Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR no. 33963556
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Phone +4536102030
Fax +4536102040
www.deloitte.dk

CMOL Holding ApS

Koldinghus Alle 1
4690 Haslev
Central Business Registration
No 29807728

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

Name: Christian Georg Peter Moltke

Contents

Entity details

Entity
CMOL Holding ApS
Koldinghus Alle 1
4690 Haslev

Central Business Registration No (CVR): 29807728
Registered in: Faxe
Financial year: 01.07.2018 - 30.06.2019

Board of Directors
Christian Georg Peter Moltke, chairman

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 CMOL Holding ApS 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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2019, and of the results of their operations and the consolidated cash flows 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

Independent auditor's report

To the shareholders of CMOL Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of CMOL Holding ApS 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2019, and of the results of their operations and the consolidated cash flows 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

Independent auditor's report

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

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

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

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

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

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

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

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

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

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

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 DKK'000	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000
Financial highlights				
Key figures				
Gross profit	75.616	41.127	105.027	45.712
Operating profit/loss	45.199	19.306	83.677	33.933
Net financials	(1.592)	(16.715)	33.620	19.695
Profit/loss for the year	35.969	9.488	106.806	53.674
Profit/loss excl minority interests	622	106	118	2.791
Total assets	1.291.110	1.283.842	572.977	369.983
Investments in property, plant and equipment	35.246	152.503	215.687	102
Equity	668.108	611.142	63.304	(55.601)
Average numbers of employees	30	23	21	19
Ratios				
Return on equity incl minority interests	5,6	2,8	2.772,6	-
Equity ratio incl minority interests	51,7	47,5	11,1	(15,0)

According to section 128(4) of the Danish Financial Statements Act, the Group has omitted to disclose the financial highlights for the financial years 2013/14. The Entity has changed accounting principles. According to section 101 (3) of the Danish Financial Statements act, the financial highlights for the year 2015/16 – 2016/17 have not been restated, 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 decribed 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 incl minority interests	$\frac{\text{Profit/loss for the year incl minority interests x 100}}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio incl minority interests	$\frac{\text{Equity incl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The primary activities of the Group are:

- Farming and warehousing in Poland
- Pig production in Denmark
- Property investments
- Wind and solar production
- Development and sale of solar cell farm production
- Corporate investments

The Group is part of the Bregentved Group, which, in addition to the Group, consists of Bregentved Estate operated on a personal basis, for which reason the financial details thereof are not publicly available.

Changes in accounting policies
The Group has decided to change its policy on investment properties and land ownership, thus recognising them at fair value instead of cost. Moreover, pigs for slaughter are now recognised as biological assets compared to the previous recognition at cost. By these changes the Group wants to give a more true and fair view of its financial position. For further details of the changes, please see note 1 and the Changes in accounting policies section in the financial statements.

Development in activities and finances
The Group has realised a profit of DKK 36 million and an EBITDA of DKK 66 million, which are considered satisfactory compared to the expectations indicated last year.

The Parent has realised a loss of TDKK 484, which is considered satisfactory.

Overall, the financial year 2018/19 is deemed reasonable given that the Group has experienced financial prosperity of its primary activities; and a year in which the Group has started a slaughter pig productions into operation. The Group continues to invest in the development of a line of solar cell farms in Denmark and abroad. The Group expects that the first sale of these solar farms will take place in the financial year 2019/20 against 2018/19 as previously anticipated.

The Group's investments have progressed as follows:

- The agricultural investments in Poland have made a small profit during the year due to drought aid from the Polish government.
- The pig production start-up in Denmark has been in line with expectations and now delivers positive results.
- The property investments have developed slightly poorer than expected due to bankruptcies of a few larger leesse. Subsequent to the financial year, the Group has made a minor investment in a property portfolio which will affect earnings positively from 2019/20.

Management commentary

- The wind and solar activities have progressed better than expected as a result of significantly rising electricity prices in 2018/19, which, in particular, positively affect the wind assets.
- The development and sale of solar cell farms are carried out mostly through the subsidiary BeGreen A/S. The development of the portfolio has progressed satisfactorily.
- The corporate investments have only affected the results insignificantly in 2018/19, which is in line with expectations.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement.

Outlook

The Group expects a much better performance for 2019/20.

- The agricultural investments in Poland are also expected to make a small profit in 2019/20 due to another drought during the harvest of 2019. The results of the warehousing activity are expected to be unchanged.
- The pig production in Denmark is expected to contribute a better performance than in 2018/19 as a result of a continuously high quotation price.
- The property investments are expected to contribute consistent organic results and improved overall performance due to new investments.
- The wind and solar activities are expected to contribute unchanged revenue due to stable electricity prices compared to 2018/19.
- It is expected to divest part of solar farm pipeline in 2019/20, contributing to revenue in 2020/21.
- The corporate investments are not expected to affect earnings in 2019/20.

Financial resources

The Group's financial resources have been significantly strengthened given that the Group's earnings from non-project-related sales have improved compared to previous years.

Subsequent to the balance sheet date, the Group has refinanced a substantial part of its debts into fixed-rate loans and at the same time reduced the debt significantly.

Management expects that the capital resources will be sufficient to implement the Group's strategic business plan.

Particular risks

Operating risks

The weather conditions in Denmark and Poland may influence the Group's performance significantly.

Market risk

The development in electricity prices, as well as the quotation prices on grain, oilseed rape and pigs, may affect the Group's performance significantly.

Management commentary

Interest rate risk

The Group's debt instruments consists of instruments with a floating rate, which constitutes aproximately 73 % of total debt instruments, and a fixed rate, which constitutes approximately 27 % of total debt instruments. Consequently, an interest rate increase could harm the Group's performance. The Group pays instalments on a large part of its debts.

Environmental performance

The Group runs its agricultural activities in accordance with applicable laws, focusing on the lowest possible climate and environmental impact of production, as well as the highest animal welfare standards, and contributes through its investments in sustainable energy to making the Group carbon-neutral.

Events after the balance sheet date

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

Consolidated income statement for 2018/19

	Notes	2018/19 DKK'000	2017/18 DKK'000
Gross profit		**75.616**	**41.127**
Staff costs	2	(9.803)	(5.795)
Depreciation, amortisation and impairment losses	3	(20.614)	(16.026)
Operating profit/loss		**45.199**	**19.306**
Income from investments in associates		(162)	(450)
Other financial income	4	7.626	4.688
Other financial expenses	5	(9.056)	(20.953)
Profit/loss before fair value adjustments and tax		**43.607**	**2.591**
Fair value adjustment of investment properties	6	152	6.045
Profit/loss before tax		**43.759**	**8.636**
Tax on profit/loss for the year	7	(7.790)	852
Profit/loss for the year	8	**35.969**	**9.488**

Consolidated balance sheet at 30.06.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Acquired intangible assets		14.593	15.611
Goodwill		0	0
Development projects in progress		751	729
Intangible assets	9	**15.344**	**16.340**
Land and buildings		611.567	520.210
Investment property		358.763	341.149
Other fixtures and fittings, tools and equipment		196.271	194.958
Property, plant and equipment in progress		745	68.071
Property, plant and equipment	10	**1.167.346**	**1.124.388**
Investments in associates		156	833
Other investments		1.083	1.086
Other receivables		54	36
Fixed asset investments	11	**1.293**	**1.955**
Fixed assets		**1.183.983**	**1.142.683**
Raw materials and consumables		2.269	7.602
Work in progress		45.122	27.057
Manufactured goods and goods for resale		3.465	180
Inventories		**50.856**	**34.839**
Trade receivables		19.415	13.658
Other receivables		20.973	80.075
Income tax receivable		0	427
Prepayments	13	2.107	1.068
Receivables		**42.495**	**95.228**
Cash		**13.776**	**11.092**
Current assets		**107.127**	**141.159**
Assets		**1.291.110**	**1.283.842**

Consolidated balance sheet at 30.06.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Contributed capital		125	125
Retained earnings		(27.578)	(26.334)
Equity attributable to the Parent's owners		**(27.453)**	**(26.209)**
Share of equity attributable to minority interests		**695.561**	**637.351**
Equity		**668.108**	**611.142**
Deferred tax	14	24.895	19.258
Provisions		**24.895**	**19.258**
Mortgage debt		304.354	300.704
Bank loans		55.382	101.807
Payables to shareholders and management		30.033	31.164
Income tax payable		0	1.081
Non-current liabilities other than provisions	15	**389.769**	**434.756**
Current portion of long-term liabilities other than provisions	15	21.969	24.806
Bank loans		103.974	113.397
Prepayments received from customers		60	0
Trade payables		18.550	24.621
Payables to shareholders and management		3.503	3.570
Income tax payable		1.446	0
Other payables		16.716	8.254
Deferred income	16	42.120	44.038
Current liabilities other than provisions		**208.338**	**218.686**
Liabilities other than provisions		**598.107**	**653.442**
Equity and liabilities		**1.291.110**	**1.283.842**
Uncertainty relating to recognition and measurement	1		
Associates	12		
Financial instruments	18		
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Transactions with related parties	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2018/19

	Contributed capital DKK'000	Retained earnings DKK'000	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	125	(31.696)	106.560	74.989
Changes in accounting policies	0	5.362	530.791	536.153
Adjusted equity, beginning of year	**125**	**(26.334)**	**637.351**	**611.142**
Effect of mergers and business combinations	0	(2.140)	(4.173)	(6.313)
Exchange rate adjustments	0	155	15.322	15.477
Other entries on equity	0	138	13.613	13.751
Tax of entries on equity	0	(19)	(1.899)	(1.918)
Profit/loss for the year	0	622	35.347	35.969
Equity end of year	**125**	**(27.578)**	**695.561**	**668.108**

Consolidated cash flow statement for 2018/19

	Notes	2018/19 DKK'000	2017/18 DKK'000
Operating profit/loss		45.199	19.307
Amortisation, depreciation and impairment losses		20.635	16.026
Working capital changes	17	36.039	(48.369)
Cash flow from ordinary operating activities		**101.873**	**(13.036)**
Financial income received		2.493	3.908
Financial expenses paid		(8.970)	(13.908)
Income taxes refunded/(paid)		(2.409)	(539)
Cash flows from operating activities		**92.987**	**(23.575)**
Acquisition etc of intangible assets		(22)	(24)
Acquisition etc of property, plant and equipment		(35.222)	(142.502)
Sale of property, plant and equipment		8.115	218
Acquisition of fixed asset investments		(18)	(83)
Sale of fixed asset investments		0	216
Acquisition of enterprises		(6.360)	(2.497)
Disposal of enterprises		0	220
Dividends received		0	43
Dividends received from associates		0	(8.666)
Cash flows from investing activities		**(33.507)**	**(153.075)**
Loans raised		15.764	186.422
Repayments of loans etc		(62.574)	(14.240)
Cash flows from financing activities		**(46.810)**	**172.182**
Increase/decrease in cash and cash equivalents		**12.670**	**(4.468)**
Cash and cash equivalents beginning of year		(102.304)	(97.339)
Currency translation adjustments of cash and cash equivalents		(565)	(497)
Cash and cash equivalents end of year		**(90.199)**	**(102.304)**
Cash and cash equivalents at year-end are composed of:			
Cash		13.776	11.092
Short-term debt to banks		(103.975)	(113.396)
Cash and cash equivalents end of year		**(90.199)**	**(102.304)**

Notes to consolidated financial statements

1. Uncertainty relating to recognition and measurement

CMOL Holding ApS has chosen to measure properties at fair value. The choice of measurement at fair value means, that investment properties are continually measured at fair value and that the change in fair value is recognized in the income statement and is a part of the Group's retained earnings. For other properties that are measured at fair value, the change in fair value is recognized directly on equity.

The uncertainty relates to a number of accounting estimates performed by mangement, which are the following:

- Valuation of rental income which is variable
- Calculation of fair value historically

Fair value calculation at 30 June 2017 is based on an external valuation report from 2016, and the principles have then been projected forward in time. DCF-models etc. have been updated based on the model from 2016 at 30 June 2018 and 30 June 2019.

See note 10 for sensitivity analysis related to the calculation of fair value.

	2018/19 DKK'000	2017/18 DKK'000
2. Staff costs		
Wages and salaries	8.561	4.711
Pension costs	317	81
Other social security costs	914	994
Other staff costs	11	9
	9.803	**5.795**
Average number of employees	**30**	**23**

According to section 98B(3) of the Danish Financial Statements Act, the Group has omitted to disclose the remuneration to Management.

	2018/19 DKK'000	2017/18 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	325	325
Depreciation of property, plant and equipment	20.289	15.701
	20.614	**16.026**

Notes to consolidated financial statements

	2018/19 DKK'000	2017/18 DKK'000
4. Other financial income		
Exchange rate adjustments	5.133	737
Other financial income	2.493	3.951
	7.626	**4.688**

	2018/19 DKK'000	2017/18 DKK'000
5. Other financial expenses		
Exchange rate adjustments	87	7.045
Other financial expenses	8.969	13.908
	9.056	**20.953**

6. Fair value adjustment of investment properties

The fair value adjustment for the year can be specified as follows:

	2018/19	2017/18
Fair value adjustment due to third party valuations	11.332	0
Fair value adjustments of investment properties due to operating improvements	4.762	9.753
Fair value adjustment of investment properties due to change in rate of return	(2.190)	(3.707)
	13.903	**6.045**
Split:		
Recognized in the income statement	152	6.045
Recognized directly on equity	13.751	0
	13.903	**6.045**

	2018/19 DKK'000	2017/18 DKK'000
7. Tax on profit/loss for the year		
Current tax	3.019	426
Change in deferred tax	4.779	231
Adjustment concerning previous years	(8)	(1.509)
	7.790	**(852)**

Notes to consolidated financial statements

	2018/19 DKK'000	2017/18 DKK'000
8. Proposed distribution of profit/loss		
Retained earnings	622	106
Minority interests' share of profit/loss	35.347	9.382
	35.969	**9.488**

	Acquired intangible assets DKK'000	Goodwill DKK'000	Develop-ment projects in progress DKK'000
9. Intangible assets			
Cost beginning of year	29.055	562	855
Exchange rate adjustments	691	0	0
Additions	0	0	22
Cost end of year	**29.746**	**562**	**877**
Amortisation and impairment losses beginning of year	(13.444)	(562)	(126)
Exchange rate adjustments	(385)	0	0
Amortisation for the year	(1.324)	0	0
Amortisation and impairment losses end of year	**(15.153)**	**(562)**	**(126)**
Carrying amount end of year	**14.593**	**0**	**751**

Development projects

The Group's development projects relate to an integrated agricultural and energy system with recycling of carbon and nutrients. The development projects are still in a start-up phase. Management expects to complete the development projects in approximately two years.

Notes to consolidated financial statements

10. Property, plant and equipment	Land and buildings DKK'000	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	208.607	81.594	235.280	68.071
Exchange rate adjustments	3.133	2.028	2.091	0
Transfers	76.311	1.922	0	(78.233)
Additions	3.394	0	20.945	10.907
Disposals	(2)	(440)	(18.353)	0
Cost end of year	**291.443**	**85.104**	**239.963**	**745**
Revaluations beginning of year	315.785	0	0	0
Exchange rate adjustments	9.673	0	0	0
Transfers	(8.721)	8.721	0	0
Revaluations for the year	13.750	0	0	0
Revaluations end of year	**330.487**	**8.721**	**0**	**0**
Depreciation and impairment losses beginning of year	(4.182)	0	(40.321)	0
Exchange rate adjustments	(119)	0	(802)	0
Depreciation for the year	(6.062)	0	(13.249)	0
Reversal regarding disposals	0	0	10.680	0
Depreciation and impairment losses end of year	**(10.363)**	**0**	**(43.692)**	**0**
Fair value adjustments beginning of year	0	259.555	0	0
Fair value adjustments for the year	0	5.383	0	0
Fair value adjustments end of year	**0**	**264.938**	**0**	**0**
Carrying amount end of year	**611.567**	**358.763**	**196.271**	**745**

Presumptions made for the calculation of fair value of properties

The Group measures investment properties as well as some categories of other properties at fair value. Properties at fair value includes:

Investment properties in Denmark consists of:

- Agricultural land which is leased

Notes to consolidated financial statements

- Commercial rental of buildings and land
- Leasing of land, on which solar plants are build, which are leased on long contracts

Investment properties in Poland consists of:

- Agricultural land which is leased

Other properties measured at fair value with recognition directly on equity in Poland consists of:

- Agricultural land used by the Group

Determination of fair value in Denmark is based on a DCF-model, whereas fair value in Poland is based on sales of comparable properties.

To support the valuation in Poland, a valuation report performed by an external valuer is used. The valuation report in Poland is based on sales of land of comparable soil-qualities in the public soil-register. If there are no 100 % comparable sales, the valuar makes a surcharge of deduction based on professional judgment.

Properties measured based on comparable sales amount to 68,7%.

Properties measured based on a DCF-model amount to 16,1%.

Properties measured at cost less accumulated depreciations amount to 15,2%.

The application of accounting estimates means, that there is a certain degree of uncertainty related to the calculation of fair value. Fair value is based on preconditions, which management beleives are likely and realistic. The primary preconditions applied fot the calculation of fair value is as follows:

Investment properties	**Denmark**	
	18/19	17/18
Fair value of investment properties amount to	156.147	150.682
Budgetperiod, solar plants	2019 - 2050	2018-2015
Budgetperiod, other activities	2019/20	2018/19
WACC	3,74% - 8,00%	3,96% - 8,00%
Average WACC	7,07%	7,21%
Future growth	1,37%	1,86%
Lease income for solar plants are based on the tenants' annual production and sales.	Budgetted based on management accounting estimates.	Budgetted based on management accounting estimates.

Notes to consolidated financial statements

Investment properties	**Poland**
Fair value of investment properties amount to	202.615
Number of hectars which is leased with a lease period between 11-14 years.	1.873
Average value per hectar	108.178

Properties measured at fair value through equity	**Poland**
Fair value of properties measured at fair value through equity	463.717
Number of hectars used by the Group	5.869
Average value per hectar	79.011

Sensitivity analysis for calculation of fair value of investment properties

Change in fair value at a change in WACC of +/- 0,5%-point in Denmark:

Change to average WACC	**-0,5%**	**Basis**	**+0,5%**
WACC	6,57%	7,07%	7,57%
Fair value	166.224	156.147	147.632
Change in fair value	10.078	0	(8.515)

Change in fair value at a change in average value per hectar of +/- 0,5% in Poland:

Change in average value per hectar	**-0,5%**	**Basis**	**+0,5%**
Average value per hectar	107,6	108,1	108,7
Fair value	201.602	202.615	203.628
Change in fair value	(1.013)	0	1.013

Sensitivity analysis for calculation of fair value of properties measured at fair value through equity

Change in average value per hectar	**-0,5%**	**Basis**	**+0,5%**
Average value per hectar	78,6	79	79,4
Fair value	461.398	463.717	466.035
Change in fair value	(2.319)	0	2.319

Notes to consolidated financial statements

	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
11. Fixed asset investments			
Cost beginning of year	118	1.086	36
Additions	0	0	18
Disposals	(93)	(3)	0
Cost end of year	**25**	**1.083**	**54**
Revaluations beginning of year	714	0	0
Share of profit/loss for the year	(162)	0	0
Reversal of revaluations	(421)	0	0
Revaluations end of year	**131**	**0**	**0**
Carrying amount end of year	**156**	**1.083**	**54**

	Registered in	Equity inte-rest %
12. Associates		
Solarpark Vandel Services ApS	Gladsaxe	50,0

13. Prepayments

Prepayments comprise prepaid insurance and rent.

	2018/19 DKK'000
14. Deferred tax	
Changes during the year	
Beginning of year	20.116
Recognised in the income statement	4.779
End of year	**24.895**

The difference between the beginning of year amount above, and the number presented as deferred tax under provisions of DKK 19.258k, is due to a reclassification between deferred tax and current tax. The reclassification is because the total tax position of the Group was not known at the time of publication of the annual report for 2017/18.

Notes to consolidated financial statements

15. Liabilities other than provisions	Due within 12 months 2018/19 DKK'000	Due within 12 months 2017/18 DKK'000	Due after more than 12 months 2018/19 DKK'000	Outstanding after 5 years DKK'000
Mortgage debt	19.515	17.214	304.354	232.204
Bank loans	2.454	7.592	55.382	38.350
Payables to shareholders and management	0	0	30.033	0
	21.969	**24.806**	**389.769**	**270.554**

16. Short-term deferred income

Deferred income relates to grants received in connection with the construction and acquisition of property, plant and equipment which are recognised as income when the assets in question are depreciated.

17. Change in working capital	2018/19 DKK'000	2017/18 DKK'000
Increase/decrease in inventories	(13.414)	(12.992)
Increase/decrease in receivables	52.306	(18.386)
Increase/decrease in trade payables etc	(2.853)	(16.991)
	36.039	**(48.369)**

18. Financial instruments

The Group has entered into several interest rate swap contracts recognised as other payables. The interest rate swaps are recognised at a negative fair value of DKK 552 thousand. The Group swaps from floating interest rates to fixed rates of interest. The principal amount is EUR 14,296 thousand. The interest rate swaps will expire in December 2019 and July 2020, respectively.

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.

19. Unrecognised rental and lease commitments	2018/19 DKK'000	2017/18 DKK'000
Liabilities under rental or lease agreements until maturity in total	**19.722**	**6.195**

20. Assets charged and collateral

In security of debt to a foreign banker, security has been provided by way of mortgages registered to the

Notes to consolidated financial statements

mortgagor of EUR 32.220 thousand, giving security in land and buildings at a total carrying amount of DKK 666.331 thousand.

The Group's banker has provided a bank guarantee of DKK 511 thousand for one of the Group’s partners and a bank guarantee of DKK 4.752 thousand for one of the Group’s suppliers.

Land and buildings at a carrying amount of DKK 147.851 thousand are provided as security to mortgage credit institutions.

Other fixtures and fittings, tools and equipment at a carrying amount of DKK 114.021 thousand are provided as security to mortgage credit institutions.

In security of debt to a banker and mortgage credit institutions, security has been provided by way of mortgages registered to the mortgagor and a private mortgage deed of DKK 68.650 thousand nominal, giving security in land and buildings and investment properties at carrying amounts of DKK 116.049 thousand and DKK 40.098 thousand, respectively.

21. Transactions with related parties

Transactions with related parties

The Group's transactions with related parties have been conducted on an arm’s length basis. According to section 98C of the Danish Financial Statements Act, the related party transactions have not been disclosed.

Notes to consolidated financial statements

	Registered in	Corpo-rate form	Equity inte-rest %	Equity DKK'000	Profit/loss DKK'000
22. Subsidiaries					
CM Finans A/S	Haslev	A/S	0,0	642.750.642	28.495.610
CMB II A/S	Haslev	A/S	0,0	1.192.534	804.097
Erhvervspark Vandel ApS	Haslev	ApS	0,0	79.418.280	9.083.941
Flyveplads Vandel ApS	Haslev	ApS	0,0	21.255.506	1.329.965
CM Agropol Sp.z.o.o.	Poland	Sp.z.o.o	0,0	540.157.675	15.036.645
Agro-Mach Sp.z.o.o.	Poland	Sp.z.o.o	0,0	1.861.171	(477.383)
Cron-Pol Agro Sp.z.o.o.	Poland	Sp.z.o.o	0,0	36.331.679	(256.378)
CMP Invest Sp.z.o.o.	Poland	Sp.z.o.o	0,0	306.097.544	9.462.900
MBC Invest Sp.z.o.o.	Poland	Sp.z.o.o	0,0	140.794.253	3.619.639
CM Debogora Sp.z.o.o.	Poland	Sp.z.o.o	0,0	2.248.781	13.218
CM Marianowo Sp.z.o.o.	Poland	Sp.z.o.o	0,0	6.451.306	117.387
Swoch Agro Sp.z.o.o.	Poland	Sp.z.o.o	0,0	179.812	66.199
CM Sitno Sp.z.o.o.	Poland	Sp.z.o.o	0,0	20.599.141	1.376.599
Cietrzew Sp.z.o.o.	Poland	Sp.z.o.o	0,0	8.417.451	(461.978)
CM Partners Polska Sp.z.o.o.	Poland	Sp.z.o.o	0,0	187.812	1.099.082
Eskildstrup Vindmøllepark ApS	Haslev	ApS	0,0	16.334.290	(2.737.011)
PV Haslev ApS	Haslev	ApS	0,0	(182.526)	(162.099)
Faxe Sol ApS	Haslev	ApS	0,0	(181.174)	(161.538)
BeGreen A/S	Haslev	A/S	10,0	(4.643.799)	(3.678.737)
FOGC Sol ApS	Haslev	ApS	0,0	2.018.465	1.467.749
Turebylille Vindmøllepark ApS	Haslev	ApS	34,3	13.534.618	8.430.741
FM Pork A/S	Haslev	A/S	0,0	(580.454)	4.193.573
FMP Langesnage ApS	Haslev	ApS	0,0	(196.496)	(1.263)

Notes to consolidated financial statements

22. Subsidiaries (continued)	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
FMP Sofiendal ApS	Haslev	ApS	0,0	(816.214)	145.235
FMP Turebylille ApS	Haslev	ApS	0,0	(974.254)	44.400
FMP Eskildstrup ApS	Haslev	ApS	0,0	(939.593)	(243.966)
CMB III ApS	Haslev	ApS	100,0	(182.292)	(32.624.592)
Bregentved Cleantech Systems ApS	Haslev	ApS	0,0	67.171	(27.717)
Telos Energy ApS	Haslev	ApS	0,0	(2.500.442)	(85.059)
BeGreen Investering Holding ApS	Haslev	ApS	10,0	(1.352.626)	(1.466.466)
OMOL II Holding ApS	Haslev	ApS	0,0	(116.333)	(70.852)
OMOL Holding IvS	Haslev	IvS	0,0	28.267.961	5.564.365
Komplementarselskabet BeGreen 2018-28 ApS	Haslev	ApS	10,0	56.288	6.288
BeGreen 2018-28 P/S	Haslev	P/S	10,0	(710.660)	(1.210.660)
GMOL Holding IvS	Haslev	IvS	0,0	54.761.354	35.128.108
GMOL Holding 2 ApS	Haslev	ApS	0,0	(1.355.610)	(1.405.610)
BeGreen Holding 2018-28 ApS	Haslev	ApS	10,0	(1.071.001)	(1.121.001)
BeGreen Holding 2018-29 ApS	Haslev	ApS	10,0	(3.664)	(53.664)
BeGreen 2018-29 P/S	Haslev	P/S	10,0	352.765	(47.235)
Komplementarselskabet BeGreen 2018-29 ApS	Haslev	ApS	10,0	58.343	8.343
Komplementarselskabet BeGreen 2018-30 ApS	Haslev	ApS	10,0	64.680	14.680
BeGreen Holding 2018-30 ApS	Haslev	ApS	10,0	(200.255)	(255.925)
BeGreen 2018-30 K/S	Haslev	K/S	10,0	(254.141)	(261.391)
BeGreen Holding 2018-31 Sp.z o.o.	Poland	Sp.z o.o.	10,0	(268.057)	(276.111)
BeGreen Poland 2018-31 Sp. z o.o.	Poland	Sp.z o.o.	10,0	(50.309)	(48.853)
BeGreen Poland 2018-31 Sp. z o.o. sp.k.	Poland	Sp. z o.o. sp.k.	10,0	(220.412)	(221.637)

The Group has a controlling interest in all of the above entities, as it controls the majority of the voting rights.

Parent income statement for 2018/19

	Notes	2018/19 DKK'000	2017/18 DKK'000
Gross loss		**(213)**	**(1.385)**
Income from investments in group enterprises		44	1.802
Other financial income from group enterprises		34	163
Other financial income		2	0
Financial expenses from group enterprises		(162)	(205)
Other financial expenses		(1)	0
Profit/loss before tax		**(296)**	**375**
Tax on profit/loss for the year	1	(188)	275
Profit/loss for the year	2	**(484)**	**650**

Parent balance sheet at 30.06.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Investments in group enterprises		4.636	7.827
Fixed asset investments	3	**4.636**	**7.827**
Fixed assets		**4.636**	**7.827**
Receivables from group enterprises		3.894	1.464
Deferred tax	4	107	347
Income tax receivable		1.939	0
Prepayments	5	40	39
Receivables		**5.980**	**1.850**
Cash		**71**	**1**
Current assets		**6.051**	**1.851**
Assets		**10.687**	**9.678**

Parent balance sheet at 30.06.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Contributed capital		125	125
Reserve for net revaluation according to the equity method		4.566	7.138
Retained earnings		972	(1.116)
Equity		**5.663**	**6.147**
Payables to shareholders and management		20	20
Non-current liabilities other than provisions		**20**	**20**
Trade payables		131	100
Payables to group enterprises		4.873	2.941
Income tax payable		0	470
Current liabilities other than provisions		**5.004**	**3.511**
Liabilities other than provisions		**5.024**	**3.531**
Equity and liabilities		**10.687**	**9.678**
Contingent liabilities	6		
Assets charged and collateral	7		
Related parties with controlling interest	8		

Parent statement of changes in equity for 2018/19

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	125	1.868	(1.116)	877
Changes in accounting policies	0	5.270	0	5.270
Adjusted equity, beginning of year	**125**	**7.138**	**(1.116)**	**6.147**
Transfer to reserves	0	(2.572)	2.572	0
Profit/loss for the year	0	0	(484)	(484)
Equity end of year	**125**	**4.566**	**972**	**5.663**

Notes to parent financial statements

	2018/19 DKK'000	2017/18 DKK'000
1. Tax on profit/loss for the year		
Change in deferred tax	188	(325)
Adjustment concerning previous years	0	50
	188	**(275)**

	2018/19 DKK'000	2017/18 DKK'000
2. Proposed distribution of profit/loss		
Retained earnings	(484)	650
	(484)	**650**

	Investments in group enterprises DKK'000
3. Fixed asset investments	
Cost beginning of year	689
Disposals	(619)
Cost end of year	**70**
Revaluations beginning of year	7.138
Share of profit/loss for the year	2.888
Reversal regarding disposals	(5.460)
Revaluations end of year	**4.566**
Carrying amount end of year	**4.636**

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

	2018/19 DKK'000
4. Deferred tax	
Changes during the year	
Beginning of year	347
Recognised in the income statement	(188)
Other changes	(52)
End of year	**107**

Notes to parent financial statements

5. Prepayments

Prepayments comprise accrued insurance etc.

6. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

7. Assets charged and collateral

In security of a subsidiaries' bank loan, security has been provided in the Company's shares of Turebylille Vindmøllepark ApS.

The company has guaranteed BeGreen 2018-28 P /S debt to its bank. The guarantee is limited to DKK 4.406 thousand.

8. Related parties with controlling interest

Christian Georg Peter Moltke owns all shares in the Company and with it exercises control.

Accounting policies

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

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

Changes in accounting policies
The Entity has decided to change its accounting policy related to the measurement of properties. Previosly, 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 where 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 Groups financial position.

The Group:

Comparative figures have been corrected as follows: Equity has been increased by DKK 536.153k, profit before tax has been increased by DKK 5.631k, profit after tax has been increased by DKK 4.183k, land and buildings have been increased by DKK 222.159k, investment properties have been increased by DKK 341.149k, deferred tax asset has been decreased by DKK 23.608k (and is now a deferred tax liability) and inventories have been decreased by DKK 3.548k.

Current year figures have been corrected as follows: Equity has been increased by DKK 547.932k, profit before tax has been increased by DKK 469k, profit after tax has been decreased by DKK 54k, land and buildings have been increased by DKK 227.188k, investment properties have been increased by DKK 358.763k and deferred tax asset has been decreased by DKK 23.453k.

The Parent:

Comparative figures have been corrected as follows: Equity has been increased by DKK 5.270k, profit has been increased by DKK 42k and investments in group enterprises have been increased by DKK 5.270k.

There have not been any change to the current year figures for the Parent.

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

Accounting policies

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.

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

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

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

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

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

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Accounting policies

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of manufactured goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

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

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

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

Depreciation, amortisation and impairment losses

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

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.

Income from investments in associates

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

Accounting policies

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income
Other financial income comprises interest income, 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.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, 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 Parent is jointly taxed with all Danish subsidiaries. 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
Goodwill
Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The useful lives have been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at ten years. Useful lives are reassessed annually.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise

Accounting policies

can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

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.

Land and buildings measured at fair value through equity, are subsequently measured at cost plus fair value adjustments.

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

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

Buildings	25-50 years
Other fixtures and fittings, tools and equipment	3-10 years

Estimated useful lives and residual values are reassessed annually.

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

Fair value is indiciative of the value of the property in a sale between two well-informed parties on independent terms at the balance sheet date. The estimation of fair value is based on a number of material accounting estimates.

The estimates applied are based on information and preconditions, which management considers reasonable, but are naturally uncertain and unpredictable. Actual event and conditions will likely differ from those assumed in the calculation, as preconsidered events rarely happen as expected. These deviations can be material. See note 9 for further information on the preconditions applied.

Accounting policies

Investment properties

Investment properties comprises investments in land and building under the purpose of achieving a return on the invested capital in the form of continual operating return or gain on sale.

Investment properties are intially recognized at cost including the cost of acquisition as well as acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value. Changes in fair value are recognized in the income statement.

It is managements assessment, that there have not been any difficulties in classifying investment properties as investment properties.

Fair value is indiciative of the value of the property in a sale between two well-informed parties on independent terms at the balance sheet date. The estimation of fair value is based on a number of material accounting estimates.

The estimates applied are based on information and preconditions, which management considers reasonable, but are naturally uncertain and unpredictable. Actual event and conditions will likely differ from those assumed in the calculation, as preconsidered events rarely happen as expected. These deviations can be material. See note 10 for further information on the preconditions applied.

DCF-Model:

Investment properties are measured property by property. Some of the Group's investment properties are measured using a DCF-model (Discounted Cash Flow-model) where future cash flows are discounted to present value. The discount-factor is determined property by property.

Comparable transactions:

If the DCF-model has not been applied, the measurement of fair value is based on an external valuation report. The valuation report is based on sales of land of comparable soil-qualities in the public soil-register. If there are no 100 % comparable sales, the valuar makes a surcharge of deduction based on professional judgment.

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

Accounting policies

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 associates
In the consolidated financial statements and the parent financial statements, 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 enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

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 or the consolidated enterprises have a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will become relevant, a provision is recognised that is measured at present value of the costs necessary to settle the obligation.

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 investments measured at the lower of cost and net realisable value.

Inventories
Raw materials and manufactured goods and goods for resale

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

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

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

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Work in progress

Work in progress includes biological assets which comprises pigs in breeding presented as inventory – work in progress, which are measured at fair value. Management considers the market for the sale of pigs, which have not yet received optimal weight for slaughter as not efficient. Based on this, the calculation of fair value is based on the sales price per kilo at expected weight of slaughter. The meat-growth is expected to be linear during the breeding time.

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 the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

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

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

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.

Operating leases

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

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Accounting policies

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

Deferred income
Deferred income relates to grants received in connection with the construction and acquisition of property, plant and equipment which are recognised as income when the assets in question are depreciated. Deferred income is measured at cost.

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

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

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

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

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.