

**CM FINANS A/S**  
Koldinghus Alle 1  
4690 Haslev  
Business Registration No  
27659659

**Annual report 01.07.2018  
- 30.06.2019**

The Annual General Meeting adopted the annual report on 02.10.2019

**Chairman of the General Meeting**

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Name: Christian Georg Peter Moltke

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## Entity details

### Entity

CM FINANS A/S  
Koldinghus Alle 1  
4690 Haslev

Central Business Registration No (CVR): 27659659

Registered in: Faxe

Financial year: 01.07.2018 - 30.06.2019

### Board of Directors

Christian Georg Peter Moltke, chairman  
Anders Dolmer  
Jacob Simonsen

### Executive Board

Anders Dolmer

### Bank

Nordea  
Strandgade 3  
1401 Copenhagen K

### Lawyer

DAHL Advokatpartnerselskab  
Lundborgvej 18  
8800 Viborg

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen 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 CM FINANS A/S for the financial year 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

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.

Haslev, 02.10.2019

### Executive Board

Anders Dolmer

### Board of Directors

Christian Georg Peter Moltke  
chairman

Anders Dolmer

Jacob Simonsen

# Independent auditor's report

## To the shareholders of CM FINANS A/S

### Opinion

We have audited the financial statements of CM FINANS A/S for the financial year 01.07.2018 - 30.06.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Independent auditor's report

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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.

Copenhagen, 02.10.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR)  
33963556

Jens Sejer Pedersen  
State-Authorised Public Accountant  
Identification No (MNE) mne14986

Nikolaj Frausing Borch  
State Authorised Public Accountant  
Identification No (MNE) mne44062

## Management commentary

|                             | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|-----------------------------|---------|---------|---------|---------|---------|
|                             | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| <b>Financial highlights</b> |         |         |         |         |         |
| <b>Key figures</b>          |         |         |         |         |         |
| Gross loss                  | (1.805) | (1.908) | 18.380  | 20.230  | (230)   |
| Operating profit/loss       | (1.925) | (2.147) | 13.260  | 17.003  | (230)   |
| Net financials              | 30.035  | 10.723  | 47.969  | 35.782  | (3)     |
| Profit/loss for the year    | 28.496  | 11.246  | 57.754  | 55.789  | 7.329   |
| Total assets                | 752.749 | 764.836 | 205.991 | 175.565 | 115.115 |
| Equity                      | 642.751 | 586.929 | 54.776  | (5.872) | (58)    |

### Ratios

|                      |      |      |       |         |        |
|----------------------|------|------|-------|---------|--------|
| Return on equity (%) | 4,6  | 3,5  | 236,2 | (174,2) | (11,9) |
| Equity ratio (%)     | 85,4 | 76,7 | 26,6  | (3,3)   | (0,1)  |

The Entity has changed accounting principles. According to section 101 (3) of the Danish Financial Statements act, the financial highlights for the years 2014/15 – 2016/17 have not been corrected as the data is not readily available. The impact on these years is expected to be similar to the impact on 2017/18 and 2018/19 as described under accounting policies.

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 (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The entity's return on capital invested in the entity by the owners. |
| Equity ratio (%)     | $\frac{\text{Equity} \times 100}{\text{Total assets}}$                     | The financial strength of the entity.                                |



## Management commentary

### Primary activities

The primary activities of CM FINANS Group is to carry out investment activities, farming, forestry and property development.

The primary activities of the Parent Company CM Finans A/S are to hold shares in the wholly owned subsidiaries as well as associates.

### Development in activities and finances

Profit for the year after tax amounts to DKK 28.496k. The balance sheet shows total assets of DKK 752.749k and equity of DKK 642.751k.

The Entity has decided to change its accounting policy related to the measurement of properties. Previously, all properties have been measured at cost less accumulated depreciations. Going forward, investment properties will be measured at fair value through the income statement and other properties will be measured at fair value via equity. A minority part of the Groups properties and land, amounting to less than 2 %, are measured at cost.

Furthermore, accounting principles for the measurement of biological assets have also been changed. These were previously measured at cost, but is now measured at fair value. The change in principles is due to a desire to show a more true and fair view of the Entity.

The change in principle has an effect on the Entity's subsidiaries and, as investments in group enterprises are measured according to the equity method, the effect on the Entity is solely in the recognition of investments in group enterprises.

### 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.

## Income statement for 2018/19

|  | <u>Notes</u> | <u>2018/19<br/>DKK</u>   | <u>2017/18<br/>DKK'000</u> |
|--|--------------|--------------------------|----------------------------|
| <b>Gross loss</b>                            |              | <b>(1.805.453)</b>       | <b>(1.908)</b>             |
| Staff costs                                  | 1            | <u>(120.000)</u>         | <u>(239)</u>               |
| <b>Operating profit/loss</b>                 |              | <b>(1.925.453)</b>       | <b>(2.147)</b>             |
| Income from investments in group enterprises |              | 30.520.154               | 13.366                     |
| Income from investments in associates        |              | (662.645)                | (115)                      |
| Other financial income                       | 2            | 4.737.515                | 3.392                      |
| Other financial expenses                     | 3            | <u>(4.560.390)</u>       | <u>(5.920)</u>             |
| <b>Profit/loss before tax</b>                |              | <b>28.109.181</b>        | <b>8.576</b>               |
| Tax on profit/loss for the year              | 4            | <u>386.429</u>           | <u>2.670</u>               |
| <b>Profit/loss for the year</b>              |              | <b><u>28.495.610</u></b> | <b><u>11.246</u></b>       |
| <b>Proposed distribution of profit/loss</b>  |              |                          |                            |
| Retained earnings                            |              | <u>28.495.610</u>        | <u>11.246</u>              |
|  |              | <b><u>28.495.610</u></b> | <b><u>11.246</u></b>       |

## Balance sheet at 30.06.2019

|  | <u>Notes</u> | <u>2018/19<br/>DKK</u>    | <u>2017/18<br/>DKK'000</u> |
|--|--------------|---------------------------|----------------------------|
| Investments in group enterprises       |              | 642.023.992               | 651.682                    |
| Receivables from group enterprises     |              | 51.669.148                | 48.420                     |
| Investments in associates              |              | 156.702                   | 832                        |
| Other investments                      |              | 107.300                   | 107                        |
| <b>Fixed asset investments</b>         | 5            | <b><u>693.957.142</u></b> | <b><u>701.041</u></b>      |
| <b>Fixed assets</b>                    |              | <b><u>693.957.142</u></b> | <b><u>701.041</u></b>      |
| Trade receivables                      |              | 0                         | 6.158                      |
| Receivables from group enterprises     |              | 40.472.499                | 40.828                     |
| Deferred tax                           |              | 5.709.251                 | 5.998                      |
| Other receivables                      |              | 151.164                   | 166                        |
| Income tax receivable                  |              | 4.107                     | 4                          |
| Receivables from owners and management |              | 12.454.337                | 10.621                     |
| <b>Receivables</b>                     |              | <b><u>58.791.358</u></b>  | <b><u>63.775</u></b>       |
| <b>Cash</b>                            |              | <b><u>0</u></b>           | <b><u>20</u></b>           |
| <b>Current assets</b>                  |              | <b><u>58.791.358</u></b>  | <b><u>63.795</u></b>       |
| <b>Assets</b>                          |              | <b><u>752.748.500</u></b> | <b><u>764.836</u></b>      |

## Balance sheet at 30.06.2019

|  | <u>Notes</u> | <u>2018/19<br/>DKK</u>    | <u>2017/18<br/>DKK'000</u> |
|--|--------------|---------------------------|----------------------------|
| Contributed capital  | 6            | 1.000.000                 | 1.000                      |
| Reserve for net revaluation according to the equity method     |              | 499.480.577               | 505.889                    |
| Other reserves   |              | 12.454.337                | 10.620                     |
| Retained earnings  |              | <u>129.815.728</u>        | <u>69.420</u>              |
| <b>Equity</b>  |              | <b><u>642.750.642</u></b> | <b><u>586.929</u></b>      |
| Bank loans   |              | <u>0</u>                  | <u>34.030</u>              |
| <b>Non-current liabilities other than provisions</b>           |              | <b><u>0</u></b>           | <b><u>34.030</u></b>       |
| Current portion of long-term liabilities other than provisions |              | 0                         | 2.480                      |
| Bank loans   |              | 53.638.632                | 31.587                     |
| Trade payables   |              | 338.857                   | 612                        |
| Payables to group enterprises                                  |              | 52.497.149                | 103.969                    |
| Payables to shareholders and management                        |              | 3.518.181                 | 3.550                      |
| Other payables   |              | <u>5.039</u>              | <u>1.679</u>               |
| <b>Current liabilities other than provisions</b>               |              | <b><u>109.997.858</u></b> | <b><u>143.877</u></b>      |
| <b>Liabilities other than provisions</b>                       |              | <b><u>109.997.858</u></b> | <b><u>177.907</u></b>      |
| <b>Equity and liabilities</b>                                  |              | <b><u>752.748.500</u></b> | <b><u>764.836</u></b>      |
| Contingent liabilities   | 7            |                           |                            |

## Statement of changes in equity for 2018/19

|   | Contributed<br>capital<br>DKK | Reserve for<br>net<br>revaluation<br>according to<br>the equity<br>method<br>DKK | Other reserves<br>DKK |
|---|-------------------------------|--|-----------------------|
| Equity beginning of year                  | 1.000.000                     | 0  | 10.620.015            |
| Changes in accounting policies            | 0                             | 505.888.897  | 0                     |
| <b>Adjusted equity, beginning of year</b> | <b>1.000.000</b>              | <b>505.888.897</b>   | <b>10.620.015</b>     |
| Exchange rate adjustments                 | 0                             | 0  | 0                     |
| Other entries on equity                   | 0                             | 11.818.758   | 0                     |
| Transfer to reserves                      | 0                             | (18.227.078)   | 1.834.322             |
| Profit/loss for the year                  | 0                             | 0  | 0                     |
| <b>Equity end of year</b>                 | <b>1.000.000</b>              | <b>499.480.577</b>   | <b>12.454.337</b>     |

|   | Retained<br>earnings<br>DKK | Total<br>DKK       |
|---|-----------------------------|--------------------|
| Equity beginning of year                  | 48.279.147                  | 59.899.162         |
| Changes in accounting policies            | 21.140.568                  | 527.029.465        |
| <b>Adjusted equity, beginning of year</b> | <b>69.419.715</b>           | <b>586.928.627</b> |
| Exchange rate adjustments                 | 15.507.647                  | 15.507.647         |
| Other entries on equity                   | 0                           | 11.818.758         |
| Transfer to reserves                      | 16.392.756                  | 0                  |
| Profit/loss for the year                  | 28.495.610                  | 28.495.610         |
| <b>Equity end of year</b>                 | <b>129.815.728</b>          | <b>642.750.642</b> |

## Notes

|   | <b>2018/19</b>   | <b>2017/18</b> |
|---|------------------|----------------|
|   | <b>DKK</b>       | <b>DKK'000</b> |
| <b>1. Staff costs</b>                           |                  |                |
| Wages and salaries                              | 120.000          | 239            |
|   | <b>120.000</b>   | <b>239</b>     |
| <br>Average number of employees                 | <br><b>1</b>     | <br><b>1</b>   |
|   |                  |                |
|   | <b>2018/19</b>   | <b>2017/18</b> |
|   | <b>DKK</b>       | <b>DKK'000</b> |
| <b>2. Other financial income</b>                |                  |                |
| Financial income arising from group enterprises | 4.669.121        | 3.369          |
| Other interest income                           | 4.907            | 23             |
| Exchange rate adjustments                       | 63.487           | 0              |
|   | <b>4.737.515</b> | <b>3.392</b>   |
|   |                  |                |
|   | <b>2018/19</b>   | <b>2017/18</b> |
|   | <b>DKK</b>       | <b>DKK'000</b> |
| <b>3. Other financial expenses</b>              |                  |                |
| Financial expenses from group enterprises       | 3.132.219        | 1.942          |
| Other interest expenses                         | 206.945          | 457            |
| Exchange rate adjustments                       | 159.314          | 192            |
| Other financial expenses                        | 1.061.912        | 3.329          |
|   | <b>4.560.390</b> | <b>5.920</b>   |
|   |                  |                |
|   | <b>2018/19</b>   | <b>2017/18</b> |
|   | <b>DKK</b>       | <b>DKK'000</b> |
| <b>4. Tax on profit/loss for the year</b>       |                  |                |
| Change in deferred tax                          | (386.429)        | (812)          |
| Adjustment concerning previous years            | 0                | (1.858)        |
|   | <b>(386.429)</b> | <b>(2.670)</b> |

## Notes

|  | Invest-<br>ments in<br>group<br>enterprises<br>DKK | Receivables<br>from group<br>enterprises<br>DKK | Investments<br>in associates<br>DKK | Other<br>investments<br>DKK |
|--|--|---|-------------------------------------|-----------------------------|
| <b>5. Fixed asset investments</b>                                |  |   |                                     |                             |
| Cost beginning of year   | 141.962.963  | 52.249.600                                      | 118.267                             | 107.300                     |
| Disposals  | 0  | 0   | (93.267)                            | 0                           |
| <b>Cost end of year</b>  | <b>141.962.963</b>                                 | <b>52.249.600</b>                               | <b>25.000</b>                       | <b>107.300</b>              |
| Revaluations beginning of year                                   | 505.888.939  | 0   | 714.195                             | 0                           |
| Exchange rate adjustments  | 15.507.647   | 0   | 0                                   | 0                           |
| Adjustments on equity  | 11.818.716   | 0   | 0                                   | 0                           |
| Share of profit/loss for the year                                | 30.520.152   | 0   | (68.536)                            | 0                           |
| Dividend   | (64.254.879)                                       | 0   | (513.957)                           | 0                           |
| Investments with negative equity value transferred to provisions | 580.454  | 0   | 0                                   | 0                           |
| <b>Revaluations end of year</b>                                  | <b>500.061.029</b>                                 | <b>0</b>  | <b>131.702</b>                      | <b>0</b>                    |
| Impairment losses beginning of year                              | 0  | (3.829.913)                                     | 0                                   | 0                           |
| Impairment losses for the year                                   | 0  | 3.249.461                                       | 0                                   | 0                           |
| <b>Impairment losses end of year</b>                             | <b>0</b>   | <b>(580.452)</b>                                | <b>0</b>                            | <b>0</b>                    |
| <b>Carrying amount end of year</b>                               | <b>642.023.992</b>                                 | <b>51.669.148</b>                               | <b>156.702</b>                      | <b>107.300</b>              |

## Notes

|  | <u>Registered in</u> | <u>Corpo-<br/>rate<br/>form</u> | <u>Equity<br/>inte-<br/>rest<br/>%</u> | <u>Equity<br/>DKK</u> | <u>Profit/loss<br/>DKK</u> |
|--|----------------------|---------------------------------|--|-----------------------|----------------------------|
| Investments in group enterprises comprise: |                      |                                 |  |                       |                            |
| CMB II ApS                                 | Denmark              | ApS                             | 100,0                                  | 1.192.534             | 804.097                    |
| Flyveplads Vandel ApS                      | Denmark              | ApS                             | 100,0                                  | 21.255.506            | 1.329.965                  |
| Erhvervspark Vandel ApS                    | Denmark              | ApS                             | 100,0                                  | 79.418.280            | 9.083.941                  |
| FM Pork A/S                                | Denmark              | ApS                             | 100,0                                  | (580.454)             | 4.193.573                  |
| FMP Langesnager ApS                        | Denmark              | ApS                             | 100,0                                  | (196.496)             | (1.263)                    |
| FMP Sofiendal ApS                          | Denmark              | ApS                             | 100,0                                  | (816.214)             | 145.235                    |
| FMP Turebylille ApS                        | Denmark              | ApS                             | 100,0                                  | (974.254)             | 44.400                     |
| FMP Eskildsstrup ApS                       | Denmark              | ApS                             | 100,0                                  | (939.593)             | (243.966)                  |
| CM Agropol Sp.z.o.o.                       |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 540.157.675           | 15.036.645                 |
| Agro-Mach Sp.z.o.o.                        |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 1.861.171             | (477.383)                  |
| Cron-Pol Agro Sp.z.o.o.                    |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 36.331.679            | (256.378)                  |
| CMP Invest Sp.z.o.o.                       |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 306.097.544           | 9.462.900                  |
| MBC Invest Sp.z.o.o.                       |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 140.794.253           | 3.619.639                  |
| CM Debogora Sp.z.o.o.                      |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 2.248.781             | 13.218                     |
| CM Marianowo Sp.z.o.o.                     |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 6.451.306             | 117.387                    |
| Swoch Agro Sp.z.o.o.                       |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 179.812               | 66.199                     |
| CM Sitno Sp.z.o.o.                         |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 20.599.141            | 1.376.599                  |
| Cietrzew Sp.z.o.o.                         |                      | Sp.z.o.o.                       |  |                       |                            |
| Sp.z.o.o.                                  | Poland               | .                               | 100,0                                  | 8.417.451             | (461.978)                  |
| CM Partners Sp.z.o.o.                      |                      | Sp.z.o.o.                       |  |                       |                            |
| Polska Sp.z.o.o.                           | Poland               | .                               | 100,0                                  | 187.812               | 1.099.082                  |



## Notes

|                                     | <u>Registered in</u> | <u>Corpo-<br/>rate<br/>form</u> | <u>Equity<br/>inte-<br/>rest<br/>%</u> | <u>Equity<br/>DKK</u> | <u>Profit/loss<br/>DKK</u> |
|-------------------------------------|----------------------|---------------------------------|--|-----------------------|----------------------------|
| Investments in associates comprise: |                      |                                 |  |                       |                            |
| Solarpark Vandel ApS                | Gladsaxe             | ApS                             | 50,0                                   | 313.404               | (65.491)                   |

|                               | <u>Number</u>    | <u>Par value<br/>DKK</u> | <u>Nominal<br/>value<br/>DKK</u> |
|-------------------------------|------------------|--------------------------|----------------------------------|
| <b>6. Contributed capital</b> |                  |                          |                                  |
| A shares                      | 10.000           | 100                      | 10.000                           |
| B shares                      | 830.000          | 100                      | 830.000                          |
| C shares                      | 160.000          | 100                      | 160.000                          |
|                               | <b>1.000.000</b> |                          | <b>1.000.000</b>                 |

### 7. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which CMOL Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Company has guaranteed the bank debt of group enterprises. The guarantee is maximised to DKK 77.131.934. The bank debt in the group enterprises totals DKK 16.971.334 at the balance sheet date.

The Company has issued a letter of support to the group entity CMB III ApS. The Company has a receivable of DKK 6.269.881 with CMB III ApS which the Company has declared that it will not claim payments on until CMB III ApS has the liquidity to allow such payments.

The Company has issued a letter of support to the group entities Telos Energy ApS and Bregentved Cleantech Systems ApS in which the Company guarantees to provide liquidity to the two entities that enable them to fulfill their current obligations.

## Notes

The Group has previously entered into an interest rate swap contract that has been terminated. The remaining debt is recognised as short-term bank debt. The Group is party to pending litigation against its former bank. The case concerns the valuation and settlement of interest rate swaps upon termination of the contract. Group Management expects that the case will be settled in favour of the Group by which the Group will achieve a profit given that the interest rate swap is currently measured at the value determined by the bank at termination. If the case is lost, the Group may incur additional costs for covering interest etc.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year, except for the following changes:

### Changes in accounting policies

The Entity has decided to change its accounting policy related to the measurement of properties. Previously, all properties have been measured at cost less accumulated depreciations. Going forward, investment properties will be measured at fair value through the income statement and other properties will be measured at fair value via equity. A minority part of the Groups properties and land, amounting to less than 2 %, are measured at cost.

Furthermore, accounting principles for the measurement of biological assets have also been changed. These were previously measured at cost, but is now measured at fair value. The change in principles is due to a desire to show a more true and fair view of the Entity.

The change in principle has an effect on the Entity's subsidiaries and, as investments in group enterprises are measured according to the equity method, the effect on the Entity is solely in the recognition of investments in group enterprises.

The change has effected the comparative figures as follows: Equity has been increased by DKK 527.030k, profit has been increased by DKK 4.179k and investments in group enterprises have been increased by DKK 527.030k.

The effect on the current year figures is as follows: Equity has been increased by DKK 538.348k, profit has been increased by DKK 6.301k and investments in group enterprises have been increased by DKK 538.348k.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

#### Revenue

Revenue includes management agreements. Revenue is recognised when the benefits and risks have passed to the buyer, the revenue can be measured reliably, and it is probable that the economic benefits of the sale will flow to the Company. Revenue is recognised in the period relating to the income. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

## Accounting policies

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, 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.

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of intra-group profits or losses.

### 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 payables to group enterprises, net capital or exchange losses on securities, payables and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Accounting policies

### Balance sheet

#### Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

#### Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

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

#### Receivables

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

#### Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

## Accounting policies

### 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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

### Income tax payable or receivable

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

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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