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Dan-Slovakia Agrar A/S

Karlslundvej 14
8330 Beder
Central Business Registration
No 26296978

Annual report 2019

The Annual General Meeting adopted the annual report on 17.03.2020

Chairman of the General Meeting

Name: Erik Jantzen

Contents

Entity details

Entity

Dan-Slovakia Agrar A/S
Karlslundvej 14
8330 Beder

Central Business Registration No (CVR): 26296978
Registered in: Aarhus
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Niels Rauff Hansen, Chairman of the Board
Anders Bundgaard
Erik Jantzen
Mogens Hansen

Executive Board

Erik Jantzen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dan-Slovakia Agrar A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Beder, 17.03.2020

Executive Board

Erik Jantzen

Board of Directors

Niels Rauff Hansen Chairman of the Board	Anders Bundgaard	Erik Jantzen

Mogens Hansen

Independent auditor's report

To the shareholders of Dan-Slovakia Agrar A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Dan-Slovakia Agrar A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 17.03.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Rasmus Brodd Johnsen
State Authorised Public Accountant
Identification No (MNE) mne33217

Management commentary

	2019 EUR'000	2018 EUR'000	2017 EUR'000	2016 EUR'000	2015 EUR'000
Financial highlights					
Key figures					
Gross profit	18.583	15.725	17.783	14.098	10.629
Operating profit/loss	11.121	7.037	9.990	7.201	4.082
Net financials	(952)	(1.162)	(1.149)	(1.092)	(1.137)
Profit/loss for the year	7.954	4.630	6.987	4.871	2.364
Profit/loss excl minority interests	7.954	4.628	6.986	4.877	2.362
Total assets	104.427	108.181	109.158	99.347	87.399
Investments in property, plant and equipment	8.459	4.858	9.467	17.010	21.951
Equity	49.206	49.189	54.951	47.170	42.674
Equity excl minority interests	49.206	49.154	54.907	47.127	42.625
Ratios					
Return on equity (%)	16,2	8,9	13,7	10,9	5,8
Equity ratio (%)	47,1	45,4	50,3	47,4	48,8

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

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	Profit/loss excl minority interests x 100 / Average equity excl minority interests	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity excl minority interests x 100 / Total assets	The financial strength of the entity.

Management commentary

Primary activities
The primary activity of the Group is production of crops and pigs in the subsidiaries of Dan-Slovakia Agrar a.s. and AgroEco s.r.o. in Slovakia.

AgroKorn s.r.o., PD Kutniky and Agro Optima s.r.o. were transferred to Agri Consult ApS as of 1 January 2019 at market value.

The Parent, Dan-Slovakia Agrar A/S, mainly provides consultancy services to its subsidiaries

Development in activities and finances
The activities for the financial year have been crop production of approx. 5,000 ha of land and production of pigs from 8,500 sows and pregnant gilts on average.

Pig production performed mainly as planned. The market for pork was under pressure during the first four months, but later pork prices started to reflect the serious shortage of pork in the world due to African Swine Fewer.

The crops were challenged by uneven distribution of rain during the growth season, but in general, the result of crop production was in line with the budget due to slightly higher crop prices.

Our investing activities in 2019 were primarily focused on the first phase of extending our sow farm to 10,500 sows. Moreover, further investments were made in stronger biosecurity measures.

Results of the year compared to Outlook for 2019

Group profit for the financial year was EUR 7.954k, which is higher than the expectations for 2019. Management considers the profit for the year to be satisfactory.

Outlook
Due to the current market outlook for 2020, Management expects average pork prices to be higher in 2020 than in 2019. Global demand for pork is expected to exceed production. We expect a net profit of the Group in the range of EUR 6–8m.

However, it should be noted that most neighbouring countries in Slovakia have problems with African Swine Fever. If the disease is to make its way into the country, it can pull in the opposite direction and lead to lower prices. In that case, the profit will be lower.

The group monitors the Corona virus situation on a daily basis and consults with the Slovakian health authorities. We follow their instructions and advice our employees as bedst as we can. Since there are no indications that the pork market will be negatively affected in the long term, we have not seen any reasons to change our estimates of 2020.

Management commentary

Uncertainty relating to recognition and measurement

Recognition of welfare subsidy

The subsidiary, Dan-Slovakia Agrar a.s., participates in projects regarding increased welfare for sows and fatteners, which qualifies for a subsidy from the local Slovakian authorities. The project period is 5 years. However, the company needs to be approved on an annual basis in order to receive the subsidy. The company has calculated and booked the part of the expected subsidy that relates to the activities performed in 2019, based on the demands and conditions set out by the Slovakian authorities. Since the procedures are unchanged compared to 2018, the company also expects to be approved for 2019. The subsidy receivable amounts to EUR 735k (2018: 720k) before tax.

Particular risks

Operating risk

The Group's primary operating risk relates to the subsidiaries' ability to produce profitably, which means the risks associated with developing and operating a company in Slovakia. The sales price for pigs is the most uncertain factor in the Group's economy.

The uncertainty regarding African Swine Fever is also primarily the effect on pig prices. So much has been invested in biosafety that the risk of infection of the Group's pigs is minimal. Moreover, the entire herd is covered by a herd insurance, which will reimburse the value of culled pigs, should a farm be infected.

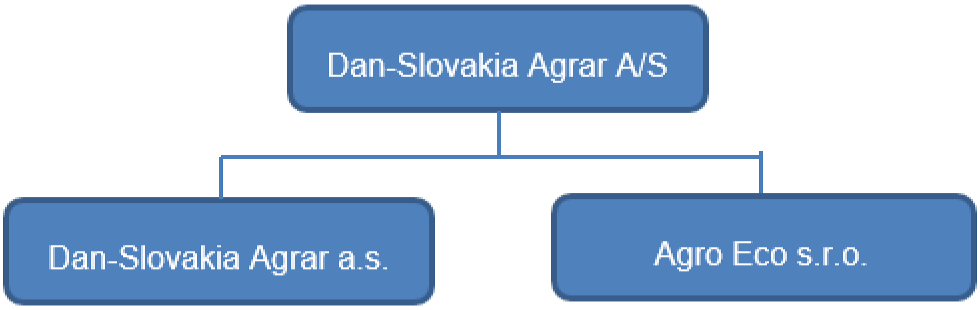
Financial exposure

The Group is exposed to changes in HUF and DKK exchange rates. Sales are primarily conducted in EUR, and a substantial part of financing has been arranged in EUR.
Group debt primarily carries floating rate interest.

The Group is not exposed to major risks from single customers or trading partners since all significant debtors are credit insured or paying cash.

Only transactions with related parties not conducted on an arm’s length basis are disclosed in the annual report. Such transactions have not been conducted in the financial year.

Management commentary



Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Gross profit		**18.583**	**15.725**
Staff costs	1	(3.707)	(4.495)
Depreciation, amortisation and impairment losses	2	(3.755)	(4.193)
Operating profit/loss		**11.121**	**7.037**
Other financial income		107	3
Other financial expenses	3	(1.059)	(1.165)
Profit/loss before tax		**10.169**	**5.875**
Tax on profit/loss for the year	4	(2.215)	(1.245)
Profit/loss for the year	5	**7.954**	**4.630**

Consolidated balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Land and buildings		62.298	68.610
Plant and machinery		10.348	11.891
Biological assets		3.501	3.582
Property, plant and equipment in progress		2.717	2.912
Property, plant and equipment	6	**78.864**	**86.995**
Other investments		7	14
Fixed asset investments	7	**7**	**14**
Fixed assets		**78.871**	**87.009**
Raw materials and consumables		7.824	8.755
Livestock		6.436	6.571
Inventories		**14.260**	**15.326**
Trade receivables		3.857	2.719
Other receivables		5.912	2.330
Income tax receivable		0	339
Prepayments		2	3
Receivables		**9.771**	**5.391**
Cash		**1.525**	**455**
Current assets		**25.556**	**21.172**
Assets		**104.427**	**108.181**

Consolidated balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital		3.564	3.564
Revaluation reserve		8.745	9.478
Retained earnings		33.047	34.012
Proposed dividend		3.850	2.100
Equity attributable to the Parent's owners		**49.206**	**49.154**
Share of equity attributable to minority interests		**0**	**35**
Equity		**49.206**	**49.189**
Deferred tax		4.787	5.446
Provisions		**4.787**	**5.446**
Bank loans		30.222	33.674
Finance lease liabilities		1.477	1.033
Non-current liabilities other than provisions	8	**31.699**	**34.707**
Current portion of long-term liabilities other than provisions	8	6.499	7.371
Payables to other credit institutions		4.170	3.975
Trade payables		2.225	3.703
Payables to shareholders and management		0	34
Income tax payable		1.126	20
Other payables		4.715	3.736
Current liabilities other than provisions		**18.735**	**18.839**
Liabilities other than provisions		**50.434**	**53.546**
Equity and liabilities		**104.427**	**108.181**
Assets charged and collateral	10		
Transactions with related parties	11		
Subsidiaries	12		

Consolidated statement of changes in equity for 2019

	Contributed capital EUR'000	Revaluation reserve EUR'000	Retained earnings EUR'000	Proposed extraordinary dividend EUR'000
Equity beginning of year	3.564	9.478	34.012	0
Effect of divestments of entities etc	0	(861)	861	0
Ordinary dividend paid	0	0	0	0
Extraordinary dividend paid	0	0	0	(5.930)
Revaluations for the year	0	128	0	0
Profit/loss for the year	0	0	(1.826)	5.930
Equity end of year	**3.564**	**8.745**	**33.047**	**0**

	Proposed dividend EUR'000	Share of equity attributable to minority interests EUR'000	Total EUR'000
Equity beginning of year	2.100	35	49.189
Effect of divestments of entities etc	0	(35)	(35)
Ordinary dividend paid	(2.100)	0	(2.100)
Extraordinary dividend paid	0	0	(5.930)
Revaluations for the year	0	0	128
Profit/loss for the year	3.850	0	7.954
Equity end of year	**3.850**	**0**	**49.206**

Consolidated cash flow statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Operating profit/loss		11.121	7.037
Amortisation, depreciation and impairment losses		3.894	4.193
Working capital changes	9	(2.432)	(848)
Cash flow from ordinary operating activities		**12.583**	**10.382**
Financial income received		(952)	(1.163)
Income taxes refunded/(paid)		(374)	(2.121)
Cash flows from operating activities		**11.257**	**7.098**
Acquisition etc of property, plant and equipment		(7.290)	(4.858)
Sale of property, plant and equipment		2.536	1.858
Acquisition of fixed asset investments		0	(7)
Divestment of entities, net of cash		5.719	0
Cash flows from investing activities		**965**	**(3.007)**
Loans raised		6.440	35.956
Instalments on loans etc.		(9.848)	(34.560)
Dividends paid		(8.030)	(10.492)
Dividends received		91	0
Cash flows from financing activities		**(11.347)**	**(9.096)**
Increase/decrease in cash and cash equivalents		**875**	**(5.005)**
Cash and cash equivalents beginning of year		(3.520)	1.485
Cash and cash equivalents end of year		**(2.645)**	**(3.520)**
Cash and cash equivalents at year-end are composed of:			
Cash		1.525	455
Short-term debt to banks		(4.170)	(3.975)
Cash and cash equivalents end of year		**(2.645)**	**(3.520)**

Notes to consolidated financial statements

	2019 EUR'000	2018 EUR'000
1. Staff costs		
Wages and salaries	2.686	3.337
Other social security costs	1.021	1.158
	3.707	**4.495**
Average number of employees	**138**	**194**

	2019 EUR'000	2018 EUR'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	3.894	4.229
Profit/loss from sale of intangible assets and property, plant and equipment	(139)	(36)
	3.755	**4.193**

	2019 EUR'000	2018 EUR'000
3. Other financial expenses		
Other interest expenses	1.053	1.156
Exchange rate adjustments	6	9
	1.059	**1.165**

	2019 EUR'000	2018 EUR'000
4. Tax on profit/loss for the year		
Current tax	1.812	871
Change in deferred tax	403	374
	2.215	**1.245**

	2019 EUR'000	2018 EUR'000
5. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	3.850	2.100
Extraordinary dividend distributed in the financial year	5.930	1.745
Retained earnings	(1.826)	783
Minority interests' share of profit/loss	0	2
	7.954	**4.630**

Notes to consolidated financial statements

	Land and buildings EUR'000	Plant and machinery EUR'000	Biological assets EUR'000	Property, plant and equipment in progress EUR'000
6. Property, plant and equipment				
Cost beginning of year	73.201	30.348	3.582	2.912
Disposals on divestments etc	(5.176)	(2.829)	0	(1.743)
Additions	2.142	1.931	1.669	2.717
Disposals	(762)	(917)	(1.750)	(1.169)
Cost end of year	**69.405**	**28.533**	**3.501**	**2.717**
Revaluations beginning of year	11.840	0	0	0
Disposals on divestments etc	(3.037)	0	0	0
Revaluations for the year	162	0	0	0
Revaluations end of year	**8.965**	**0**	**0**	**0**
Depreciation and impairment losses beginning of year	(16.431)	(18.457)	0	0
Depreciation for the year	(1.918)	(1.976)	0	0
Reversal regarding disposals	2.277	2.248	0	0
Depreciation and impairment losses end of year	**(16.072)**	**(18.185)**	**0**	**0**
Carrying amount end of year	**62.298**	**10.348**	**3.501**	**2.717**

	Other investments EUR'000
7. Fixed asset investments	
Cost beginning of year	14
Disposals on divestments etc	(7)
Cost end of year	**7**
Carrying amount end of year	**7**

Notes to consolidated financial statements

	Due within 12 months 2019 EUR'000	Due within 12 months 2018 EUR'000	Due after more than 12 months 2019 EUR'000	Outstanding after 5 years EUR'000
8. Liabilities other than provisions				
Bank loans	6.019	6.939	30.222	3.084
Finance lease liabilities	480	432	1.477	0
	6.499	**7.371**	**31.699**	**3.084**

	2019 EUR'000	2018 EUR'000
9. Change in working capital		
Increase/decrease in inventories	513	(1.822)
Increase/decrease in receivables	(5.508)	71
Increase/decrease in trade payables etc	2.563	903
	(2.432)	**(848)**

10. Assets charged and collateral

Bank debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged land amounts to EUR 11.492k and the carrying amount of mortgaged assets amounts to EUR 43.569k.

Bank debt is secured by way of company charge covering properties, plant and machinery, heard and receivables.

The carrying amount of properties, plant and machinery, heard and receivables amounts to EUR 80.088k.

Bank debt is secured by way of cross guarantee between Dan-Slovakia Agrar A/S and Agri Consult ApS. The guaranteed bank debt in Agri Consult ApS amounts to EUR 7.510k as of 31.12.2019 (31.12.2018: EUR 7.812k).

11. Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Notes to consolidated financial statements

	Registered in	Equity interest %
12. Subsidiaries		
Dan-Slovakia a.s.	Slovakia	100,0
AgroEco a.s.	Slovakia	100,0

Parent income statement for 2019

	Notes	2019 EUR'000	2018 EUR'000
Gross profit		**44**	**99**
Income from investments in group enterprises		7.936	4.637
Other financial income		154	120
Other financial expenses		(178)	(228)
Profit/loss before tax		**7.956**	**4.628**
Tax on profit/loss for the year		(2)	0
Profit/loss for the year	2	**7.954**	**4.628**

Parent balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Investments in group enterprises		52.131	52.100
Fixed asset investments	3	**52.131**	**52.100**
Fixed assets		**52.131**	**52.100**
Receivables from group enterprises		1.174	4.176
Other receivables		4.208	1.413
Prepayments	4	2	3
Receivables		**5.384**	**5.592**
Cash		**102**	**189**
Current assets		**5.486**	**5.781**
Assets		**57.617**	**57.881**

Parent balance sheet at 31.12.2019

	Notes	2019 EUR'000	2018 EUR'000
Contributed capital	5	3.564	3.564
Reserve for net revaluation according to the equity method		41.742	43.455
Retained earnings		50	35
Proposed dividend		3.850	2.100
Equity		**49.206**	**49.154**
Bank loans		3.026	4.074
Non-current liabilities other than provisions	6	**3.026**	**4.074**
Current portion of long-term liabilities other than provisions	6	1.205	1.205
Payables to other credit institutions		4.170	3.430
Trade payables		8	8
Income tax payable		1	6
Other payables		1	4
Current liabilities other than provisions		**5.385**	**4.653**
Liabilities other than provisions		**8.411**	**8.727**
Equity and liabilities		**57.617**	**57.881**
Staff costs	1		
Assets charged and collateral	7		
Transactions with related parties	8		

Parent statement of changes in equity for 2019

	Contributed capital EUR'000	Reserve for net revaluation according to the equity method EUR'000	Retained earnings EUR'000	Proposed extraordinary dividend EUR'000
Equity beginning of year	3.564	43.455	35	0
Effect of divestments of entities etc	0	(5.927)	5.927	0
Ordinary dividend paid	0	0	0	0
Extraordinary dividend paid	0	0	0	(5.930)
Value adjustments	0	128	0	0
Profit/loss for the year	0	4.086	(5.912)	5.930
Equity end of year	**3.564**	**41.742**	**50**	**0**

	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	2.100	49.154
Effect of divestments of entities etc	0	0
Ordinary dividend paid	(2.100)	(2.100)
Extraordinary dividend paid	0	(5.930)
Value adjustments	0	128
Profit/loss for the year	3.850	7.954
Equity end of year	**3.850**	**49.206**

Reserve for netrevaluation according to the equity method takes into account expected dividend payments of EUR 3.850k from subsidaries to be approved in the local entities.

Notes to parent financial statements

	2019	2018
1. Staff costs		
Average number of employees	**0**	**0**

	2019 EUR'000	2018 EUR'000
2. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	3.850	2.100
Extraordinary dividend distributed in the financial year	5.930	1.745
Transferred to reserve for net revaluation according to the equity method	4.086	789
Retained earnings	(5.912)	(6)
	7.954	**4.628**

	Invest-ments in group enterprises EUR'000
3. Fixed asset investments	
Cost beginning of year	6.545
Disposals	(6)
Cost end of year	**6.539**
Revaluations beginning of year	45.555
Adjustments on equity	128
Share of profit/loss for the year	7.936
Dividend	(2.100)
Reversal regarding disposals	(5.927)
Revaluations end of year	**45.592**
Carrying amount end of year	**52.131**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

4. Prepayments

Prepayments attribute to insurance paid in advance.

Notes to parent financial statements

	Number	Nominal value EUR'000
5. Contributed capital		
Shares	26.600.000	3.564
	26.600.000	**3.564**

No changes were made to the contributed capital in the past five years.

	Due within 12 months 2019 EUR'000	Due within 12 months 2018 EUR'000	Due after more than 12 months 2019 EUR'000
6. Liabilities other than provisions			
Bank loans	1.205	1.205	3.026
	1.205	**1.205**	**3.026**

7. Assets charged and collateral

Bank debt is secured by way of mortgage in shares in Dan-Slovakia Agrar a.s. of EUR 9.865k nominal.

Bank debt is secured by way of cross gurantee between Dan-Slovakia Agrar A/S and Agri Consult ApS. The guaranteed bank debt in Agri Consult ApS amounts to EUR 7.510k as of 31.12.2019 (31.12.2018: EUR 7.812k).

8. Transactions with related parties

Dan-Slovakia Agrar A/S has no related parties with controlling interest.

Related parties with significant interest include the company’s supervisory and executive boards.

Only related party transactions not conducted on an arm’s length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year. All amounts are presented in EUR.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised. Negative differences in amount (negative goodwill), corresponding to actual lucky buys, where the negative goodwill exceeds the fair value of the assets and liabilities take over, is recognised through the profit and loss.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Accounting policies

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement

Accounting policies

when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Property, plant and equipment
Land and buildings, plant and machinery and biological assets are measured at cost less accumulated depreciation and impairment losses. Land and biological assets are not depreciated.

Farmland has been revaluated on the basis of an independent assessment of the market value of land. The

Accounting policies

assessment has been made by an external public assessor. Alternatively by benchmarking to comparable transactions.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Plant and machinery	3-10 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Biological assets
Biological assets comprising live animals and crops are measured at the lower cost which, for acquired assets, comprises the acquisition price plus any directly related acquisition cost, and not realisable value.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Other investments
Other investments comprise securities which are measured at cost.

Inventories
Inventories are measured at the lower of cost using the average cost method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and

Accounting policies

costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests
Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

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

Anders Bundgaard
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2020-03-17 14:23:14Z
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Rasmus B. Johnsen
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Adm. direktør
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Dirigent
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Mogens Hansen
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Niels Rauff Hansen
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