

Majland A/S
Simmelbrovej 44
7260 Sønder Omme
Business Registration No
29626901

**Annual report 01.07.2018
- 30.06.2019**

The Annual General Meeting adopted the annual report on 20.12.2019

Chairman of the General Meeting

Name: Jesper Altmirano

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Entity details

Entity

Majland A/S
Simmelbrovej 44
7260 Sønder Omme

Central Business Registration No (CVR): 29626901
Registered in: Billund
Financial year: 01.07.2018 - 30.06.2019

Board of Directors

Christian Pagaard Junker, chairman
Jesper Altamirano
Sune Graae Norsker

Executive Board

Jacob Majland Lauridsen
Sune Graae Norsker

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Majland 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.

Sønder Omme, 20.12.2019

Executive Board

Jacob Majland Lauridsen

Sune Graae Norsker

Board of Directors

Christian Pagaard Junker
chairman

Jesper Altamirano

Sune Graae Norsker

Independent auditor's report

To the shareholders of Majland A/S

Opinion

We have audited the financial statements of Majland 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.

Kolding, 20.12.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Allan Trolle Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34339

Management commentary

Primary activities

Majland A/S ("the Company") operates a nursery producing Nordmann fir plants and to lesser extent other fir species.

Development in activities and finances

The profit/loss before tax and minority interests for the financial year 2018/19 amounts to DKK -3.9 million compared to DKK 3.9 million for the same period last year. The operating profit/loss amounts to DKK -2.8 million compared to DKK 5.3 million for the same period last year.

Green Team Group has experienced an increase in sales in financial year 2018-19, on both cut trees and in sales of own potted trees. We balance production and sales but we also purchase trees from external producers. We operate in a competitive market and the supply situation has had a large impact on the prices of all our products while the demand is very stable in the market. Since 2016 the Groups sales prices have decreased by approximately 50% which is the main driver for low financial performance in the last few years.

Due to the very low prices and a an uncertainty regarding timing of the expected price increase, the Group has chosen to reduce the value of inventories made up be Christmas trees. The credit facilities will be increased in the overall restructuring of the company's finances as well as a new ownership has materialized.

We are starting to see an improvement in the situation, and we expect a price increase in the years to come – the timing is uncertain, but prices is expected start to increase from season 2021.

The increased share of own-produced trees as well as the transparent collaboration with European retailers will further increase the Group's competitiveness in regards to quality, delivery performance and cost efficiency. The Group has a mature production and we aim to have a stable and even-aged production in several parts of Europe, which gives the Group competitive advantages in reaching our ambition to be the preferred provider of Christmas trees to high volume retailers throughout Europe.

Majland Nursery focus on our main product, seedlings, and on potted trees. Due to a clear focus on quality, CSR, traceability and sustainable farming, Majland Nursery maintains the position as a supplier of high-quality products and stable production.

The Company's equity at financial year-end was DKK 22,4 million. The Group's bank has provided the necessary credit facilities to cover next year's liquidity needs according to the Group's long-term financial plan.

The Group's main bank, Sydbank acquired the parent company on October 1, 2019 as part of a

Management commentary

restructuring of the Group's finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million.

Management have made a detailed budget estimating the credit facilities needed to complete the planned activities during 2019/20 and Sydbank has provided what Management finds to be sufficient credit facilities to ensure the completion of these activities and to cover any deviations between the actual results and the planned activities.

Uncertainty relating to recognition and measurement

The Group's inventories of Christmas trees are measured at market value, using a return-based valuation model. This model estimates the Christmas trees' future returns. The return is estimated based on the Group's experience with similar production, including expected yield, quality levels, height and future selling prices. The share-holders and management has chosen a more conservative approach to the future market situation that results in a decrease in the inventory stock value.

As the production cycle of Christmas trees is up to 10 years long, changes may occur in these assumptions that cannot be predicted. Changes in the assumptions will influence the valuation of inventories of Christmas trees. The assumptions are currently considered correct by Management, based on previous experience in the Christmas tree production process and on Management's best estimates of future developments in the market. The majority of the Group's plantations in Europe have been assessed by an independent external assessor, who has assessed the expected yield, quality levels and height.

Due to the circumstances described in the section "Development in activities and finances" Management has adjusted the expected future selling prices and the applied rate of return to take into account the uncertainty in the market regarding the rate and placement of the expected future increases in selling prices. Current selling prices for the season 2019 are fully reflected in the valuation.

Outlook

In the coming years, we will pursue to establish a stable and controlled expansion of the Group's business volume. After the reduction of production areas in 16/17, the Group has obtained a balance between production volume and sales but we will continue to aim for a higher degree of purchased trees to increase flexibility in sales.

Focus will be on the continued strengthening of the Group's market position.

Management expects the a small positive result for Green Team Group for the year 2019/20.

Green Team Group will position ourselves as the most price competitive and professional supplier for

Management commentary

the large volume customers on the European market, and we will strive to primarily cover market demand for Christmas trees with the Group's own production, complemented with a purchase of trees from other producers. The production and assortment will be adapted to regional market needs.

Given the geographical location of its production, the Group has optimal diversification of production risk in terms of climate, weather conditions, vermin and disease as well as operating costs. Also, the geographical dispersion ensures proximity to customers and facilitates logistics.

In Majland A/S focus will continue to be on quality and plants that have high yield potential, safety, traceability and efficiency in the subsequent production process at European Christmas tree growers, who are Majland's primary customers.

Particular risks

General risks

The Group's primary operating risk is linked to the production of seedlings and Christmas trees as well as maintaining a strong position in the markets where the products are sold.

Financial risks

Due to its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. It is the Group's policy not to actively speculate in financial risks. The Group's financial management is therefore only aimed at managing existing financial risks.

Currency risk

The Group conducts active management and monitoring of the Group's currency risks to minimize these. Assets in foreign currencies are partially hedged with debt in the same currency, so that the net foreign currency position of the Group's capital is minimized. The Group does not speculate in currency positions.

Brexit and the development of the GBP that followed and is expected to follow going forward had and will have a potential negative impact on profit and loss as well as equity. However, it is Managements assessment that the Group will strengthen its competitiveness in the future with its own production in Scotland and domestic sales in the UK.

Interest rate risk

It is the Group's policy to partially hedge interest rate risks on loans with variable interest rates. There is a regular monitoring of interest costs and risks.

Credit risk

The Group's policy for assuming credit exposure ensures that all major customers and the business partners are assessed on their credit on an on-going basis and the Group uses credit insurance to a

Management commentary

significant extent.

Environmental performance

Given the nature of our business, environmental matters are very much in focus. We have different certification programs and we always strive to be second to none in the business when it comes to green focus, CSR and certification programs.

We are currently working on reducing chemicals, waste and fertilizer in our production, and we are working closely together with our customers to reduce the environmental impact of our production.

Events after the balance sheet date

The Group's main bank, Sydbank acquired the parent company on October 1, 2019 as part of a restructuring of the Group's finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million.

Further the previous majority shareholders have remitted debt amounting to DKK 30 million, bringing the equity to DKK 108 million in total. All other debts to the previous owner have been settled as part of the financial restructuring of the Group during November, 2019.

Other than the above mentioned 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</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Gross profit		7.018.221	15.238.969
Staff costs	2	(8.038.062)	(7.551.930)
Depreciation, amortisation and impairment losses		<u>(1.771.291)</u>	<u>(2.406.779)</u>
Operating profit/loss		(2.791.132)	5.280.260
Income from investments in group enterprises		45.175	32.985
Other financial income	3	836.756	797.233
Other financial expenses	4	<u>(2.013.221)</u>	<u>(2.161.615)</u>
Profit/loss before tax		(3.922.422)	3.948.863
Tax on profit/loss for the year	5	<u>5.679.081</u>	<u>(868.948)</u>
Profit/loss for the year		<u>1.756.659</u>	<u>3.079.915</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.756.659</u>	<u>3.079.915</u>
		<u>1.756.659</u>	<u>3.079.915</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Acquired rights		157.920	157.920
Intangible assets		157.920	157.920
Land and buildings		44.830.229	44.659.109
Plant and machinery		5.478.065	6.799.539
Property, plant and equipment	6	50.308.294	51.458.648
Investments in group enterprises		204.177	159.002
Other receivables		1	1
Fixed asset investments	7	204.178	159.003
Fixed assets		50.670.392	51.775.571
Raw materials and consumables		45.408.612	50.235.703
Inventories	8	45.408.612	50.235.703
Trade receivables		3.394.519	3.260.393
Receivables from group enterprises		74.819	34.638.401
Other receivables		672.791	896.070
Joint taxation contribution receivable		820.265	0
Prepayments		45.034	196.453
Receivables		5.007.428	38.991.317
Cash		3.169	1.849
Current assets		50.419.209	89.228.869
Assets		101.089.601	141.004.440

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK</u>
Contributed capital		714.286	714.286
Retained earnings		<u>21.681.297</u>	<u>19.924.638</u>
Equity		<u>22.395.583</u>	<u>20.638.924</u>
Deferred tax		<u>8.962.255</u>	<u>10.467.688</u>
Provisions		<u>8.962.255</u>	<u>10.467.688</u>
Mortgage debt		23.961.460	25.642.998
Finance lease liabilities		<u>979.255</u>	<u>1.547.559</u>
Non-current liabilities other than provisions	9	<u>24.940.715</u>	<u>27.190.557</u>
Current portion of long-term liabilities other than provisions	9	2.026.976	2.147.680
Bank loans		5.212.420	15.220.825
Trade payables		4.637.038	4.589.215
Payables to group enterprises		31.264.681	58.731.064
Joint taxation contribution payable		213.599	868.948
Other payables		<u>1.436.334</u>	<u>1.149.539</u>
Current liabilities other than provisions		<u>44.791.048</u>	<u>82.707.271</u>
Liabilities other than provisions		<u>69.731.763</u>	<u>109.897.828</u>
Equity and liabilities		<u>101.089.601</u>	<u>141.004.440</u>
Going concern	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Group relations	13		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	714.286	19.924.638	20.638.924
Profit/loss for the year	0	1.756.659	1.756.659
Equity end of year	714.286	21.681.297	22.395.583

Notes

1. Going concern

The Group's main bank, Sydbank acquired the parent company on October 1, 2019 as part of a restructuring of the Group's finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million. Further the previous majority shareholders have remitted debt amounting to DKK 30 million, bringing the equity for the Group to DKK 108 million in total. All other debts to the previous owner have been settled as part of the financial restructuring of the Group during November, 2019.

Management have made a detailed budget estimating the credit facilities needed to complete the planned activities during 2019/20 and Sydbank has provided what Management finds to be sufficient credit facilities to ensure the completion of these activities and to cover any deviations between the actual results and the planned activities.

	2018/19	2017/18
	DKK	DKK
2. Staff costs		
Wages and salaries	6.654.363	6.253.529
Pension costs	996.898	917.337
Other social security costs	144.606	109.610
Other staff costs	242.195	271.454
	8.038.062	7.551.930
 Average number of employees	 17	 16

	2018/19	2017/18
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	646.462	728.839
Other financial income	190.294	68.394
	836.756	797.233

	2018/19	2017/18
	DKK	DKK
4. Other financial expenses		
Financial expenses from group enterprises	1.358.608	1.181.164
Other financial expenses	654.613	980.451
	2.013.221	2.161.615

Notes

	2018/19	2017/18
	DKK	DKK
5. Tax on profit/loss for the year		
Current tax	(820.265)	868.948
Change in deferred tax	(4.858.816)	0
	(5.679.081)	868.948
		Plant and machinery
		DKK
6. Property, plant and equipment		
Recognised assets not owned by entity		1.731.827
	Invest- ments in group enterprises	Other receivables
	DKK	DKK
7. Fixed asset investments		
Cost beginning of year	125.000	3.968.299
Cost end of year	125.000	3.968.299
Revaluations beginning of year	34.002	0
Impairment losses for the year	45.175	0
Revaluations end of year	79.177	0
Impairment losses beginning of year	0	(3.968.298)
Impairment losses end of year	0	(3.968.298)
Carrying amount end of year	204.177	1

	Corpo- rate	Equity inte- rest
Registered in	form	%
Investments in group enterprises comprise:		
Christmas Seed ApS	ApS	100,0

Notes

8. Inventories

Fair value measurement of potted Christmas trees

The Company's inventories of potted Christmas trees are measured at market value, using a return-based valuation model. This model estimates the potted Christmas trees' future returns. The return is estimated based on the Company's experience with similar production, including expected yield, quality levels, height and future selling prices. There are no changes in these principals.

As the production cycle of potted Christmas trees is up to 10 years long, changes may occur in these assumptions that cannot be predicted. Changes in the assumptions will influence the valuation of inventories of potted Christmas trees. The assumptions are currently considered correct by Management, based on previous experience in the Christmas tree production process and on Management's best estimates of future developments in the market. The majority of the Company's plantations in Denmark have been assessed by an independent external assessor, who has assessed the expected yield, quality levels and height.

Due to the circumstances leading up to Sydbank's purchase of the shares in Management has adjusted the expected future selling prices and the applied rate of return to take into account the uncertainty in the market regarding the rate and placement of the expected future increases in selling prices. Current selling prices for the season 2019 are fully reflected in the valuation.

While a sensitivity analysis on the future selling prices is not possible due to the length of the period over which the prices are estimated, an adjustment of the applied rate of return (8% for Denmark) with 0,5% will result in an decline in the value of the inventory of potted Christmas trees of DKK 0,1 million

In total, the Company owns 0,3 million potted Christmas trees as well as 23 million Christmas tree plants in Denmark.

	Due within 12 months 2018/19 DKK	Due within 12 months 2017/18 DKK	Due after more than 12 months 2018/19 DKK	Outstanding after 5 years DKK
9. Liabilities other than provisions				
Mortgage debt	1.335.537	1.355.150	23.961.460	18.616.279
Finance lease liabilities	691.439	792.530	979.255	0
	2.026.976	2.147.680	24.940.715	18.616.279

Notes

10. Unrecognised rental and lease commitments

The Company has concluded lease agreements on land. The leases run for up to five years and are phased out by 2022. The total liability amounts to DKK 400k.

11. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Adelis Services I ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

12. Assets charged and collateral

Debt to mortgage credit institutions is secured by way of mortgage on land and buildings, the carrying amount of which is DKK 44,830k.

Engagement with the Company's bank is secured by way of a mortgage deed registered to the mortgagor in the amount of DKK 60,000k on properties after mortgage deeds to Nykredit A/S.

Moreover, a company pledge of DKK 15,000k has been issued covering debtors, inventories, operating fixture and equipment, operating equipment, herd, goodwill and rights. The total carrying amount of assets is DKK 54,678k.

13. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Green Team Group A/S, Sønder Omme, CVR-nr. 33057539.

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.

The accounting policies applied for these financial statements are consistent with those applied last year.

Referring to section 112 of the Danish Financial Statements Act, the Company has not prepared own consolidated financial statements. The Company is a subsidiary of Green Team Group A/S, Billund, Central Business Registration No 33 05 75 39, which prepares the overall consolidated financial statements.

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.

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.

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 one 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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Accounting policies

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of raw materials and consumables, other operating income, 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 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 costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

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 write-downs 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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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.

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 internal profits or losses.

Accounting policies

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 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 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 entities. 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).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired rights regarding growing rights.

Rights acquired are measured at cost as they are not subject to impairment.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	33 years
Plant and machinery	5-8 years
Other fixtures and fittings, tools and equipment	8 years

Estimated useful lives and residual values are reassessed annually.

Accounting policies

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

Investments in group enterprises

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 plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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.

Receivables

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

Inventories

Christmas trees

The Group's portfolio of Christmas trees are defined and recognized as biological assets. The biological assets are measured and recognized at fair value less estimated selling costs. The change in the fair value is recorded in the income statement.

The fair value of the Group's portfolio of Christmas trees is calculated as the present value of anticipated future cash flow from the assets before tax. The calculation is based on existing, sustainable felling plans and assessments regarding growth, sales prices, harvesting costs and production costs. Environmental restrictions and other limitations are taken into account and the calculation is based on a production cycle that Green Team Group estimates up to 10 years.

The discount factor is based on a normal weighted average cost of capital (WACC) considering the markets where Green Team Group is operating. Other key assumptions in the calculation consist of percentage of trees felled and the expected quality distribution of the trees, which varies with the local environmental conditions and the general conditions of the trees.

Plants

The fair value of Christmas tree plants is based on expected actual selling prices for the different types and ages of plants. The calculation of fair value is based on existing, sustainable plans and assessments regarding sales and harvesting costs. Environmental restrictions and other limitations are taken into account and the

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calculation is performed for a production cycle that Majland A/S estimates up to 4 years. Other key assumptions in the calculation consist of percentage of harvested plants and the expected quality distribution.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

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

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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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.

Other financial liabilities

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