

Aviagen ApS

Klostergade 13, 6622 Bække

Annual report

1 July 2018 - 30 June 2019

Company reg. no. 31 58 20 91

The annual report was submitted and approved by the general meeting on the 28 November 2019.

Mr Patrick Germain Emiel Claeys
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

The executive board has today presented the annual report of Aviagen ApS for the financial year 1 July 2018 to 30 June 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2019 and of the company's results of its activities and cash flows in the financial year 1 July 2018 to 30 June 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Baekke, 28 November 2019

Executive board

Mr Christopher Hill

Mr Patrick Germain Emiel Claeys Mr Patrick Marie-Louise Henri
Cornelius Cos

Independent auditor's report

To the shareholder of Aviagen ApS

Opinion

We have audited the annual accounts of Aviagen ApS for the financial year 1 July 2018 to 30 June 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2019 and of the results of the company's operations and cash flows for the financial year 1 July 2018 to 30 June 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Aarhus V, 28 November 2019

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Michael Emanuel Rasmussen
State Authorised Public Accountant
mne41364

Company data

The company

Aviagen ApS
Klostergade 13
6622 Bække

Company reg. no. 31 58 20 91
Established: 23 May 2008
Domicile: Vejen, Denmark
Financial year: 1 July - 30 June
11th financial year

Executive board

Mr Christopher Hill
Mr Patrick Germain Emiel Claeys
Mr Patrick Marie-Louise Henri Cornelius Cos

Auditors

KPMG Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V

Parent company

Aviagen EPI NV, Belgien

Financial highlights

EUR in thousands.

	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
Profit and loss account:					
Gross profit	5.815	4.319	4.214	5.223	4.047
Results from operating activities	4.390	3.001	2.918	3.816	2.698
Net financials	-42	-34	-108	6	69
Results for the year	3.391	2.314	2.190	2.980	2.116
Balance sheet:					
Balance sheet sum	7.921	6.467	7.190	11.173	8.124
Investments in tangible fixed assets represent	0	0	19	0	0
Equity	2.668	2.277	2.464	3.273	6.293
Cash flow:					
Operating activities	2.564	2.447	2.303	6.386	1.171
Investment activities	0	0	-19	0	0
Financing activities	-3.000	-2.500	-3.000	-6.000	0
Employees:					
Average number of full time employees	26	26	27	27	25
Key figures in %:					
Acid test ratio	160,7	159,7	151,7	141,4	443,7
Solvency ratio	33,7	35,2	34,3	29,3	77,5
Return on equity	137,1	97,6	76,3	62,3	40,4

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

The key figures appearing from the survey have been calculated as follows:

Acid test ratio

$$\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$$

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Return on equity

$$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$$

Management's review

The principal activities of the enterprise

The main activity of the company is the operation of a hatchery. The total sales of the company and the majority of its purchase takes place with consolidated companies.

Development in activities and financial matters

The gross profit for the year is EUR 5.814.523 against EUR 4.319.098 last year. The results from ordinary activities after tax are EUR 3.391.045 against EUR 2.313.613 last year. The management consider the results satisfactory and in line with the expectations for 2018/19.

Special risks

Exchange rate risks

The vast majority of the company's transactions take place in Euro, and consequently, it is estimated that no currency risk exists.

Other risks

There is some risk that the company's livestock may be struck by diseases. The company has, however, established very strict procedures and made considerable investments with the purpose of reducing this risk to an absolute minimum.

Environmental issues

The company seeks to limit the environmental impact as much as possible, for instance by exploiting by-products to a great extent, and additionally, current investments are made in order to limit possible undesirable emissions etc.

The expected development

Without unforeseen circumstances, the company expects the result of 2019/20 to be on the same level.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, that have material impact on the annual report of the company.

Accounting policies used

The annual report for Aviagen ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

There have been made small changes in the comparative figures. Apart from that, the accounting policies used are unchanged compared to last year. The annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies used

The profit and loss account

Gross profit

According to § 32 in the Danish Financial Statements Act, the gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, administration, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation and writedown

Depreciation and writedown comprise depreciation on and writedown relating to tangible fixed assets.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the income statement with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies used

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of expected residual value.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Production plant and machinery	5-10 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Accounting policies used

The cost of fodder includes the acquisition cost with the addition of delivery costs.

The cost of livestock includes the direct and indirect costs, including the acquisition of livestock, fodder, medicine, veterinary control visits, etc, however, adjusted with the individual livestock's expected remaining production capacity.

The cost of eggs comprises the cost for raw materials, consumables, direct wages, and indirect production costs.

Indirect production costs comprise indirect materials and wages and the maintenance of and depreciation on machinery, factory buildings, and equipment applied during the production process. Furthermore, indirect production costs comprise the costs for factory administration and management, and the capitalised development costs concerning the products.

The net realisable value for inventories is recognised as the market price with the deduction of completion costs and selling costs, and it is determined by taking marketability, obsolescence, and the development in the expected market price into consideration.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Deferred expenses

Deferred expenses recognised under assets comprise incurred costs concerning subsequent years.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Aviagen ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Aviagen ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, claims raised against the company, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

Liabilities

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

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 July - 30 June

All amounts in EUR.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Gross profit	5.814.523	4.319.098
1 Staff costs	-1.241.257	-1.265.244
Depreciation and writedown relating to tangible fixed assets	-3.147	-3.147
Other operating costs	<u>-180.000</u>	<u>-50.000</u>
Operating profit	4.390.119	3.000.707
2 Other financial costs	<u>-41.758</u>	<u>-33.601</u>
Results before tax	4.348.361	2.967.106
Tax on ordinary results	<u>-957.316</u>	<u>-653.493</u>
3 Results for the year	<u>3.391.045</u>	<u>2.313.613</u>

Balance sheet 30 June

All amounts in EUR.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
4 Production plant and machinery	11.677	14.824
Tangible fixed assets in total	<u>11.677</u>	<u>14.824</u>
Fixed assets in total	<u>11.677</u>	<u>14.824</u>
Current assets		
Livestock with contracting breeders	2.515.213	2.303.574
Stocks of fodder	22.263	20.728
Eggs	<u>1.071.695</u>	<u>1.010.026</u>
Inventories in total	<u>3.609.171</u>	<u>3.334.328</u>
Trade debtors	1.262	6.059
Amounts owed by group enterprises	3.425.825	1.820.422
5 Deferred tax assets	76.367	36.929
Other debtors	134.167	133.588
6 Deferred expenses	<u>14.615</u>	<u>12.482</u>
Debtors in total	<u>3.652.236</u>	<u>2.009.480</u>
Available funds	<u>647.634</u>	<u>1.108.866</u>
Current assets in total	<u>7.909.041</u>	<u>6.452.674</u>
Assets in total	<u>7.920.718</u>	<u>6.467.498</u>

Balance sheet 30 June

All amounts in EUR.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
	Contributed capital	16.715	16.715
	Results brought forward	<u>2.651.538</u>	<u>2.260.493</u>
	Equity in total	<u>2.668.253</u>	<u>2.277.208</u>
 Provisions			
7	Other provisions	<u>330.000</u>	<u>150.000</u>
	Provisions in total	<u>330.000</u>	<u>150.000</u>
 Liabilities			
	Trade creditors	398.814	381.410
	Debt to group enterprises	3.629.589	3.040.175
	Corporate tax	824.391	545.479
8	Other debts	<u>69.671</u>	<u>73.226</u>
	Short-term liabilities in total	<u>4.922.465</u>	<u>4.040.290</u>
	Liabilities in total	<u>4.922.465</u>	<u>4.040.290</u>
	Equity and liabilities in total	<u>7.920.718</u>	<u>6.467.498</u>

9 Contingencies

10 Related parties

Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>In total</u>
Equity 1 July 2017	16.715	2.446.880	2.463.595
Profit or loss for the year brought forward	0	-186.387	-186.387
Extraordinary dividend adopted during the financial year	0	2.500.000	2.500.000
Distributed extraordinary dividend adopted during the financial year.	0	-2.500.000	-2.500.000
Equity 1 July 2018	16.715	2.260.493	2.277.208
Profit or loss for the year brought forward	0	391.045	391.045
Extraordinary dividend adopted during the financial year	0	3.000.000	3.000.000
Distributed extraordinary dividend adopted during the financial year.	0	-3.000.000	-3.000.000
	16.715	2.651.538	2.668.253

Cash flow statement 1 July - 30 June

All amounts in EUR.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Results for the year	3.391.045	2.313.613
11 Adjustments	1.182.221	840.241
12 Change in working capital	<u>-1.274.898</u>	<u>-10.770</u>
Cash flow from operating activities before net financials	3.298.368	3.143.084
Interest paid and similar amounts	<u>-16.110</u>	<u>-32.003</u>
Cash flow from ordinary activities	3.282.258	3.111.081
Corporate tax paid	<u>-717.842</u>	<u>-664.096</u>
Cash flow from operating activities	<u>2.564.416</u>	<u>2.446.985</u>
Dividend paid	<u>-3.000.000</u>	<u>-2.500.000</u>
Cash flow from financing activities	<u>-3.000.000</u>	<u>-2.500.000</u>
Changes in available funds	-435.584	-53.015
Available funds opening balance	1.108.866	1.163.479
Exchange rate adjustments (available funds)	<u>-25.648</u>	<u>-1.598</u>
Available funds closing balance	<u>647.634</u>	<u>1.108.866</u>
 Available funds		
Available funds	<u>647.634</u>	<u>1.108.866</u>
Available funds closing balance	<u>647.634</u>	<u>1.108.866</u>

Notes

All amounts in EUR.

	<u>2018/19</u>	<u>2017/18</u>
1. Staff costs		
Wages and salaries	1.161.742	1.173.496
Pensions	13.052	12.212
Other social security costs	66.463	79.536
	<u>1.241.257</u>	<u>1.265.244</u>
Executive board	<u>0</u>	<u>0</u>
Average number of employees	<u>26</u>	<u>26</u>
2. Other financial costs		
Financial costs, group enterprises	16.110	31.549
Other financial costs	25.648	2.052
	<u>41.758</u>	<u>33.601</u>
3. Proposed distribution of the results		
Extraordinary dividend adopted during the financial year	3.000.000	2.500.000
Allocated to results brought forward	391.045	0
Allocated from results brought forward	0	-186.387
Distribution in total	<u>3.391.045</u>	<u>2.313.613</u>
4. Production plant and machinery		
Cost opening balance	<u>44.439</u>	<u>44.439</u>
Cost closing balance	<u>44.439</u>	<u>44.439</u>
Depreciation and writedown opening balance	-29.615	-26.468
Depreciation and writedown for the year	-3.147	-3.147
Depreciation and writedown closing balance	<u>-32.762</u>	<u>-29.615</u>
Book value closing balance	<u>11.677</u>	<u>14.824</u>

Notes

All amounts in EUR.

	<u>30/6 2019</u>	<u>30/6 2018</u>
5. Deferred tax assets		
Deferred tax assets opening balance	36.929	4.286
Deferred tax of the results for the year	39.438	32.643
	<u>76.367</u>	<u>36.929</u>
The following items are subject to deferred tax:		
Tangible fixed assets	3.767	3.929
Provisions	72.600	33.000
	<u>76.367</u>	<u>36.929</u>
The company has recognized a deferred tax asset. The management of the company expects continuing positive results for the upcoming years which means that the future economic benefits of the asset are expected to flow to the company.		
6. Deferred expenses		
Prepaid insurance	6.441	6.186
Other prepayments	8.174	6.296
	<u>14.615</u>	<u>12.482</u>
7. Other provisions		
Other provisions opening balance	150.000	0
Change of the year in other provisions	180.000	150.000
	<u>330.000</u>	<u>150.000</u>
8. Other debts		
Withheld tax and labour market contributions	2.602	0
The Danish Labour Market Supplementary Pension Scheme and other social con	9.981	11.461
Salaries, wages and bonus	19.632	25.227
Holiday pay	16.756	15.838
Holiday pay obligation, salaried staff	20.700	20.700
	<u>69.671</u>	<u>73.226</u>

Notes

All amounts in EUR.

9. Contingencies

Contingent liabilities

The company has assumed a rent liability that is 100% variable in relation to the production, and consequently, this liability can not be determined. In 2018/19, the rent was EUR 208 thousand. In the financial year 2019/20 the rent is expected to remain at the same level.

Operational leasing

The company has entered into operational leasing contracts with reamaining terms of up till 11 months and with a total leasing payment of EUR 748 thousand.

Joint taxation

The company is the administration company of the group of companies and branches subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies and branches for any obligation to withhold tax on interest, royalties and dividend.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of EUR 824 thousand at June 2019.

The liability relating to obligations in connection with withholding tax on dividend, interest and royalties represents an estimated maximum of EUR 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Notes

All amounts in EUR.

10. Related parties

Controlling interest

Aviagen EPI NV

Majority shareholder

Nazarethsesteenweg 83

Deinze

Belgium

Other related parties

Aviagen International Finance Ltd.

Consolidated financial statements, in which the accounts of Aviagen ApS are recognised. Aviagen International Finance Ltd. which is the smallest group in which the company is included as a subsidiary. The consolidated financial statements of Aviagen International Finance Ltd. can be obtained by contacting the Company.

Stratford Hatchery Alscott Industri Estate

Atherstone On Stour

CV37 8BH Stratford-Upon-Avon

Warwickshire

United Kingdom

Related party transactions

EUR thousand

	<u>2018/19</u>
Sale of goods to an associate	25.513
Purchase of goods from an associate	10.231
Rent	208
Consultancy fees	72

Notes

All amounts in EUR.

	<u>2018/19</u>	<u>2017/18</u>
11. Adjustments		
Depreciation and amortisation	3.147	3.147
Other financial costs	41.758	33.601
Tax on ordinary results	957.316	653.493
Other provisions	180.000	150.000
	<u>1.182.221</u>	<u>840.241</u>
12. Change in working capital		
Change in inventories	-274.843	221.503
Change in debtors	-1.603.318	475.580
Change in trade creditors and other liabilities	603.263	-707.853
	<u>-1.274.898</u>	<u>-10.770</u>