

Ingleby Denmark 1 A/S

Slotsgade 1A, 4600 Køge

CVR no. 28 15 63 67

Annual report 2016/17

The annual report has been presented and approved at the Company's annual general meeting

On 16 November 2017

Klaus Bøje Nielsen
Klaus Bøje Nielsen

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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 Ingleby Denmark 1 A/S for the financial year 1 July 2016 – 30 June 2017.

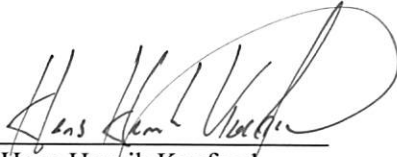
The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

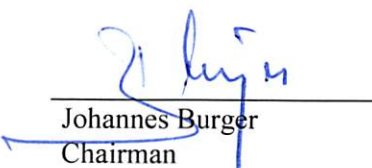
We recommend that the annual report be approved at the annual general meeting.

Køge, 24 October 2017
Executive Board:



Hans Henrik Koefoed

Board of Directors:



Johannes Burger
Chairman



Hans Henrik Koefoed



Klaus Bøje Nielsen

Independent auditors' report

To the shareholders of Ingleby Denmark 1 A/S

Opinion

We have audited the financial statements of Ingleby Denmark 1 A/S for the financial year 1 July 2016 – 30 June 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 2017 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

Independent auditors' report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view. □

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

Statement on 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 our procedures, 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

Independent auditors' report

Financial Statements Act. We did not identify any material misstatement of the Management's review.

Odense, 24 October 2017

Ernst & Young

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28



Lars Koch-Pedersen

State Authorised

Public Accountant

Management's review

Company details

Ingleby Denmark 1 A/S
Slotsgade 1A
Vallø
4600 Køge

Telephone: +45 55 31 35 60
Registration No.: 28 15 63 67
Established: 15 November 2004
Registered office: Stevns
Financial year: 1 July - 30 June

Board of Directors

Dr. Johannes Burger (Chairman)
Hans Henrik Koefoed
Klaus Bøje Nielsen

Executive Board

Hans Henrik Koefoed

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Englandsgade 25
DK-5000 Odense C

Annual general meeting

The annual general meeting is to be held on 16 November 2017 at the company's address.

Management's review

Operating review

Principal activities of the Company

The objective of the company is to act as holding company for investments in farms, including foreign farms as well as management services to farms and other related activities.

Development in activities and financial position

The result for the year 2015/16 shows a gain in the amount of USD 7,188 thousand against a loss in the amount of USD 1,370 thousand in 2015/16.

Management considers the Company's financial performance in the year satisfactory.

During the year, the company invested further in farming activities primarily in Peru, Latvia, and Romania.

Post balance sheet events

There have been no post balance sheet events considerably affecting the evaluation of the annual report.

Expectations

In 2017/18, the group will make additional agricultural investments.

Regarding the financial year 2017/18 the Company's management expects a result between USD 0 and USD 5,000,000.

Financial statements for the period 1 July 2016 – 30 June 2017

Accounting policies

The annual report of Ingleby Denmark 1A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statement

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for Ingleby Denmark 1 A/S and its group entities are part of the consolidated financial statements for Ingleby Farms & Forests ApS, Denmark, CVR no. 35 86 80 62.

Reporting currency

The financial statements are presented in USD, as the entity' and the Group's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.5160 (2015/2016: 6.7066).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as interest income or expense and similar items.

Income statement

Other external costs

Other operating expenses include the costs of distribution, sales, marketing, administration, facilities, bad debt, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs to the company's employees.

Financial statements for the period 1 July 2016 – 30 June 2017

Accounting policies

Financial income and expenses

Interest income and expenses and similar items comprise interest income and expenses, market gains and losses in respect of payables and transactions denominated in foreign currencies.

Tax on profit/loss from ordinary activities

The company is covered by the Danish rules on compulsory joint taxation of the Ingleby Group's Danish entities.

Ingleby Farms & Forests ApS is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments in subsidiaries

Income statement

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement and after elimination of the proportionate share of intra-group profits/losses and less amortisation of goodwill.

Balance sheet

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at USD 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Financial statements for the period 1 July 2016 – 30 June 2017

Accounting policies

Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Ingleby Denmark 1 A/S are not recognised in the reserve for net revaluation.

Receivables

Receivables are measured at the nominal value less write-down for bad debt losses based on an individual assessment.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Financial statements for the period 1 July 2016 – 30 June 2017

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Financial statements for the period 1 July 2016 – 30 June 2017

Income statement

USD	Note	2016/17	2015/16
Other external costs		-34,712	76,319
Gross profit		-34,712	76,319
Staff costs	1	0	956
Profit/loss from ordinary activities before tax		-34,712	77,275
Share of profit/loss in subsidiaries after tax		6,984,487	-1,165,919
Financial income	2	386,140	846,431
Financial expenses	3	-147,773	-633,695
Profit/loss from ordinary activities before tax		7,188,142	-875,908
Tax on profit/loss from ordinary activities	4	0	-494,457
Profit/loss for the year		7,188,142	-1,370,365

Proposed distribution of profit/loss

USD	2016/17	2015/16
Retained earnings	7,188,142	-1,370,365
	7,188,142	-1,370,365

Financial statements for the period 1 July 2016 – 30 June 2017

Balance sheet

USD	Note	2016/17	2015/16
ASSETS			
Non-current assets			
Investments			
Investments in subsidiaries	5	521,800,898	445,621,541
Total non-current assets		521,800,898	445,621,541
Current assets			
Receivables			
Amounts owed by affiliated companies		6,025,696	1,058,338
Corporation tax		2,957	2,873
Other receivables		56,014	56,014
		6,084,667	1,117,225
Cash at bank and in hand		41,584,986	2,809,311
Total current assets		47,669,653	3,926,536
TOTAL ASSETS		569,470,551	449,548,077

Financial statements for the period 1 July 2016 – 30 June 2017

Balance Sheet

USD	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity	6		
Share capital		91,928	87,376
Retained earnings		524,166,827	449,452,354
Total equity		524,258,755	449,539,730
Current liabilities other than provisions			
Trade payables		3,928	3,129
Other payables		45,207,868	5,218
		45,211,796	8,347
Total liabilities other than provisions		45,211,796	8,347
TOTAL EQUITY AND LIABILITIES		569,470,551	449,548,077
Contingent liabilities	7,8		
Related parties	9		

Financial statements for the period 1 July 2016 – 30 June 2017

Notes to the financial statements

USD	2016/17	2015/16
1 Staff cost		
Wages and salaries	0	0
Pensions	0	0
Other social security costs	0	-956
	0	-956
Average number of full-time employees	0	0
2 Financial income		
Interest income from affiliated companies	42,509	43,200
Foreign exchange gains	340,360	793,225
Other interest income	3,271	10,006
	386,140	846,431
3 Financial expenses		
Foreign exchange losses	97,610	623,010
Other interest expense	50,163	10,685
	147,773	633,695
4 Tax on the profit/loss for the year		
Current tax for the year	0	502,311
Adjustment of deferred tax	0	-7,854
Effect of reduction of the corporation tax rate on deferred tax	0	0
	0	494,457
Specified as follows:		
Tax on the profit/loss for the year	0	494,457
Tax on changes in equity	0	0
	0	494,457

Financial statements for the period 1 July 2016 – 30 June 2017

Notes to the financial statements

USD	2016/17	2015/16
5 Investments in subsidiaries		
Cost at 1 July	502,204,791	462,857,337
Additions during the year	64,826,670	39,347,454
Disposals (share premium repaid)	0	0
Cost at 30 June	567,031,461	502,204,791
Revaluations at 1 July	-56,583,250	-43,784,153
Equity method adjustment related to disposals	0	0
Foreign exchange adjustments	4,368,199	-1,382,617
Profit/Loss for the year	6,984,488	-1,165,919
Dividend from subsidiaries	0	-10,000,000
Capital transactions in subsidiaries	0	-250,561
Revaluations at 30 June	-45,230,563	-56,583,250
Carrying amount at 30 June	521,800,898	445,621,541

Financial statements for the period 1 July 2016 – 30 June 2017

Notes to the financial statements

Name	Registered office	Direct ownership	Direct & indirect ownership
Administration Agricola S.A.	Argentina	70 %	70 %
Campo El Tigre S.A.	Argentina	70 %	70 %
Ingleby Romania S.R.L	Romania	75 %	75 %
Campo D'Oro S.R.L	Romania	0 %	75 %
Oculul Silvic	Romania	0 %	75 %
Green Gate S.R.L	Romania	0 %	56 %
Cinque Stelle Venete S.R.L	Romania	0 %	56 %
Brattalid Inc	USA	100 %	100 %
Eriksson L.L.C	USA	0 %	100 %
Ingleby Peru Holding S.A.C.	Peru	75 %	75 %
Plantaciones del Sol S.A.C.	Peru	0 %	75 %
Ingleby NZ Holding Ltd.	New Zealand	100 %	100 %
Ingleby Latvia Agro SIA	Latvia	100 %	100 %
Dobeles Agra SIA	Latvia	100 %	100 %
Jaunagra SIA	Latvia	0 %	100 %
SIA Jaunberze Agra	Latvia	0 %	100 %
Elaco SIA	Latvia	0 %	100 %
SIA Log & S	Latvia	0 %	100 %
SIA Terraco	Latvia	0 %	100 %
Ingleby Lithuania Holding UAB	Lithuania	100 %	100 %
Ingleby Lithuania Agro UAB	Lithuania	0 %	100 %
Ingleby Lithuania 1 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 2 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 3 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 4 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 5 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 6 UAB	Lithuania	0 %	100 %
Ingleby Uruguay SRL	Uruguay	80 %	80 %
ME Holding 1 S.A.	Uruguay	0 %	80 %
Maria Elena Holding 2 S.A.	Uruguay	0 %	80 %
Maria Elena S.R.L.	Uruguay	0 %	80 %
CA3 Holding S.A.	Uruguay	0 %	80 %
CAH 4 S.A.	Uruguay	0 %	80 %
Chamizal S.R.L.	Uruguay	0 %	80 %

Financial statements for the period 1 July 2016 – 30 June 2017

6 Equity

The movements in the capital and reserves are specified as follows:

USD	Share capital	Retained earnings	Change in accounting policy	Total
Balance at 1 July	87,376	450,304,481	-852,127	449,539,730
Capital increase	1,908	63,160,772	0	63,162,680
Foreign currency translation adjustments	2,644	4,365,559	0	4,368,203
Retained earnings, cf. profit appropriation	0	7,188,142	0	7,188,142
Capital transactions in subsidiaries	0	0	0	0
Balance at 30 June	91,928	525,018,954	-852,127	524,258,755

The share capital consists of 5,990 shares of nominal DKK 100 each. No shares have been ascribed special rights.

The company's share capital has increased in the following way during the last 5 years:

USD	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Balance at the beginning of the year	87,376	85,582	101,557	93,584	90,813
Capital increase	1,908	1,930	2,987	2,938	871
Foreign currency translation adjustment	2,644	-136	-18,962	5,035	1,900
Balance at the end of the year	91,928	87,376	85,582	101,557	93,584
Exchange rate DKK/USD	6,5160	6.7066	6.6953	5.4452	5.7382

The share capital is presented in USD at the exchange rate of the balance sheet date for each year.

Financial statements for the period 1 July 2016 – 30 June 2017

Notes to the financial statements

7 Contractual liabilities and contingencies, etc.

Contingent liabilities

The company is jointly taxed with Ingleby Farms & Forests ApS and Ingleby Denmark 2 A/S. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties amounting to USD 0.

8 Mortgages and security

Of the assets recognised as “cash at bank and in hand”, EUR 36.4 million (USD 41.5 million) are deposited in respect to purchase of shares in a subsidiary company.

9 Related parties

Ownership

The Company is 100 % owned by Ingleby Farms & Forests ApS, Køge, CVR no. 35 86 80 62

The ultimate shareholder is The Ingleby Trust, represented by
Dr. Johannes Burger, Rötibergstrasse 2, CH- 9442 Berneck Switzerland
Dr. Markus Summer, Stelzagass 17, LI - 9487 Gamprin Principality of Liechtenstein
Geoffrey Richards, Landstrasse 33, 9491 Ruggell Principality of Liechtenstein

The company is recognized in the consolidated financial statement of Ingleby Farms & Forests ApS, which is the largest group in which the Company is included. The consolidated financial statements of Ingleby Farms & Forests ApS (CVR no. 35 86 80 62) may be obtained by contacting the company.