

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

**Annual report 01.07.2017
- 30.06.2018**

The Annual General Meeting adopted the annual report on 29.11.2018

Chairman of the General Meeting

Name: Steffen Kjeld Thomsen

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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: 01.07.2017 - 30.06.2018

Board of Directors

Steffen Kjeld Thomsen, chairman
Christian Pagaard Junker
Jens Christian Hansen
Peder Larsen Østbjerg
Torben Sommer-Larsen
Jes Bjerregaard

Executive Board

Sune Graae Norsker, managing director
Jacob Majland Lauridsen

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 01.07.2017 - 30.06.2018.

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 30.06.2018 and of the results of its operations for the financial year 01.07.2017 - 30.06.2018.

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, 25.09.2018

Executive Board

Sune Graae Norsker
managing director

Jacob Majland Lauridsen

Board of Directors

Steffen Kjeld Thomsen
chairman

Christian Pagaard Junker

Jens Christian Hansen

Peder Larsen Østbjerg

Torben Sommer-Larsen

Jes Bjerregaard

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 01.07.2017 - 30.06.2018, 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 30.06.2018 and of the results of its operations for the financial year 01.07.2017 - 30.06.2018 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, 25.09.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Suzette Demediuk Steen Nielsen
State Authorised Public Accountant
Identification No (MNE) mne32207

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.

Income statement for 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Gross profit		15.238.969	4.973.008
Staff costs	1	(7.551.930)	(9.100.093)
Depreciation, amortisation and impairment losses		<u>(2.406.779)</u>	<u>(6.870.425)</u>
Operating profit/loss		5.280.260	(10.997.510)
Income from investments in group enterprises		32.985	20.861
Other financial income	2	797.233	1.818.378
Other financial expenses	3	<u>(2.161.615)</u>	<u>(3.767.344)</u>
Profit/loss before tax		3.948.863	(12.925.615)
Tax on profit/loss for the year	4	<u>(868.948)</u>	<u>2.843.680</u>
Profit/loss for the year		<u>3.079.915</u>	<u>(10.081.935)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>3.079.915</u>	<u>(10.081.935)</u>
		<u>3.079.915</u>	<u>(10.081.935)</u>

Balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Acquired rights		157.920	157.920
Intangible assets		157.920	157.920
Land and buildings		44.659.109	46.555.623
Plant and machinery		6.799.539	8.437.210
Property, plant and equipment	5	51.458.648	54.992.833
Investments in group enterprises		159.002	126.017
Other receivables		1	1
Fixed asset investments	6	159.003	126.018
Fixed assets		51.775.571	55.276.771
Raw materials and consumables		50.235.703	47.731.766
Inventories		50.235.703	47.731.766
Trade receivables		3.260.393	3.058.895
Receivables from group enterprises		34.638.401	32.181.369
Other receivables		896.070	1.094.671
Joint taxation contribution receivable		0	2.843.635
Prepayments		196.453	238.545
Receivables		38.991.317	39.417.115
Cash		1.849	41.804
Current assets		89.228.869	87.190.685
Assets		141.004.440	142.467.456

Balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital		714.286	714.286
Retained earnings		<u>19.924.638</u>	<u>16.844.723</u>
Equity		<u>20.638.924</u>	<u>17.559.009</u>
Deferred tax		<u>10.467.688</u>	<u>11.395.533</u>
Provisions		<u>10.467.688</u>	<u>11.395.533</u>
Mortgage debt		25.642.998	28.021.630
Finance lease liabilities		<u>1.547.559</u>	<u>2.309.598</u>
Non-current liabilities other than provisions	7	<u>27.190.557</u>	<u>30.331.228</u>
Current portion of long-term liabilities other than provisions	7	2.147.680	1.646.800
Bank loans		15.220.825	32.465.591
Trade payables		4.589.215	2.425.750
Payables to group enterprises		58.731.064	44.954.378
Joint taxation contribution payable		868.948	0
Other payables		<u>1.149.539</u>	<u>1.689.167</u>
Current liabilities other than provisions		<u>82.707.271</u>	<u>83.181.686</u>
Liabilities other than provisions		<u>109.897.828</u>	<u>113.512.914</u>
Equity and liabilities		<u>141.004.440</u>	<u>142.467.456</u>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		
Group relations	11		

Statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	714.286	16.844.723	17.559.009
Profit/loss for the year	0	3.079.915	3.079.915
Equity end of year	714.286	19.924.638	20.638.924

Notes

	2017/18	2016/17
	DKK	DKK
1. Staff costs		
Wages and salaries	6.253.529	7.543.461
Pension costs	917.337	1.087.105
Other social security costs	109.610	139.303
Other staff costs	271.454	330.224
	7.551.930	9.100.093
 Average number of employees	 16	
	2017/18	2016/17
	DKK	DKK
2. Other financial income		
Financial income arising from group enterprises	728.839	1.769.782
Other financial income	68.394	48.596
	797.233	1.818.378
	2017/18	2016/17
	DKK	DKK
3. Other financial expenses		
Financial expenses from group enterprises	1.181.164	1.491.033
Other financial expenses	980.451	2.276.311
	2.161.615	3.767.344
	2017/18	2016/17
	DKK	DKK
4. Tax on profit/loss for the year		
Current tax	868.948	(2.843.680)
	868.948	(2.843.680)
		Plant and machinery DKK
5. Property, plant and equipment		
Recognised assets not owned by entity		2.481.259

Notes

	Invest- ments in group enterprises DKK	Other receivables DKK
6. 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	1.017	0
Impairment losses for the year	32.985	0
Revaluations end of year	34.002	0
Impairment losses beginning of year	0	(3.968.298)
Impairment losses end of year	0	(3.968.298)
Carrying amount end of year	159.002	1

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

	Due within 12 months 2017/18 DKK	Due within 12 months 2016/17 DKK	Due after more than 12 months 2017/18 DKK	Outstanding after 5 years DKK
7. Liabilities other than provisions				
Mortgage debt	1.355.150	561.000	25.642.998	20.222.157
Finance lease liabilities	792.530	1.085.800	1.547.559	0
	2.147.680	1.646.800	27.190.557	20.222.157

Notes

8. 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 2023. The total liability amounts to DKK 613k.

9. 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.

10. 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 44,659k.

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 59,386k.

11. 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

The fair value of Christmas trees 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 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.

Other inventory is measured at historical costs according to the FIFO method or net realisable value if this is lower. Cost of other inventory comprises cost of goods as well as acquisition costs. Net realisable value of other inventory is calculated as sales price with a deduction of costs to complete and carry out the sale.

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.

Accounting policies

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable og joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.