financial liabilities measured at amortised cost		
Non-current borrowings	3.2	28.7
Bank loans, current, etc.	28.5	12.5
Trade payables	51.9	56.3
Other liabilities[2], current	11.1	11.8
Total	**94.7**	**109.3**

[1] Excluding non financial instruments such as prepayments, staff receivables etc. of EUR 7.4m (EUR 9.2m).
[2] Excluding non financial instruments such as public debt, staff payables etc. of EUR 19.9m (EUR 23.4m).

The fair value of the financial instruments 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.

EURm	**2017**	2016
Non-current borrowings:		
Bank loans [1]	0.0	20.8
Mortgages loans	0.0	4.1
Finance lease liabilities	3.2	3.8
Total	**3.2**	**28.7**
Current borrowings:		
Bank loans [1]	28.0	11.7
Finance lease liabilities	0.5	0.8
Total	**28.5**	**12.5**
Total borrowings	**31.7**	**41.2**
Maturity of current and non-current borrowings:		
Less than one year	28.5	12.5
Between one and five years	1.2	26.6
More than five years	2.0	2.1
Total	**31.7**	**41.2**

[1] Including capitalised financing and legal expenses of EUR 0.4m (EUR 0.4m)

Due to high investment activity and pressure on the operating cash flow during 2017 the Santa Fe Group was in breach of one covenant on the main financing facility by 31 December 2017. The banks waived the breach in February 2018. The amount drawn under the facility at 31 December 2017 amounts to EUR 24m and as a consequence of the waiver only being received after the annual closing, the entire amount outstanding on the facility has been presented as current debt. However, the Group agreed terms on a refinancing on 27 February 2018, which will replace the current bank financing with new non-current financing. For further information refer to note 4.5 in the Liquidity section and note 5.10 Subsequent events.

At 31 December 2017/2016 all non-current and current borrowings are floating interest based and the refinancing during 2018 is similarly based on a floating interest rate. 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 3.1m (2016: EUR 3.4m)

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:		**2017**			2016	
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	0.6	0.1	0.5	0.9	0.1	0.8
Between one and five years	1.5	0.2	1.3	2.0	0.3	1.7
More than five years	2.1	0.2	1.9	2.4	0.3	2.1
	4.2	**0.5**	**3.7**	**5.3**	**0.7**	**4.6**

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 material financial derivatives for hedging.

There are no changes to the Group's risk exposure and risk management compared to 2016.

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. in February 2018, the Company signed a financing agreement with Proventus Capital Partners for a 6-year EUR 40m facility to refinance existing facilities and provide financial flexibility for the coming years. With the signing of this facility, the Board of Directors considers the capital structure to be sufficient to cater for seasonal working capital fluctuations and to facilitate necessary investments under the 2020 Strategy, except for possible acquisitions.

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 117.6m (EUR 128.8m) 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.

Impairment of trade receivables

§ 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. A provision for impairment of trade receivables is established when there is objective evidence that the Santa Fe Group will not be able to collect all amounts due according to the original terms of the receivables.

Impairment of trade receivables

EURm	**2017**	2016
Balance at the beginning of the year	1.1	1.1
Translation adjustment	0.0	0.0
Additions during the year	0.3	0.9
Realised losses during the year and reversals	0.2	0.9
Balance at the end of year	1.2	1.1

No significant losses were incurred in respect of individual trade receivables in 2017 and 2016. Generally, no security is required from customers regarding sales on credit.

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 an increasing proportion of financially strong corporate clients, however these are requesting longer payment terms. Private customers, which are significant to the Australian 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 1.9% (1.8%) 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 2017 were however negatively affected by the migration of the credit control function to the newly established service centre in Manila. This has resulted in an increase of overdue receivables as percentage of gross trade receivables by the end of 2017 to 28% (2016: 26%). Improvements are anticipated during 2018.

Financial statements

4.5 Financial risks (continued)

EURm	not due	0 - 1	month (due) 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**

EURm	not due	0 - 1	month (due) 1 - 2	2 - 3	3 - 6	> 6	**2016**
Receivables, not due	44.5						44.5
Receivables past due but not impaired		4.7	3.6	2.6	3.6	0.9	15.4
							59.9
In % of receivables not due and due but not impaired	74	8	6	4	6	2	
Impaired receivables past due						1.1	1.1
							61.0
Allowances for doubtful trade receivables							-1.1
Total trade receivables (net)							**59.9**

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.

During 2016, the Santa Fe Group agreed terms on an extended and amended EUR 35m loan facility split between HSBC and Danske Bank providing funding for the operations until April 2019. The facility is a combined term loan and revolving credit facility.

At the end of 2017, the Group's borrowings include loans of EUR 24m (EUR 33m), which are subject to usual financial covenants regarding leverage, interest cover and cash flow 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. Due to high investment activity and pressure on the operating cash flow during 2017 the Santa Fe Group was in breach of one covenant on the main financing facility by 31 December 2017. The banks waived the breach in February 2018. The amount drawn under the facility at 31 December 2017 amounts to EUR 24m and as a consequence of the waiver only being received after the annual closing, the entire amount outstanding on the facility has been presented as current debt. (cf. section 4.4 - Financial liabilities)

On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, subject to customary conditions being satisfied, which will refinance the existing facilities during Q1 2018. The facility is a combined EUR 30m 6 years Senior Secured Unitranche Loan and a short term EUR 10m Credit Facility. Terms and condition 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.

The Group's buy-out of a minority shareholder in China, the investments in the CORE technology platform and the negative cash flow from operating activities combined did increase the net debt position during 2017. The Group had a net debt position at the end of 2017 of EUR 12.8m (EUR -2.4m). It should be noted that the net debt position will revert to around EUR 0m upon receipt of proceeds from the divestment of the Records Management activities in China and the Beijing property.

Financial statements

4.5 Financial risks (continued)

EURm	Carrying amount	Contractual maturity incl. interest (cash flow) Total	< 1 years	1 - 5 years	> 5 years
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		

EURm	Carrying amount	Contractual maturity incl. interest (cash flow) Total	< 1 years	1 - 5 years	> 5 years
2016					
Non-derivative financial instruments					
Borrowings (non-current and current)	41.2	43.6	13.0	28.2	2.4
Trade payables	56.3	56.3	56.3		
Other liabilities	11.8	11.8	11.8		

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 2017 or 2016.

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 is outside Europe typically different from the reporting currency of the Group (EUR). The objective of The Santa Fe Group's currency 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 AUD, 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 4.7m and EUR 0.4m 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 expected to take place in Q1 2018 (cf. section 4.4 - Financial liabilities and section 4.5 - Liquidity risk). All interest bearing assets, EUR 18.9m (EUR 43.6m) and interest bearing liabilities, EUR 31.7m (EUR 41.2m) are reprised within one year.

At the end of 2017, the combined interest rate risk was EUR -0.1m (EUR -0.2m) 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.

Financial statements

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.

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	**2017**	2016
Changes in inventories	0.1	0.2
Changes in trade receivables	-3.7	3.2
Changes in trade payables	-0.9	6.8
Changes in other receivables/payables	-1.1	-6.4
Total	**-5.6**	**3.8**

4.9 Other non-cash items

EURm	**2017**	2016
Gains/losses on disposal of intangible and tangible assets	-0.3	-0.3
Changes in provisions	-2.4	1.4
Gains/losses relating to disposal of activities		
Foreign currency and other adjustments	-1.4	0.4
Total	**-4.1**	**1.5**

4.10 Divestment of Record Management activities

EURm	**2017**	2016
Purchase Price	25.9	15.2
Transaction costs	-0.9	-0.3
Provision for warranties etc.	-	-1.0
Carrying amount of assets disposed	-8.0	-1.7
Gain on divestment	**17.0**	**12.2**
Non-cash items:		
Carrying amount of assets disposed	8.0	1.7
10% cash holdback	-2.6	-1.5
Provision for warranties etc.	-	1.0
Deferred consideration [1]	-12.5	-
Proceeds from divestment	**9.9**	**13.4**

[1] Proceeds of EUR 12.5m related to the business sale in China was received 3rd January 2018.

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 divestment is expected to result in a divestment gain of approximately EUR 19m and net proceeds after tax of around EUR 15m. The transaction will predominantly take the form of an asset transfer. The business sale did close end of 2017, whereas the property sale is expected to close end of Q1 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.

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	2017	2016
Current tax on profit for the year	7.1	4.5
Change in deferred tax during the year	-0.4	-0.4
Corporate income tax	**7.5**	**4.1**
Withholding tax	0.7	0.5
Income tax expense	**8.2**	**4.6**
Profit before income tax	12.5	-5.9
Share of profit in associates	-0.2	-0.2
Profit before income tax, excluding share of profit in associates	**12.3**	**-6.1**
Reported effective corporate tax rate (per cent)	**61.0**	**-67.2**
Danish corporate tax rate in per cent	22.0	22.0
Corporation tax rate explanation		
Calculated Danish corporate income tax expense	2.7	-1.3
The tax effect from:		
Non-deductible impairment losses		3.6
Non-taxable reversal of impairment losses	-0.2	
Differences from non-taxable income / non-deductible expenses	-0.3	1.3
Non-taxable gain on Records Management divestment		-2.2
Difference in tax rate of non-Danish companies	0.0	-3.0
Tax losses for which no deferred tax asset was recognised	4.0	5.5
Write-down of deferred tax assets	1.2	1.0
Recognition of tax losses not previously recognised		-0.5
Prior year tax adjustment		-0.2
Other	0.1	-0.1
Reported corporate income tax expense	**7.5**	**4.1**

5.2 Deferred tax

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 18.9m (EUR 15.5m) in respect of tax losses carried forward amounting to EUR 76.6m (EUR 63.6m) 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 Australia and under Danish/UK/Australian 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.

Deferred tax	**2017**		2016	
EURm	Assets	Liabilities	Assets	Liabilities
Fixed assets	0.2	1.7	0.1	2.3
Current assets, net	0.2	0.0	0.2	0.1
Non-current debt	0.0	0.0	1.0	0.0
Current debt	0.1	0.0	0.4	0.0
Other liabilities	0.0	0.0	0.2	0.5
Losses carried forward	0.6	0.0	1.0	0.0
Provisions	0.7	0.0	0.8	0.1
Deferred tax assets / liabilities	1.8	1.7	3.7	3.0
Set-off within legal tax unit	0.2	0.2	1.1	1.1
Deferred tax assets / liabilities	**1.6**	**1.5**	**2.6**	**1.9**

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.

Financial statements

EURm	2017	2016
Operating lease cost expensed:	15.5	23.7
Total commitments fall due as follows (undiscounted):		
Within one year	12.5	15.1
Between one and five years	24.2	32.5
After five years	11.3	12.1
Total	**48.0**	**59.7**

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	2017	2016
Auditors appointed at the annual general meeting including network firms		
Statutory audit	0.3	0.4
Other assurance services	0.0	0.1
Tax/VAT advisory services	0.1	0.0
Other non-audit services	0.1	0.0
KPMG Statsautoriseret Revisions-partnerselskab		
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	0.0

Fees for other services 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 is offered as part of the Company's continued efforts to create value and align performance with shareholder interest. The share options are 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.

The options vest at the date of publication of the Santa Fe Group's annual report for 2020 and 2021, respectively, and are exercisable from the publication of the annual report for 2019 and 2020 respectively until four weeks after the publication of the annual report for 2019 and 2020. The exercise price of the options is based on the average share price for the Santa Fe Group A/S's shares on the 20 first trading days after the announcement of Santa Fe Group A/S's Annual Report during the year in which the Share Options are granted.

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 2017 have an expected remaining duration of 2.2 years with an exercise price of DKK 58.1 (EUR 7.8) per option for the basic programme and 3.2 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 2017 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 2017 was EUR 0.1m after adjustment for the illiquidity factor during the retention period.

The 36,000 share grant has been covered by Santa Fe Group A/S's holding of treasury shares during 2017.

Share option programme 2016

An incentive pay scheme ("Matching Option Incentive Programme") was adopted at the Annual General Meeting held on 26 March 2015. The general guidelines have been published on the investor section of the Santa Fe Group's website http://investor.thesantafegroup.com

Each Investment share entitles the holder to acquire up to four additional shares in Santa Fe Group A/S at a pre-determined

Financial statements

5.5 Incentive schemes (continued)

exercise price, subject to the Santa Fe Group achieving pre-determined goals for EBITDA before special items (operating profit before amortisation, depreciation, impairment and special items) in 2015 and 2016, respectively. The determined EBITDA before special items goal for 2015 and 2016 was not met (impacting 105,300 options).

The fair value per option on the grant date was calculated at EUR 2.43 (Basic) and 1.85 (Accelerated) in 2017.

EURm	**2017** [1]	**2017** [2]
Grants		
Share price (DKK)	58.5	58.5
Excercise price (DKK)	58.1	81.3
Expected duration (years)	4.9	5.9
Dividend yield (%) - The excercise price is adjusted for dividend	0.0	0.0
Risk-free interest rate (%)	-0.4	-0.2
Volatility (%) - historic over the last two years	36.5	36.5

[1] Basic Scheme
[2] Accelerated Scheme

The fair value per option on the grant date was calculated at EUR 1.16 in 2016.

EURm	2016
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)	58.5
Excercise price (DKK)	63.2
Expected duration (years)	1.67
Dividend yield (%) - The excercise price is adjusted for dividend	0.0
Risk-free interest rate (%)	-0.3
Volatility (%) - historic over the last two years	34.0

		Number of share options					**Fair value 2017**		Fair value 2016	
Grant year	Excercise year	1 Jan	Granted	Experied/ lapsed	31 Dec	Exercise price	EUR per option	EURm	DKK per option	EURm
Executive Management										
2015	2016-2017	92,000	0	92,000	0	63.2		0.0	1.16	0.1
2017	2019		47,000	0	47,000	58.1	2.18	0.0		
2017	2020		132,000	0	132,000	81.3	1.56	0.0		
Total		**92,000**	**179,000**	**92,000**	**179,000**			**0.0**		**0.1**
Management Team										
2015	2016-2017	13,300	0	13,300	0	63.2			1.16	0.0
2017	2019		79,000	12,000	67,000	58.1	2.18	0.0		
2017	2020		176,300	30,000	146,300	81.3	1.56	0.0		
Total		**13,300**	**255,300**	**55,300**	**213,300**			**0.0**		**0.0**
Other senior executives										
2017	2019		41,000		41,000	58.1	2.18	0.0		0.0
2017	2020				0	81.3	1.56	0.0		
Total		**0**	**41,000**	**0**	**41,000**			**0.0**		**0.0**
Total		**105,300**	**475,300**	**147,300**	**433,300**			**0.0**		**0.1**

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.

Financial statements

5.7 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 profit in associates	Santa Fe Group's investment in associates
2017				
Asiatic Acrylics Company Ltd. [1]	Thailand	51.00	0.1	2.3
Beijing Zhongboa Drinking Water Co. Ltd.	China	34.89	-	0.3
Alfa Relocation Management A/S	Denmark	50.00	0.1	0.2
			0.2	**2.8**
2016				
Asiatic Acrylics Company Ltd. [1]	Thailand	51.00	0.2	2.9
Beijing Zhongboa Drinking Water Co. Ltd.	China	34.89	-	0.4
Alfa Relocation Management A/S	Denmark	50.00	-	0.1
			0.2	**3.4**

[1] Santa Fe Group is not in control of the company

5.8 Contingent assets and liabilites

EURm	**2017**	2016
Carrying amount of pledged assets	0.0	1.6
Carrying amount of financial leased assets	6.8	7.7
Other guarantees	0.9	1.2

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 believe that the outcome of the dispute will be in favour of the company or not have a material effect on the financial position of the Group. 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 Group apart from what has already been recognised or disclosed on 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.

5.9 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 89-90, 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 2.5 and note 5.5. Shares held by the Board of Directors and the Executive Board are disclosed on page 34-35.

Transactions
The Santa Fe Group had no transactions with associates during 2017. The Group have received dividends from associated companies of EUR 0.5m (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 2.5 and 5.5 regarding remuneration of Management and to page 35 for Management's possession of Santa Fe Group A/S shares and options.

5.10 Subsequent events

On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, subject to customary conditions being satisfied, which will refinance the existing facilities during Q1 2018. The facility is a combined EUR 30m six years Senior Secured Unitranche Loan and a short term EUR 10m 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. (cf. section 4.5 - Liquidity risk)

No other material events have taken place after 31 December 2017.


Today 15:22
Dear Alyona,
Welcome to your new home. We're pleased to confirm that our crew have successfully delivered and unpacked all of your belongings. We hope that you and your family enjoy the new adventure.
Nicole Walker
Global Mobility Consultant

Parent company financial statements

CONTENTS

Income statement	80
Statement of comprehensive income	80
Balance Sheet	80
Statement of Changes in Equity	81
Cash Flow Statement	81

NOTES

1	Accounting policies of the Parent Company	82
2	Significant accounting estimates and judgements	82
3	New accounting regulation	82
4	Financial income	83
5	Financial expenses	83
6	Income tax expense	83
7	Audit fees	83
8	Number of employees	83
9	Staff cost	83
10	Incentive schemes	83
11	Investment in subsidiaries	84
12	Financial instruments by category	84
13	Share capital and treasury shares	84
14	Borrowings	84
15	Credit risk, liquidity risk, currency risk and interest rate risk	85
16	Other non-cash items	85
17	Changes in working capital	85
18	Contingent assets and liabilities	86
19	Related party transactions	86
20	Subsequent events	86

Parent company financial statements

Income statement

DKKm	Note	2017	2016
Revenue and other income from subsidiaries		3	4
Other external expenses		4	5
Staff costs	9	3	3
Other operating income/expenses		0	0
Operating profit/loss before amortisation, impairments, depreciation and special items		**-4**	**-4**
Special items, net		2	-1
Operating profit/loss		**-2**	**-5**
Financing income	4	15	10
Financing expenses	5	6	165
Profit/loss before income tax exspenses		**7**	**-160**
Income tax expense	6	0	0
Net profit/loss for the year		**7**	**-160**
Proposed distribution of profit/loss			
Retained earnings		7	-160
Total		**7**	**-160**

Statement of comprehensive income

Net profit/loss for the year		7	-160
Total net comprehensive income for the year		**7**	**-160**

Balance sheet – assets

DKKm	Note	31.12.17	31.12.16
Non-current assets			
Investment in subsidiaries	11	952	615
Receivables from subsidiaries	12	10	12
Total non-current assets		**962**	**627**
Current assets			
Receivables from subsidiaries	12	68	398
Other receivables	12	2	3
Cash and cash equivalents		0	0
Total current assets		**70**	**401**
Total assets		**1,032**	**1,028**

Balance sheet – equity and liabilities

DKKm	Note	31.12.17	31.12.16
Equity			
Share capital	13	864	864
Retained earnings		144	140
Treasury shares		-21	-24
Total equity		**987**	**980**
Liabilities			
Non-current liabilities			
Provision for other liabilities and charges	12	16	18
Total non-current liabilities		**16**	**18**
Current liabilities			
Bank overdraft	12	18	18
Payables to subsidiaries		0	0
Other liabilities	12	11	12
Total current liabilities		**29**	**30**
Total liabilities		**45**	**48**
Total equity and liabilities		**1,032**	**1,028**

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 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**	**-**	**-**	**7**
Transactions with shareholders					
Share grant	-	-3	3	-	0
Total transactions with shareholders	**-**	**-3**	**3**	**-**	**0**
Equity at 31 December 2017	**864**	**144**	**-21**	**0**	**987**

No ordinary dividends are proposed for 2017.

DKKm	Share capital	Retained earnings	Treasury shares	Proposed dividend for the year	Total equity
Equity at 1 January 2016	**864**	**300**	**-24**	**0**	**1,140**
Comprehensive income for 2016					
Net profit/loss for the year	-	-160	-	-	-160
Total comprehensive income for the year	**-**	**-160**	**-**	**-**	**-160**
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**
Equity at 31 December 2016	**864**	**140**	**-24**	**0**	**980**

No ordinary dividends are proposed for 2016.

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	31.12.17	31.12.16
Operating profit		**-2**	**-5**
Adjustment for:			
Other non-cash items	16	-1	27
Change in working capital	17	-1	188
Interest received			
Interest paid		0	-6
Tax paid		0	0
Net cash flow from operating activities		**-4**	**204**
Cash flows from investing activities			
Changes in non-current receivables from subsidiaries		4	-2
Net cash flow from investing activities		**4**	**-2**
Net cash flow from operating and investing activities		**0**	**202**
Cash flows from financing activities			
Repayment of borrowings		0	-225
Transaction costs related to loans and borrowings		0	3
Proceeds from bank overdraft		0	18
Net cash flow from financing activities		**0**	**-204**
Changes in cash and cash equivalents		**0**	**-2**
Cash and cash equivalents at beginning of year		0	2
Cash and cash equivalents at end of period		**0**	**0**

Parent company financial statements

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 2017 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.

Parent company financial statements

4. Financial income

DKKm	2017	2016
Interest income on receivables from subsidiaries measured at amortised cost	6	8
Impairment loans, reversed	8	
Impairment investment, reversed	1	
Foreign exchange gains	0	2
Total	**15**	**10**

5. Financial expenses

DKKm	2017	2016
Impairment of loans to subsidiaries	-	3
Interest expenses and fee on financial liabilities measured at amortised cost	1	7
Impairment investment	-	155
Foreign exchange losses	5	0
Other interest expenses	0	0
Total	**6**	**165**

6. Income tax expense

DKKm	2017	2016
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	**7**	**-160**
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	2	-35
Corporate tax rate explanation:		
Differences from non-taxable income / non-deductable expenses	0	0
Non-deductable impairment of investments reversals in and loans to subsidiaries	-2	35
Tax losses for which no deferred tax asset was recognised	0	0
Effective tax rate (%)	**0**	**0**

The Parent Company did not recognise deferred tax assets of DKK 47m (DKK 46m) in respect of tax losses carried forward (within the Danish joint taxation scheme) amounting to DKK 206m (DKK 201m) and temporary deductible differences of DKK 6m (DKK 8m) due to uncertainty with respect to utilisation.

7. Audit fees

DKKm	2017	2016
KPMG Statsautoriseret Revisionspartnerselskab		
Statutory audit	1	1

8. Number of employees

	2017	2016
Santa Fe Parent, average	2	2

9. Staff costs

DKKm	2017	2016
Salaries and wages to employees	1	1
Salaries to the Executive Board of the Parent Company*	1	1
Board fees to the Board of Directors of the Parent Company (fixed fee only)	1	1
Total staff costs	**3**	**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 2.5 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.

Parent company financial statements

11. Investment in subsidiaries

DKKm	**2017**	2016
Cost		
01.01.	1,397	1,397
Additions, through conversion of receivable, from Santa Fe Group Limited, to equity	335	-
Addition through share grant contribution to Santa Fe Group Limited	1	
Disposals	-	-
Cost 31.12.	1,733	1,397
Impairment:		
01.01	-782	-627
Impairment for the year	-	-155
Reversal	2	
Disposals	-	-
Impairment 31.12	-780	-782
Carrying amount 31.12.	**952**	**615**

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

Impairment in 2016 relates to Santa Fe Group Limited following the impairment losses recognised by the Santa Fe Group combined with the negative development in the underlying business in Australia during 2016. The value in use has primarily been based on key assumptions disclosed in note 3.1 in the consolidated financial statements for Wridgways Australia Ltd. and Santa Fe Group (Interdean International Relocation Group), with the necessary adjustments relevant for the Santa Fe Parent.

A list of subsidiaries and the Group's associates is included on page 89-90.

12. Financial instruments by category

DKKm	**2017**	2016
Financial assets measured at amortised cost		
Receivables from subsidiaries, current and non-current	78	410
Other receivables, current	2	3
Cash and cash equivalents	0	0
Total	**80**	**413**
Financial liabilities measured at amortised cost		
Bank overdraft, current	18	18
Borrowings, non-current	0	0
Other liabilities, current and non-current	27	30
Total	**45**	**48**

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	**2017**	2016
Non-current borrowings:		
Bank loans	-	-
Total	**0**	**0**
Current borrowings:		
Bank overdraft	18	18
Total	**18**	**18**
Maturity of non-current and current borrowings:		
Less than one year	18	18
Between one and five years	-	-
More than five years	-	-
Total	**18**	**18**

At 31 December 2017/16 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 have 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, as well as 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.

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.

During 2016, the Santa Fe Group agreed terms on an extended and amended EUR 35m loan facility split between HSBC and Danske Bank providing funding for the operations until April 2019. The facility is a combined term loan and revolving credit facility subject to usual financial covenants regarding leverage, interest cover and cash flow 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 these covenants may require the Group to repay the loans earlier than the stipulated 2 year term.

The Santa Fe Group was in breach of the Cash Flow Covenant in Q4 2017 but obtained a waiver after the balance sheet date. On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility which will refinance the existing facilities during Q1 2018. The facility is a combined EUR 30m 6 years Senior Secured Unitranche Loan and a short term EUR 10m Credit Facility. The Company has options to prepay up to EUR 11m of the Senior Secured Unitranche Loan without penalty under certain conditions. (cf. note 4.5 (Liquidity risk) - in the consolidated financial statements)

The Santa Fe Parent had liquid funds at the end of 2017 of DKK 0m (DKK 0m).

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 2017. The Santa Fe Parent is exposed to mainly floating interest rate risk on overdraft facilities. All interest bearing liabilities, DKK 18m (DKK 18m) are reprised within one year. Intercompany receivables are primarily based on short-term floating interest rates.

At the end of 2017, the combined interest rate risk was DKK -0.1m (DKK -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	2017	2016
Provision	-2	18
Foreign currency and other working capital adjustments	1	9
Total	**-1**	**27**

17. Changes in working capital

DKKm	2017	2016
Changes in current receivables / payables to/from subsidiaries	1	222
Changes in other receivables/ liabilities	-2	-34
Total	**-1**	**188**

Parent company financial statements

18. Contingent assets and liabilities

Guarantees of EUR 35m or DKK 260m (EUR 35m or DKK 260m) relates to HSBC and Danske Bank loan facilities available to subsidiaries with an associated outstanding debt of EUR 24m equivalent to DKK 179m (EUR 33m equivalent to DKK 245m) as at 31 December 2016.

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 58m 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 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. 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 5.9 in the consolidated financial statements.

Revenue and dividends received from subsidiaries are disclosed seperately in the income statement.

Receivables from and payables to subsidiaries are disclosed seperately in the balance sheet. Interest income and expenses as well as impairments of receivables related to subsidiaries are disclosed in note 4 and 5. Accumulated impairments of receivables from subsidiaries amount to DKK 28m (DKK 36m).

During 2017 Santa Fe Group A/S converted an intercompany loan of DKK 335m into share capital in Santa Fe Group Limited and made a capital contribution of DKK 1m to Santa Fe Group Limited related to a share grant to the Executive Board and a member of the Management team.

In 2016, the Santa Fe Group entered into an extended and amended EUR 35m loan facility split between HSBC and Danske Bank with Santa Fe Group Limited UK as main borrower. The Term loan in Santa Fe Parent of DKK 225m was consequently repaid through intercompany settlement reducing the intercompany receivable from the subsidiary Santa Fe Group Limited.

20. Subsequent events

On 27 February 2018 the Santa Fe Group agreed terms with Proventus Capital Partners on a EUR 40m loan facility, subject to customary conditions being satisfied, which will refinance the existing facilities during Q1 2018. The facility, to which the Santa Fe Parent will become a guarantor, is a combined EUR 30m 6 years Senior Secured Unitranche Loan and a short term EUR 10m 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. (cf. note 4.5 - in the consolidated financial statements).

No other material events that may have a significant influence on the assessment of the financial statements have taken place after 31 December 2017.

Today 15:22

Dear Hanzo,

Now that you've decided where your family will be living, our education, **Pádraig Murphy**, consultant will take you and Takuma on a **school search** to help you decide which school will be best for him.

Harper Jackson
Global Mobility Consultant

REPRESENT 06

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		Share in % Entities per Business	Direct	SFG
		SANTA FE GROUP (REPORTABLE SEGMENT)		
EUR	820,000	Santa Fe Relocation S.A., Luxembourg	100.00	100.00
EUR	90,000	Santa Fe Relocation Services B.V., Netherlands	100.00	100.00
BGN	10,000	Santa Fe Bulgaria EOOD, Bulgaria	100.00	100.00
KZT	900,000	Interdean Central Asia LLC, Kazakhstan	100.00	100.00
KZT	69,700,000	Santa Fe Relocation Services, Kazakhstan	100.00	100.00
RSD	403,804	Santa Fe Relocation Services Beograd D.O.O, Serbia	100.00	100.00
EUR	35,000	Santa Fe Relocation Services Eastern Europe Ges.m.b.H, Austria	100.00	100.00
EUR	213,334	Santa Fe (Europe) Ltd., United Kingdom (previously Interdean Group Holdings Limited)	100.00	100.00
HUF	30,000,000	Santa Fe Relocations Kft., Hungary	100.00	100.00
EUR	110,000	Interdean International Relocation Services S.R.L. Unipersonale, Italy	100.00	100.00
EUR	483,300	Santa Fe Interdean International Relocation SA, Portugal	100.00	100.00
UAH	294,500	Interdean International Relocation Ukraine LLC, Ukraine	100.00	100.00
EUR	72,673	Santa Fe Relocation Services Ges.m.b.H, Austria	100.00	100.00
GBP	650,000	Santa Fe Relocation Services (UK) Ltd., United Kingdom	100.00	100.00
EUR	1,025,000	Santa Fe Relocation Services GmbH, Germany	100.00	100.00
EUR	1,377,250	Santa Fe Relocation Services NV, Belgium	100.00	100.00
EUR	750,081	Santa Fe Relocation Services S.A., Spain	100.00	100.00
CHF	196,000	Santa Fe Relocation Services S.A., Switzerland	100.00	100.00
EUR	915,000	Santa Fe Relocation Services SAS, France	100.00	100.00
PLN	650,000	Santa Fe Relocation Services SpZoo, Poland	100.00	100.00
RON	153,130	Santa Fe Relocation Services Srl, Romania	100.00	100.00
EUR	6,639	Santa Fe Relocation Services SRO, Slovakia	100.00	100.00
CZK	1,877,000	Santa Fe Relocation Services SPLO, s.r.o, Czech Republic	100.00	100.00
RUR	1,450,000	OOO IDX International LLC, Russia	100.00	100.00
IDR	550,000,000	PT Relokasi Jaya, Indonesia	100.00	100.00
USD	420,000	PT Santa Fe Indonusa, Indonesia	100.00	100.00
IDR	50,000,000,000	PT Santa Fe Properties, Indonesia	100.00	100.00
THB	60,150,000	Santa Fe (Thailand) Ltd., Thailand	100.00	100.00
USD	400,000	Santa Fe Group Americas, Inc., USA	100.00	100.00
EUR	172,123,491	Santa Fe Group Limited, United Kingdom	100.00	100.00
BRL	154,701	Santa Fe Group Latinamerica Servicos Adm.e de Realozacao Ltda., Brazil	100.00	100.00
HKD	28,000,000	Santa Fe Holdings Ltd., Hong Kong	100.00	100.00
AUD	95,497,749	Santa Fe Holdings Pty. Ltd., Australia	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
MOP	25,000	Santa Fe Macau Limited, Macau	100.00	100.00
MMK	500,000,000	Santa Fe Mobility Services (Myanmar) Limited, Myanmar	100.00	100.00
AUD	67,500,100	Santa Fe Moving & Relocation Services Australia Pty. Ltd., Australia	100.00	100.00

Subsidiaries and associates

Share capital		Share in % Entities per Business	Direct	SFG
		SANTA FE GROUP (REPORTABLE SEGMENT)		
PHP	16,000,000	Santa Fe Moving and Relocation Services Phils., Inc., Philippines	100.00	100.00
INR	2,400,000	Santa Fe Moving Services Private Limited, India	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
ZAR	100	Santa Fe Mobility Services, South Africa	100.00	100.00
KES	100,000	Santa Fe, Kenya	100.00	100.00
SGD	3,000,000	Santa Fe Relocation Services (S) Pte. Ltd., Singapore	100.00	100.00
JPY	80,000,000	Santa Fe Relocation Services Japan K.K., Japan	100.00	100.00
MNT	196,000,000	Santa Fe Relocation Services LLC., Mongolia	100.00	100.00
AED	300,000	Santa Fe Relocation Services LLC, United Arabic Emirates	100.00	100.00
MYR	500,000	Santa Fe Relocation Services Sdn. Bhd., Malaysia	100.00	100.00
WON	450,000,000	Santa Fe Relocation Services, Korea	100.00	100.00
TWD	14,800,000	Santa Fe Relocation Services, Taiwan	100.00	100.00
HKD	920,000	Santa Fe Transport International Limited, Hong Kong	100.00	100.00
AUD	1,500,000	WridgWays Australia Pty. Limited, Australia	100.00	100.00
AUD	5	WridgWays Pty. Limited, Australia	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
EUR	3,006	Record Storage S.L., Spain	100.00	100.00
NZD	1	Santa Fe Relocation Services, New Zealand Ltd.	100.00	100.00
DKK	500,000	Alfa Relocation Management A/S, Denmark	50.00	50.00*
CNY	11,046,000	Sino Santa Fe International Transportation Services Co. Ltd., China	100.00	100.00
		OTHER		
		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**

* Associated company
** The subsidiary is owned directly by Santa Fe Group A/S.

SANTA FE
GROUP

Santa Fe Group A/S
East Asiatic House
20 Indiakaj
DK-2100 Copenhagen Ø
Denmark
CVR No. 26 04 17 16
Shareholders' Secretariat
+45 3525 4300

investor@santaferelo.com

Santa Fe Group
Central Way
Park Royal
London
NW10 7XW
United Kingdom
+44 208 961 4141

www.santaferelo.com

Assignment Management
Immigration
Destination Services
Moving

We make it easy

Layout and production: Noted