

Ingleby Denmark 2 A/S

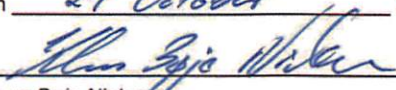
Slotsgade 1A, 4600 Køge

CVR no. 30 60 00 45

Annual report 2016/17

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

On 24 October 2017


Klaus Bøje Nielsen

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ingleby Denmark 2 A/S for the financial year 1 July 2016 – 30 June 2017.

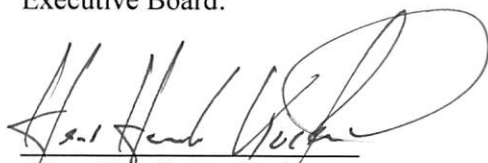
The annual report has been prepared in accordance with the Danish Financial Statements Act.

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

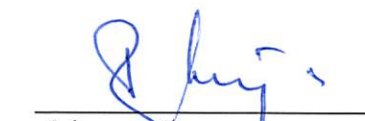
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Køge, 24 October 2017
Executive Board:


Hans Henrik Koefoed

Board of Directors:


Johannes Burger
Chairman
Hans Henrik Koefoed
Klaus Bøje Nielsen

Independent auditor's report

To the shareholders of Ingleby Denmark 2 A/S

Opinion

We have audited the financial statements of Ingleby Denmark 2 A/S for the financial year 1 July 2016 – 30 June 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditors' report

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

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

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish

Independent auditors' report


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

Odense, 24 October 2017

Ernst & Young

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28


Lars Koch-Pedersen
State Authorised
Public Accountant

Management's review

Company details

Ingleby Denmark 2 A/S
Slotsgade 1A
Vallø
4600 Køge

Telephone: +45 55 31 35 60

Registration No.: 30 60 00 45

Established: 1 June 2007

Registered office: Stevns

Financial year: 1 July - 30 June

Board of Directors

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

Executive Board

Hans Henrik Koefoed

Auditors

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

Annual general meeting

The annual general meeting is to be held on 24 October 2017 at the company's address.

Management's review

Operating review

Principal activities of the Company

The Company's principal activities consist of being a holding company for investments in agricultural companies including foreign agricultural companies and sale of management services to agricultural companies and other related business.

Development in activities and financial position

The result for the year 2016/17 shows a gain in the amount of USD 898 thousand against a loss in the amount of USD 1,488 thousand in 2015/16.

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

During the financial year, the company continued investing in Romanian and Perurian activities. The increased investments were financed by means of capital increases.

Post balance sheet events

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

Expectations

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

Regarding the financial year 2017/18 the Company's management expects a result between USD -2,000,000 and USD 2,000,000, which is on level with 2016/17.

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

Accounting policies

The annual report of Ingleby Denmark 2 A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Reporting currency

The financial statements are presented in USD, as the entity's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.5160 (2015/16: 6.7066).

Foreign currency translation

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

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

Income statement

Gross loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Other external expenses' are consolidated into one item designated 'Gross loss'.

Other external costs

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to administration etc.

Financial income and expenses

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

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

Tax on profit/loss

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

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

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

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

Balance sheet

Investments in subsidiaries

Income statement

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

Balance sheet

Investments in subsidiaries are measured according to the equity method.

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

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

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Ingleby Denmark 2 A/S are not recognised in the reserve for net revaluation.

Receivables

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

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

Equity – dividends

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

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

The reserve cannot be recognised at a negative amount.

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Liabilities other than provisions

Financial liabilities are measured at amortised cost.

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

Income statement

| USD | Note | 2016/17 | 2015/16 |
|--|------|----------------|-------------------|
| Gross loss | | -20,226 | -18,229 |
| Income from investments in group enterprises | | 673,995 | -1,474,007 |
| Financial income | 1 | 252,098 | 6,505 |
| Financial expenses | 2 | -7,705 | -3,667 |
| Loss from before tax | | 898,162 | -1,489,398 |
| Tax on loss from ordinary activities | 3 | 0 | 1,676 |
| Loss for the year | | <u>898,162</u> | <u>-1,487,722</u> |

Distribution of loss

| USD | 2016/17 | 2015/16 |
|-------------------|----------------|-------------------|
| Retained earnings | 898,162 | -1,487,722 |
| | <u>898,162</u> | <u>-1,487,722</u> |

Balance sheet

| USD | Note | 2016/17 | 2015/16 |
|-----------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments | | | |
| Investments in subsidiaries | 4 | 108,403,922 | 105,085,535 |
| Total non-current assets | | 108,403,922 | 105,085,535 |
| Current assets | | | |
| Receivables | | | |
| Amounts owed by group enterprises | | 5,070,340 | 0 |
| Corporation tax | | 1,725 | 1,676 |
| Other receivables | | 0 | 560 |
| | | 5,072,065 | 2,236 |
| Cash at bank and in hand | | 71,794 | 238,251 |
| Total current assets | | 5,143,859 | 240,487 |
| TOTAL ASSETS | | 113,547,781 | 105,326,022 |

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

Balance sheet

| USD | Note | 2016/17 | 2015/16 |
|--|------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | 5 | | |
| Share capital | | 88,551 | 84,544 |
| Retained earnings | | 113,438,735 | 105,230,038 |
| Total equity | | 113,527,286 | 105,314,582 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 4,074 | 3,075 |
| Amounts owed to group enterprises | | 13,812 | 3,146 |
| Other payables | | 2,609 | 5,219 |
| | | 20,495 | 11,440 |
| TOTAL EQUITY AND LIABILITIES | | 113,547,781 | 105,326,022 |
| Contractual obligations and contingencies, etc. | 6 | | |
| Mortgages and collateral | 7 | | |
| Related party disclosure | 8 | | |

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

Notes to the financial statements

| USD | 2016/17 | 2015/16 |
|---|----------------|---------------|
| 1 Financial income | | |
| Interest income, subsidiaries | 113 | 1,907 |
| Foreign exchange gains | 251,985 | 4,598 |
| | <u>252,098</u> | <u>6,505</u> |
| 2 Financial expenses | | |
| Foreign exchange losses | 6,362 | 1,808 |
| Other interest expense | 1,343 | 1,859 |
| | <u>7,705</u> | <u>3,667</u> |
| 3 Tax on loss from ordinary activities | | |
| Specified as follows: | | |
| Current tax for the year | 0 | -1,676 |
| Adjustment of deferred tax | 0 | 0 |
| | <u>0</u> | <u>-1,676</u> |

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

Notes to the financial statements

USD

| | 2016/17 | 2015/16 |
|--|--------------------|--------------------|
| 4 Investments in subsidiaries | | |
| Cost at 1 July | 129,571,802 | 118,307,665 |
| Additions during the year | 8,528,209 | 11,264,137 |
| Disposals | -8,071,420 | 0 |
| Disposals (share premium repaid) | 0 | 0 |
| Cost at 30 June | 130,028,591 | 129,571,802 |
| Value adjustments at 1 July | -24,486,267 | -22,416,459 |
| Foreign exchange adjustments | 2,187,603 | -535,801 |
| Profit/Loss for the year | 673,995 | -1,474,007 |
| Capital transactions in subsidiaries | 0 | -60,000 |
| Equity method adjustment related to purchase of shares in subsidiaries | 0 | 0 |
| Value adjustments at 30 June | -21,624,669 | -24,486,267 |
| Carrying amount at 30 June | 108,403,922 | 105,085,535 |

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

Balance sheet

| Name | Registered office | Direct ownership | Direct & indirect ownership |
|------------------------------|--------------------------|-------------------------|--|
| Administration Agricola S.A. | Argentina | 30 % | 30 % |
| Campo El Tigre S.A. | Argentina | 30 % | 30 % |
| Campo D'Oro S.R.L | Romania | 0 % | 25 % |
| Oculul Silvic | Romania | 0 % | 25 % |
| Cinque Stelle Venete S.R.L | Romania | 25 % | 44 % |
| Green Gate S.R.L | Romania | 25 % | 44 % |
| Ingleby Romania S.R.L | Romania | 25 % | 25 % |
| Ingleby Peru Holding S.A.C. | Peru | 25 % | 25 % |
| Plantaciones del Sol S.A.C. | Peru | 0 % | 25 % |
| Ingleby Uruguay SRL | Uruguay | 20 % | 20 % |
| ME Holding 1 S.A. | Uruguay | 0 % | 20 % |
| Maria Elena Holding 2 S.A. | Uruguay | 0 % | 20 % |
| Maria Elena S.R.L. | Uruguay | 0 % | 20 % |
| CA3 Holding S.A. | Uruguay | 0 % | 20 % |
| CAH 4 S.A. | Uruguay | 0 % | 20 % |
| Chamizal S.R.L. | Uruguay | 0 % | 20 % |

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

Notes to the financial statements

5 Equity

| USD | Share capital | Retained earnings | Total |
|---|---------------|--------------------|--------------------|
| Equity at 1 July | 84,544 | 105,230,038 | 105,314,582 |
| Capital increase | 1,459 | 6,723,541 | 6,725,000 |
| Foreign currency translation adjustments | 2,548 | 586,994 | 589,542 |
| Retained earnings, cf. profit appropriation | 0 | 898,162 | 898,162 |
| Capital transactions in subsidiaries | 0 | 0 | 0 |
| Equity at 30 June | 88,551 | 113,438,735 | 113,527,286 |

The share capital consists of 5,670 shares of nominal DKK 100 each. No shares have been ascribed special rights.

The recent 5-year changes of the share capital specified as follows:

| USD | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|--|---------|---------|---------|---------|---------|
| Share capital 1 July | 84,544 | 83,194 | 100,088 | 92,713 | 90,130 |
| Capital increase | 1,459 | 1,493 | 1,792 | 2,387 | 697 |
| Foreign currency translation adjustments | 2,548 | -143 | -18,686 | 4,988 | 1,886 |
| Share capital 30 June | 88,551 | 84,544 | 83,194 | 100,088 | 92,713 |
| Exchange rate DKK/USD | 6,5160 | 6.7066 | 6.6953 | 5.4452 | 5.7382 |

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

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

Notes to the financial statements

6 Contractual liabilities and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with Ingleby Farms & Forests ApS and Ingleby Denmark 1 A/S.

The companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties amounting to USD 0.

7 Mortgages and collateral

None.

8 Related parties

Ownership

The Company is 100 % owned by Ingleby Farms & Forests ApS, Køge.

The ultimate shareholder is The Ingleby Trust, att.

Dr. Johannes Burger, Rötibergstrasse 2, CH- 9442 Berneck Switzerland

Dr. Markus Summer, Stelzagass 17, LI - 9487 Gamprin Principality of Liechtenstein

Geoffrey Richards, Landstrasse 33, 9491 Ruggell Principality of Liechtenstein

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